

Consolidated Financial Result of FY2021

February 2022

SIIX Corporation



- **Consolidated Financial Result of FY2021**
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Consolidated Financial Result of FY2021



• Profit and Loss

	FY2020		FY2021		FY2020 vs. FY2021		Impact of change in FX	FY2020 vs. FY2021, net	
	(JPY in millions)	amount	%	amount	%	diff.		diff.(net)	%
Sales		181,598	100.0	226,833	100.0	45,234	24.9	8,619	36,615 20.2
Gross Profit		16,150	8.9	20,120	8.9	3,970	24.6		
SGA		11,697	6.4	15,165	6.7	3,468	29.7		
Operating Income		4,452	2.5	4,954	2.2	502	11.3	100	401 9.0
Ordinary Income		4,444	2.4	5,934	2.6	1,490	33.5		
Extraordinary Income & Loss		(1,680)	(0.9)	0	0.0	1,681	-		
Corporate tax		1,032	0.6	1,364	0.6	331	32.1		
Profit attributable to owners of parent		1,724	0.9	4,561	2.0	2,837	164.6		

Exchange rate

	FY2020	FY2021
USD	106.79	109.95
EUR	121.82	129.94
HKD	13.77	14.15
THB	3.42	3.44
RMB	15.48	17.04

• Scope of Consolidation

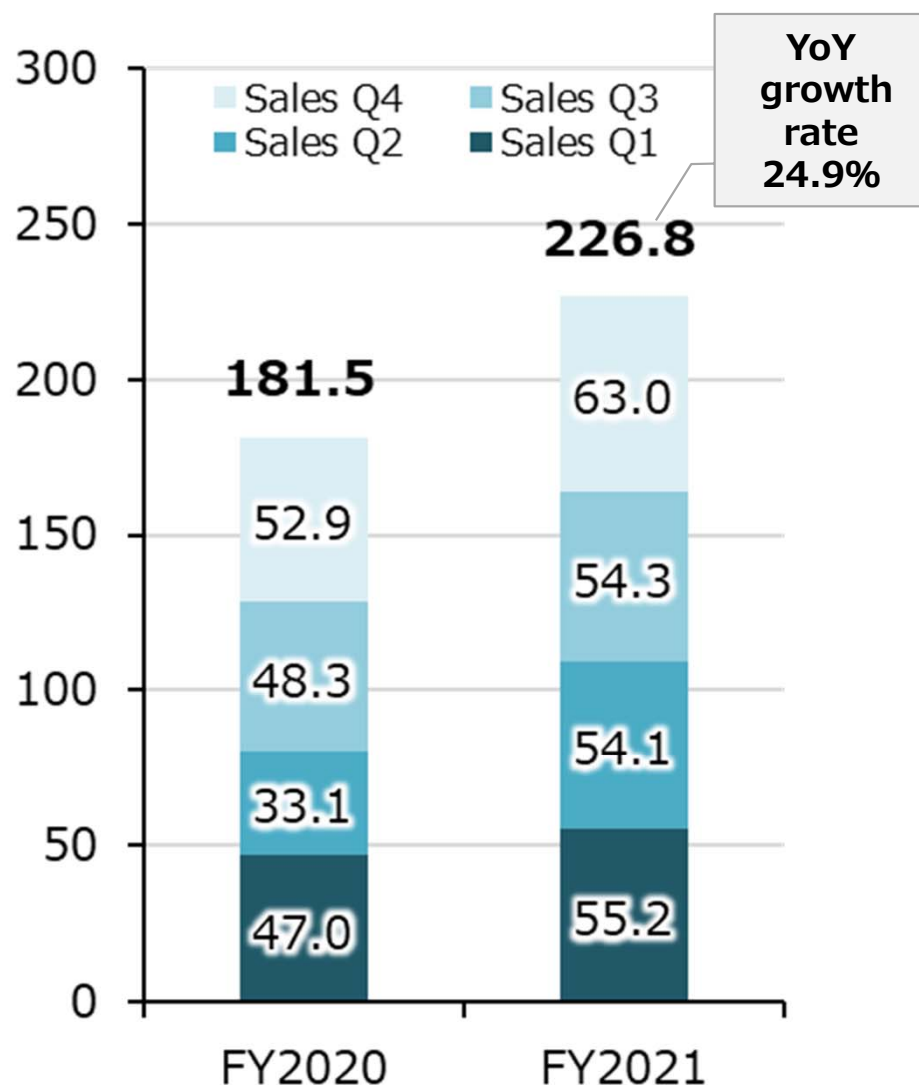
	End of FY2020	Changes		End of FY2021
		Increase	Decrease	
Consolidated Subsidiary	22	1	1	22
Equity Method Affiliate	2	-	-	2

*Increase: PT SIIX Trading Indonesia, a sales subsidiary in Indonesia, was newly consolidated.

Decrease: In January 2021, SIIX Bangkok Co., Ltd., Thai sales subsidiary, was transferred its business to SIIX EMS (THAILAND) CO., LTD. (currently Thai SIIX Co., Ltd.).

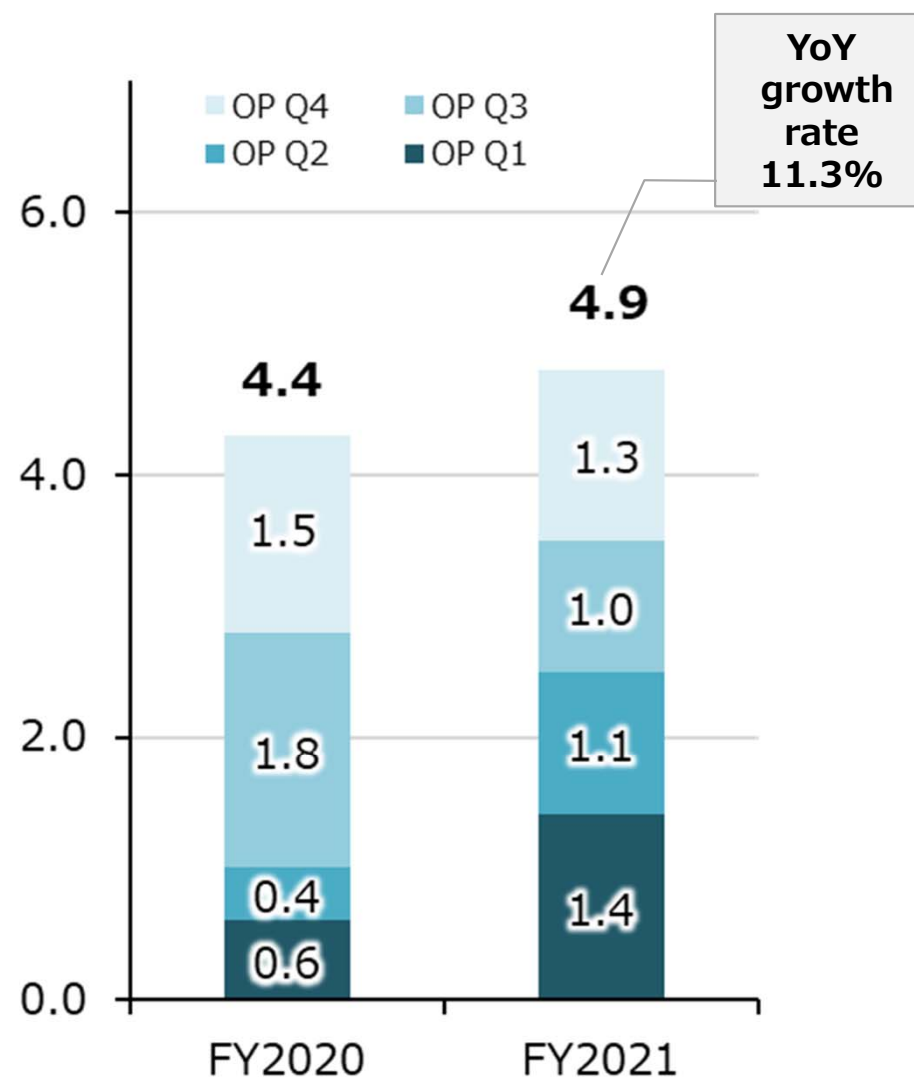
Consolidated Financial Result of FY2021

- Sales



- Operating Profit

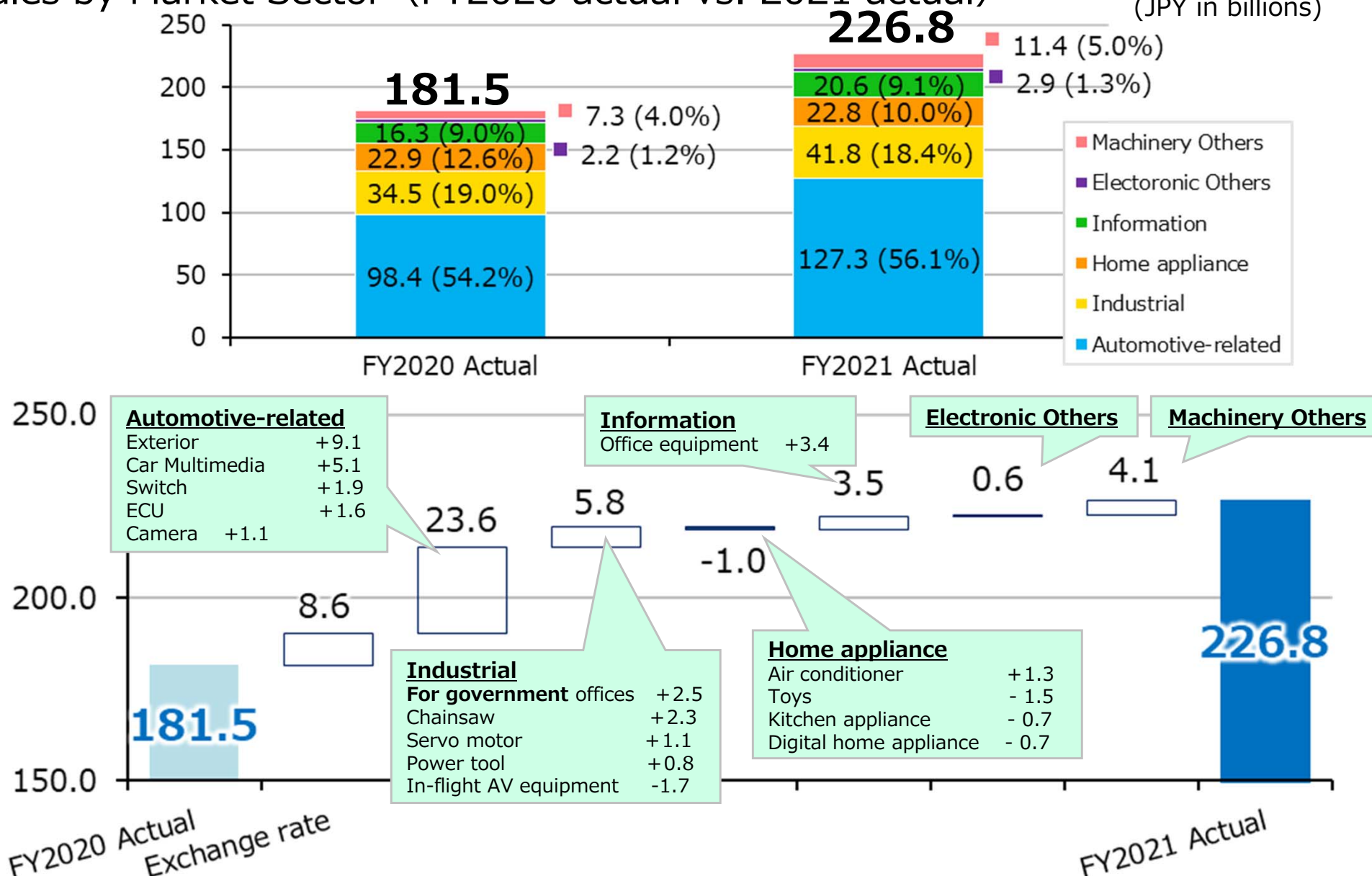
(JPY in billions)



Consolidated Financial Result of FY2021

• Sales by Market Sector (FY2020 actual vs. 2021 actual)

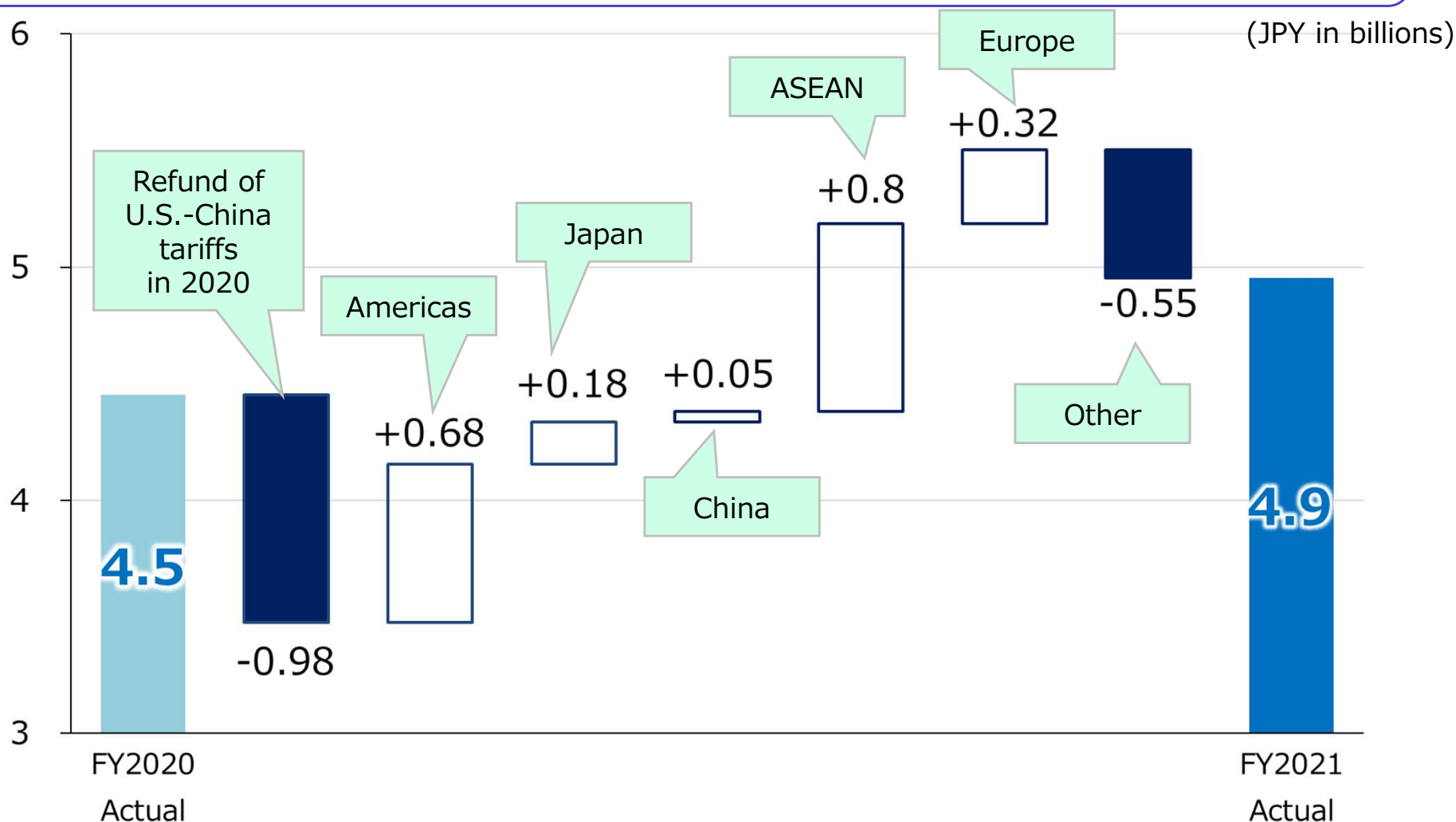
(JPY in billions)



Consolidated Financial Result of FY2021

- Consolidated Operating Profit (FY2020 vs. FY2021)

- In ASEAN, both sales and profit increased owing to new projects for IoT equipment and Strong Automotive Business
- In Americas, production in Mexico increased, but logistics costs reduced profits.



Consolidated Financial Result of FY2021



- SGA

	FY2020		FY2021		Changes	
(JPY in millions)	amount	%	amount	%	amount	%
Personnel expenses	6,113	3.4	6,792	3.0	679	11.1
Traveling and communication expenses	218	0.1	212	0.1	(5)	(2.7)
Freightage and packing expenses	1,082	0.6	3,332	1.5	2,250	207.9
Commission fee	787	0.4	783	0.3	(3)	(0.5)
Rent expenses on real estates	408	0.2	233	0.1	(174)	(42.8)
Depreciation	1,016	0.6	1,121	0.5	105	10.4
Other expense	2,071	1.1	2,689	1.2	618	29.8
Total	11,697	6.4	15,165	6.7	3,468	29.7

Consolidated Financial Result of FY2021



- Non-Operating Profit and Loss

	FY2020	FY2021
(JPY in millions)		
Interest income	142	26
Dividends income	49	191
Foreign exchange gains	-	286
Subsidy income	221	201
Gain on sales of goods	205	328
Gain on sales of scraps	167	172
Other	254	373
Non-operating income	1,041	1,579
Interest expenses	373	284
Share of loss of entities accounted for using equity method	63	33
Foreign exchange losses	25	-
Purchase of goods	153	148
Other	433	133
Non-operating loss	1,049	599
Non-operating income/loss	(8)	979

Consolidated Financial Result of FY2021



- Balance Sheet

(JPY in millions)	End of FY2020	End of FY2021	Changes (FY2020 vs. FY2021)	
			amount	%
Current assets	104,254	122,797	18,542	17.8
Notes and accounts receivable-trade	37,057	47,278	10,220	27.6
Inventories	36,532	58,240	21,708	59.4
Noncurrent assets	40,181	47,123	6,942	17.3
Total asset	144,436	169,921	25,484	17.6
Current liabilities	59,855	79,833	19,977	33.4
Accounts payable-trade	27,481	37,298	9,816	35.7
Short-term loans payable	23,810	31,561	7,750	32.5
Current portion of bonds payable	-	-	-	-
Noncurrent liabilities	28,082	23,718	(4,364)	(15.5)
Bonds payable	10,000	10,000	-	-
Long-term loans payable	12,061	8,446	(3,614)	(30.0)
Total liability	87,937	103,551	15,613	17.8
Net assets	56,498	66,369	9,870	17.5
Minority interests	354	412	57	16.3
New assets and liability	144,436	169,921	25,484	17.6

Consolidated Financial Result of FY2021



• Cash Flow

(JPY in millions)	FY2017	FY2018	FY2019	FY2020	FY2021
Net cash from operating activities	4,536	966	8,945	13,280	(8,106)
Net cash from investing activities	(9,211)	(6,515)	(9,602)	(6,034)	(7,765)
Net cash from financing activities	6,410	7,991	2,923	1,291	869
Cash and cash equivalents	10,574	12,813	15,035	22,968	9,315
Debt to annual cash flow ratio (years)	3.4	27.2	4.0	3.2	—
Interest coverage ratio (X)	20.1	3.2	18.3	34.9	—

Consolidated Financial Forecast of FY2022

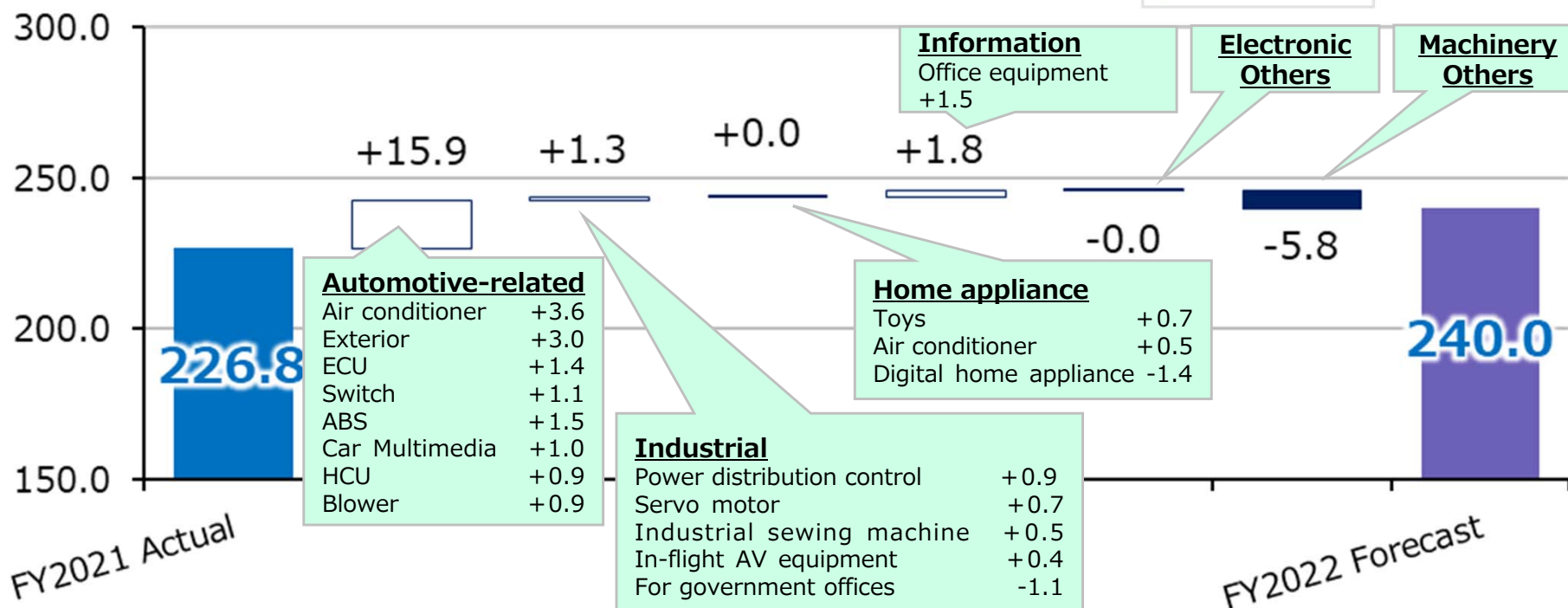
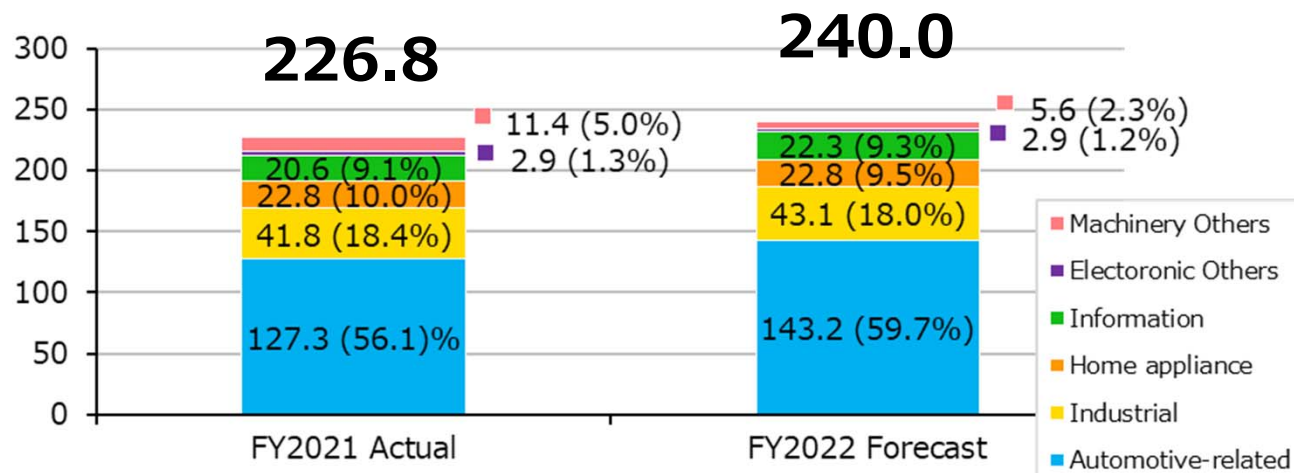


- Consolidated Financial Forecast of FY2022

(JPY in millions)	FY 2020		FY 2021		FY 2022		FY2021 vs. FY 2022	
	Actual	%	Actual		Forecast		diff.	%
Sales	181,598		226,833		240,000		13,166	5.8
Operating income	4,452	2.5	4,954	2.2	8,000	3.3	3,045	61.5
Ordinary income	4,444	2.4	5,934	2.6	8,000	3.3	2,065	34.8
Profit attributable to owners of parent	1,724	0.9	4,561	2.0	6,000	2.5	1,438	31.5
Net income per share (JPY)	36.48		96.53		126.95		30.42	31.5
Exchange rate (USD)	106.79		109.95		112.00			

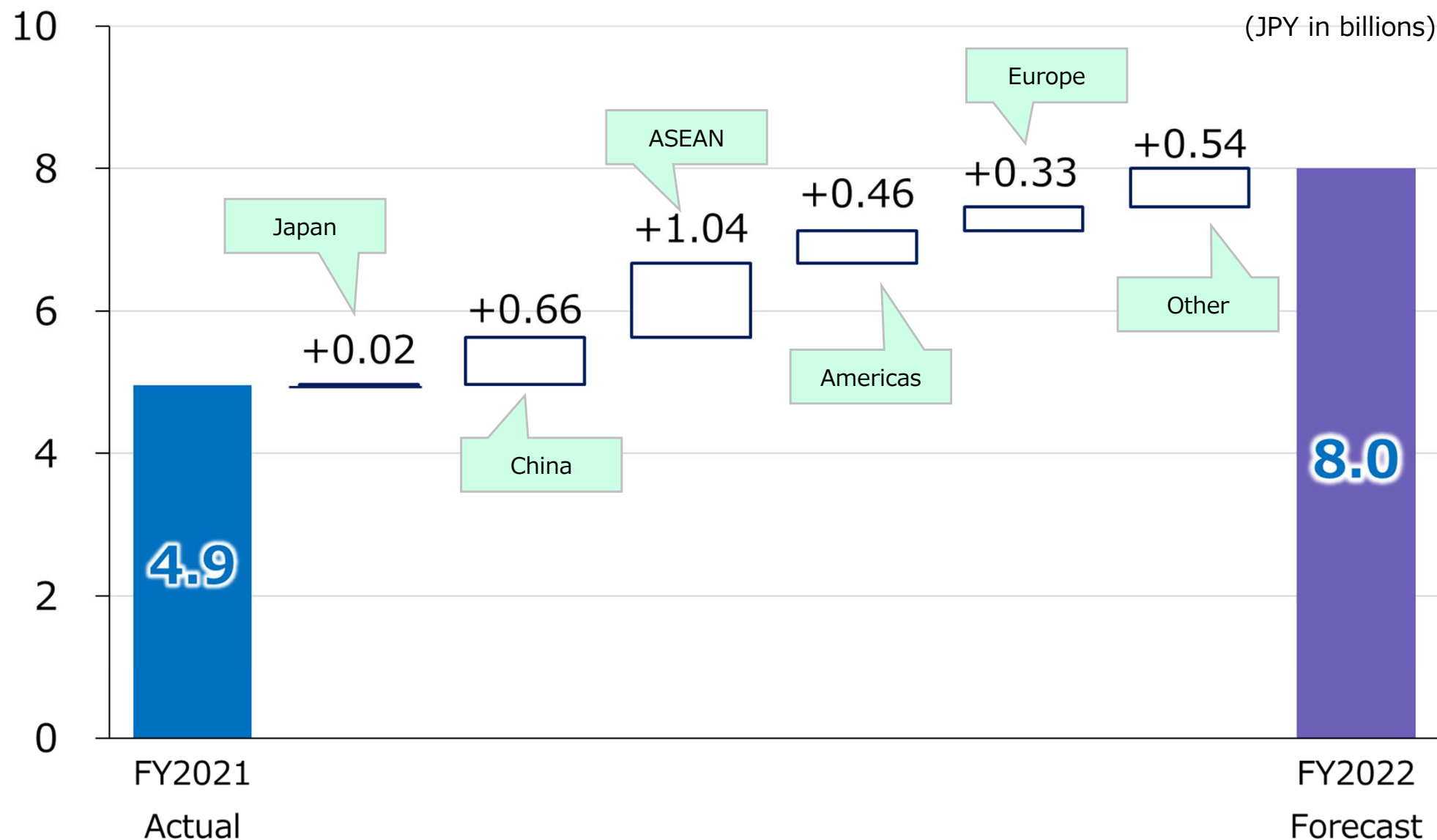
Consolidated Financial Forecast of FY2022

- Sales by Market Sector (FY2021, actual vs. FY2022, forecast) (JPY in billions, %)



Consolidated Financial Forecast of FY2022

- Operating Profit (FY2021, actual vs. FY2022, forecast)

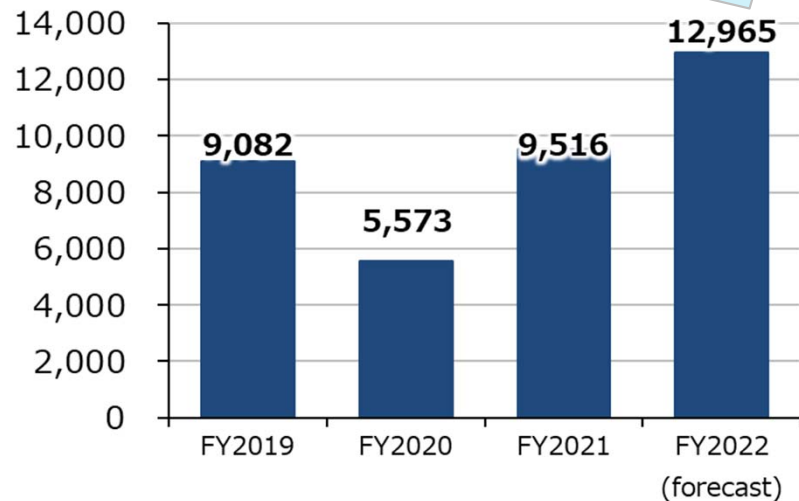


CAPEX & Depreciation

• CAPEX

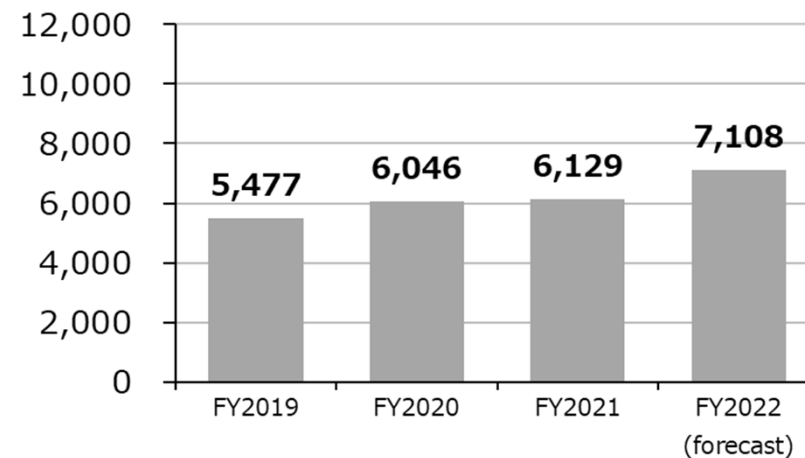
(JPY in millions)

Thailand Plans to start construction of a new building in April 2022 and to begin operations in July 2023
Mexico Acquisition of land for construction of new building



• Depreciation

(JPY in millions)



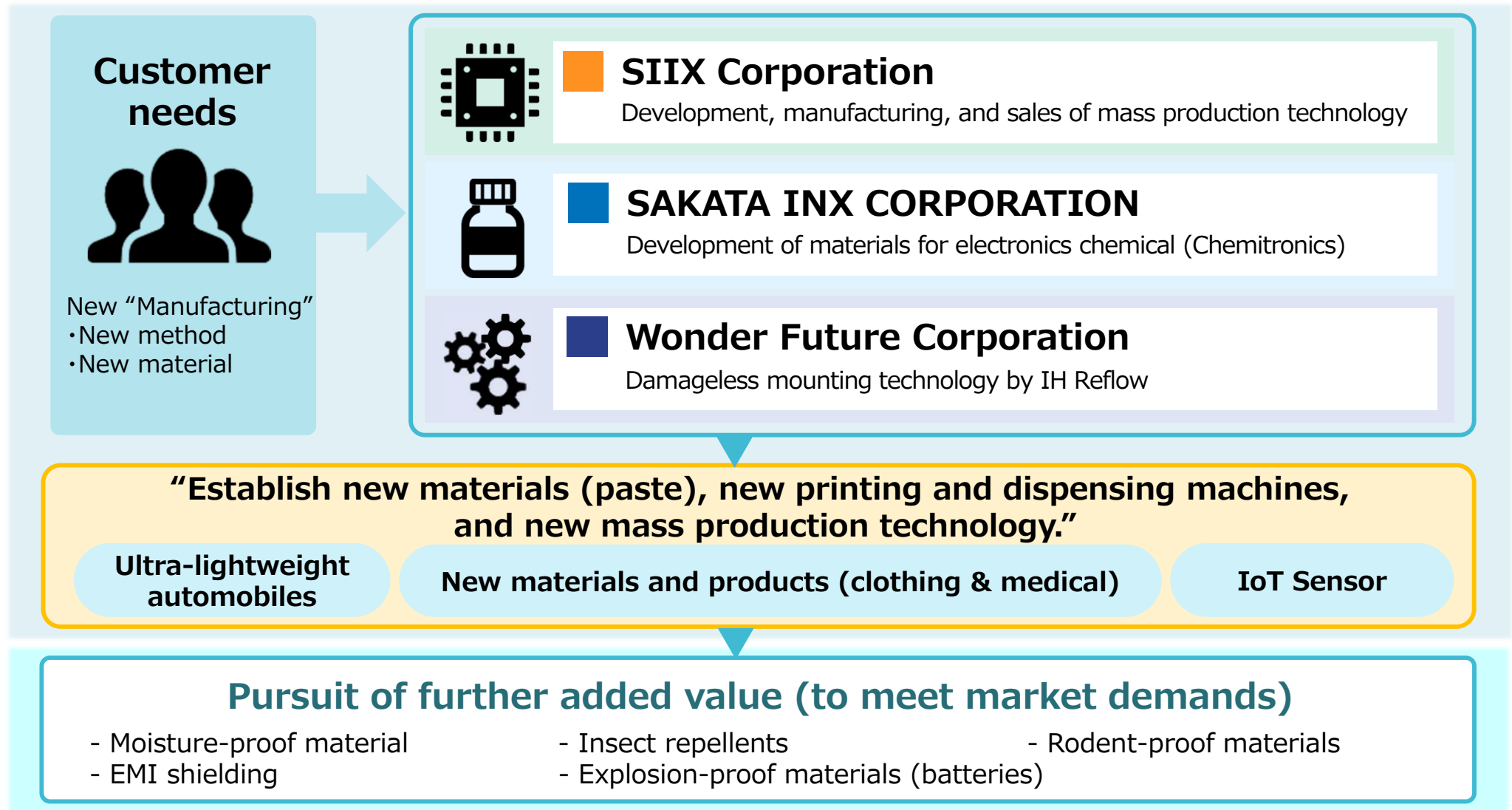
KPI for Midterm Business Plan

Target	KPI	in 2023	As of the end of 2021
Expanding business with major global companies	Expansion of non-Japanese ratio	25% of consolidated sales	15.6% of consolidated sales Mass production of business for non-Japanese customers is expanding.
	Strengthen Reinforce alliances with technology	5 billion yen of consolidated sales	Significant increase in business for government offices and new orders for 2023. (achieved sales target)
	Customer development in the medical field	5 billion yen of consolidated sales	Same level as the previous year due to COVID-19 pandemic. Continue to develop business opportunities around the world.
Contributing to a decarbonized society through our business	Expansion of Non-commodity ratio (Automotive-related and Industrial equipment)	85% of consolidated sales	74.6% of consolidated sales Decrease in in-flight AV equipment. On the contrary, sales in the in-vehicle sector, power tools and business for government office increased year on year.
	Expansion of CASE-related business	35 billion yen of consolidated sales	Steady increase mainly in European customers. Increase in projects for EVs in China and the U.S.
	Expansion of battery-related business	10 billion yen of consolidated sales	Increased orders for battery packs for chain saws and will start business for automotive this year.
Diversity management	Improvement of local executives' ratio	80%	77.0%
	Improvement of female executives' ratio	50%	31.2%

- Expecting to expand business with Japanese and non-Japanese customers in automotive field In each area of the world.
- Expecting of business with EV makers is in full swing and start direct business with car makers.
- Manufacturing capacity expansion in existing factories. (SMT lines: 166→181 in 2022)
- Increasing demand of automotive business. Planning factory expansion in Mexico and Thailand.
- Started OSAT* business in the back-end process of semiconductor assembly.
(Expansion of EMS field) *Outsourced Semiconductor Assembly & Test
- Expansion of battery business (ex. Chain saw, E-Mobility etc.)
- From “Electronics” to “Chemitronics*” through collaboration with SAKATA INX.
 *Chemical + Electronics
- A variety of projects are underway, including smart logistics with printed electronics.

Chemitronics (Integration of Chemical and Electronics)

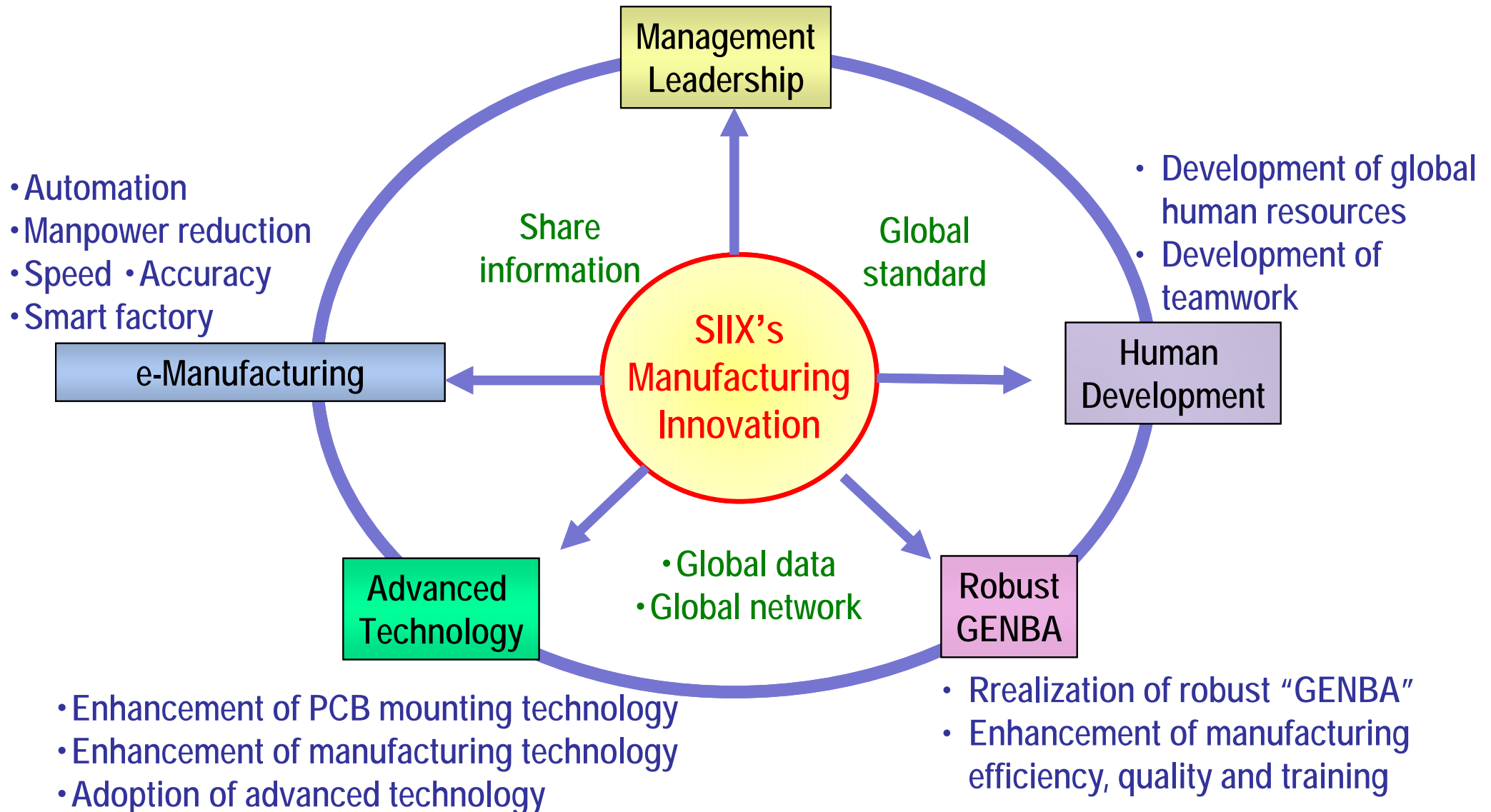
- 3-company collaborative activities with SIIX, SAKATA INX, and Wonder Future



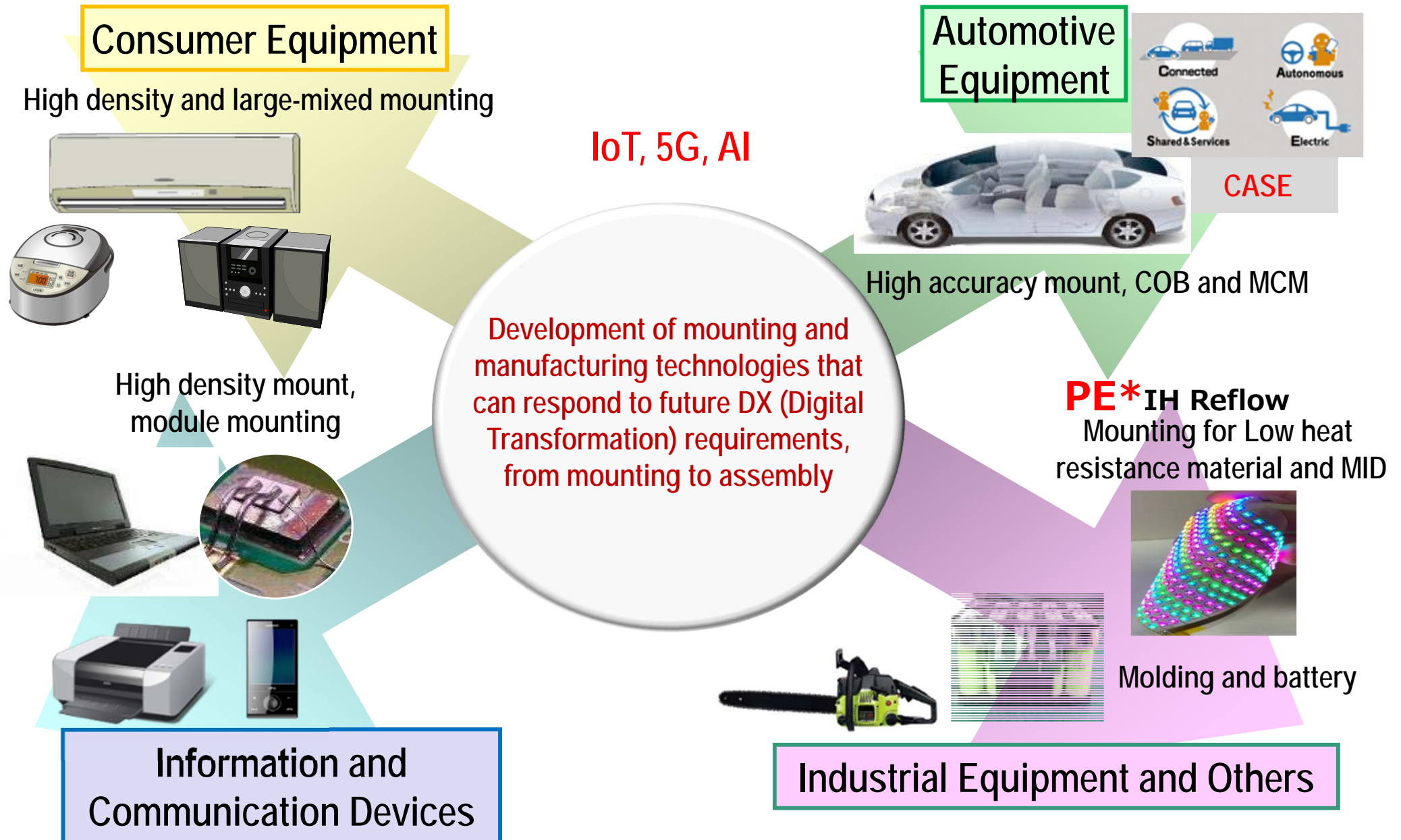
SIIX's Strategic Policy for High-Quality Manufacturing



- Enhancement of Manufacturing Management



Diversification of business and demand for core technologies



■ Strengthen manufacturing technology and its quality in response to DX (Digital Transformation)

- Pursuing a development that anticipates elemental technologies (improve new businesses and new methods)
- Increasing customer satisfaction by collaborating on core technologies with key devices and key technology partners
- Further enhancement of automation and its application to production systems (promotion of Smart Factory)

■ Build Tier-1 quality system and strengthen corporate governance, share and utilize information, and enhance BCP

- Strengthening of quality governance, sharing of know-how for improvement, speeding up of utilization, and expanding information globally
- Establishing a global education system and reinforcing its training

Top-class EMS for Automotive

SMT 166 Line

+14 Line (vs 2020)
+15 Line (2022 plan)

Towards Best QCDS for **CASE**

(Next SMT Process Technology)

77 Molding Machines

+8 Line (vs 2020)

(Automation)

(Camera Module)

(LED High Accuracy Mount, COB and MID)

(PCBA+Injection)

(High Density Mount)



Because we are SIIX, “Global Business Organizer”, we can realize;

Abundant technology of multi-process manufacturing and global management of manufacturing, technology, and quality across 12 factories

Automation initiatives and enhancements

Categories	Major automation initiatives at SIIX
Environment	Temperature & Humidity Control • ESD Control
Warehouse	Transportation • Parts Control • Inventory • Traceability • Cleaning
SMT	Labeling/Sealing • Solder Apply Stencil Change • Visual Inspection • ICT Production Schedule • Quality Control • Model Change Accuracy Measurement • AI for Image Inspection • Traceability
ASSY	Labeling/Sealing • Moisture Proofing material Coating • Coating Inspection PCB Cutting • Manual Insertion • Visual Inspection • Pallet Transportation • Soldering • Assembly • Welding • Potting Screwing • Traceability
Inspection	ICT • FCT • Visual Inspection
All	Model Change • Traceability • Maintenance • Transportation
Shipping Inspection	Traceability
Shipping	Packing • Transportation • Traceability
Other	Screw Aligner • Marking • Lead Cut Grease Injection • Molded Products & Plastic Parts Cleaning

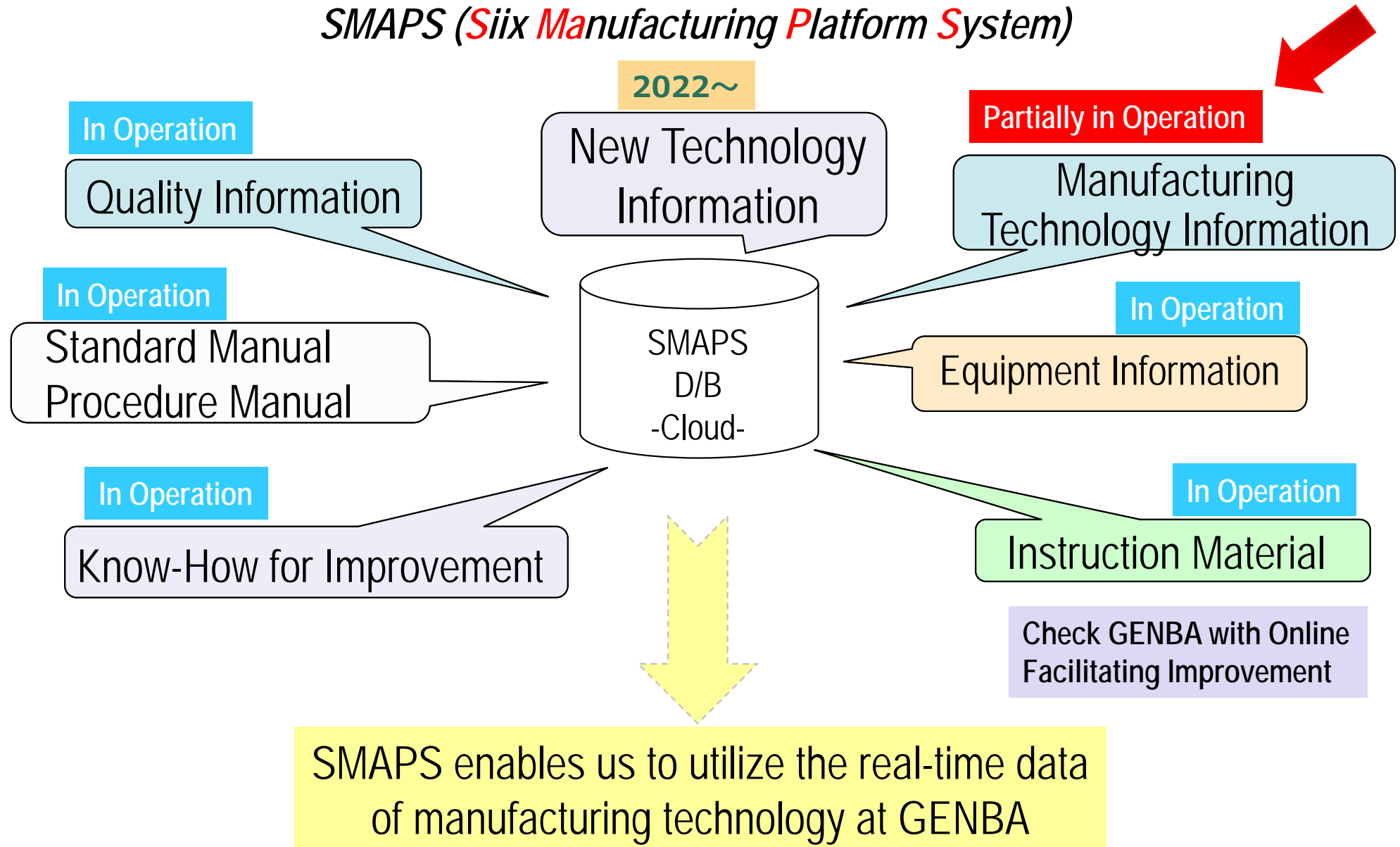
Promotion of Smart Factory

- Continuously promote automation, improvement, integration, and acceleration in each process from In to Out.
- Strengthen response to customer requirements
- Stabilization of quality and efficiency
- Manpower saving
- Strengthen horizontal deployment to other bases
- Strengthen information sharing contents and promote their utilization

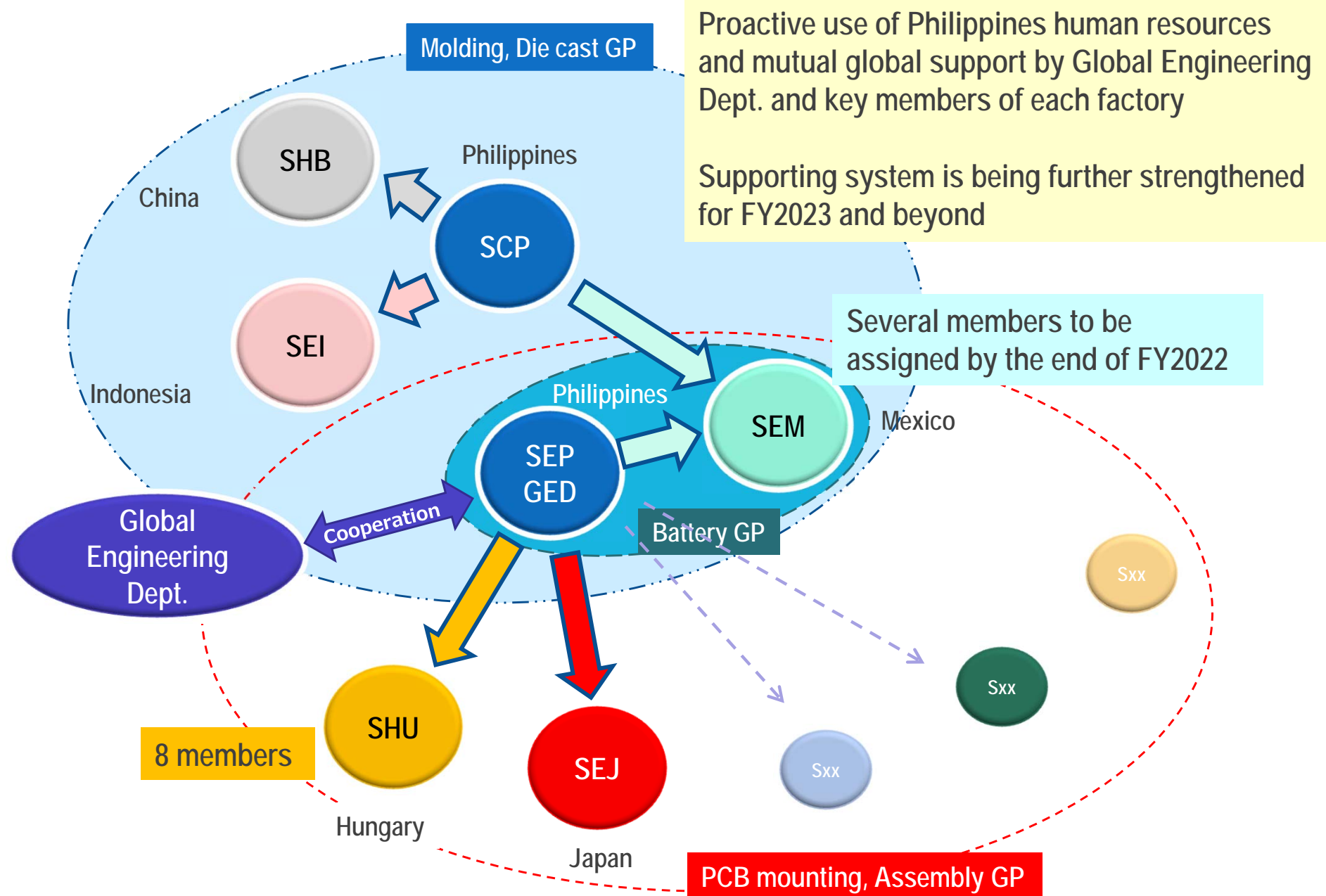


Example of an automated line at our plant in China

SMAPS (*Siix Manufacturing Platform System*)



Global Education Reinforcement System





Plan to operate solar panels at 3 plants in FY2022



① **Shanghai Plant, China**
(Started solar panel operations in January 2021)

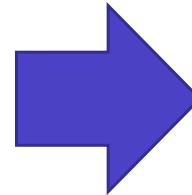
<CO2排出量実績>

2020 Actual : 0.34t/million yen

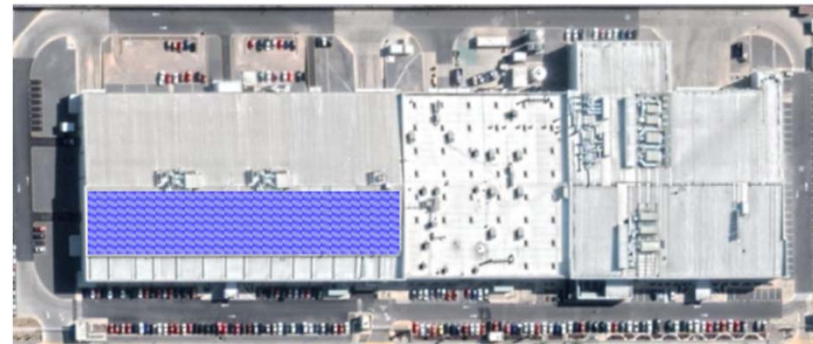
2021 Actual : **0.31t/million yen**

(vs. 2020 9% reduction)

Tentative value based on use of 2020 CO2 emission factor)



② **Indonesia plant**
(Scheduled to start solar panel operations in May 2022)



③ **Mexico plant**
(Scheduled to start solar panel operations in March 2022)

④ **Philippines plant**
(Scheduled to start solar panel operations after August 2022)

⑤ **Thailand plant**
(Scheduled to start solar panel operations after 1H, 2022)

⑥ **Slovakia plant**
(under consideration)

⑦ **Dongguan & Hubei plant, China**
(under consideration)



- ① **Promote the use of other renewable energy sources (partially started at 4 locations)**
- ② **Promotion of waste reduction**
- ③ **Implementing measures for Scope 3**
- ④ **Accelerating CO2 Reduction under Consideration by visualizing power consumption in plants**

Environment

Reduce CO2 emission intensity (basic units)

*Tentative values based on the use of CO2 emission factors as of 2020

2021

0.31t*
(10% improvement over the previous year)

Target

Reduction from the previous year
(Reference)
End of 2020 : 0.34t

〔Installation of solar panels〕

- Installed at the Shanghai Plant and started operation in January 2021. Total emission reduction of 1,817.5 tons per year is expected at this plant.
- Preparing to install solar panels at the Jakarta Plant, scheduled for completion in September.
- Considering installation in Mexico, Philippines and Thailand in succession.

Social

Local executives ratio

Ratio of local executives in management of all SIIX Group

2021

77.3%

Target

80%

Female executives ratio

*Executives: Manager and above

Ratio of Female executives in management of all SIIX Group

2021

32.4%

Target

50%

Governance

Complying with the Revised Corporate Governance Code

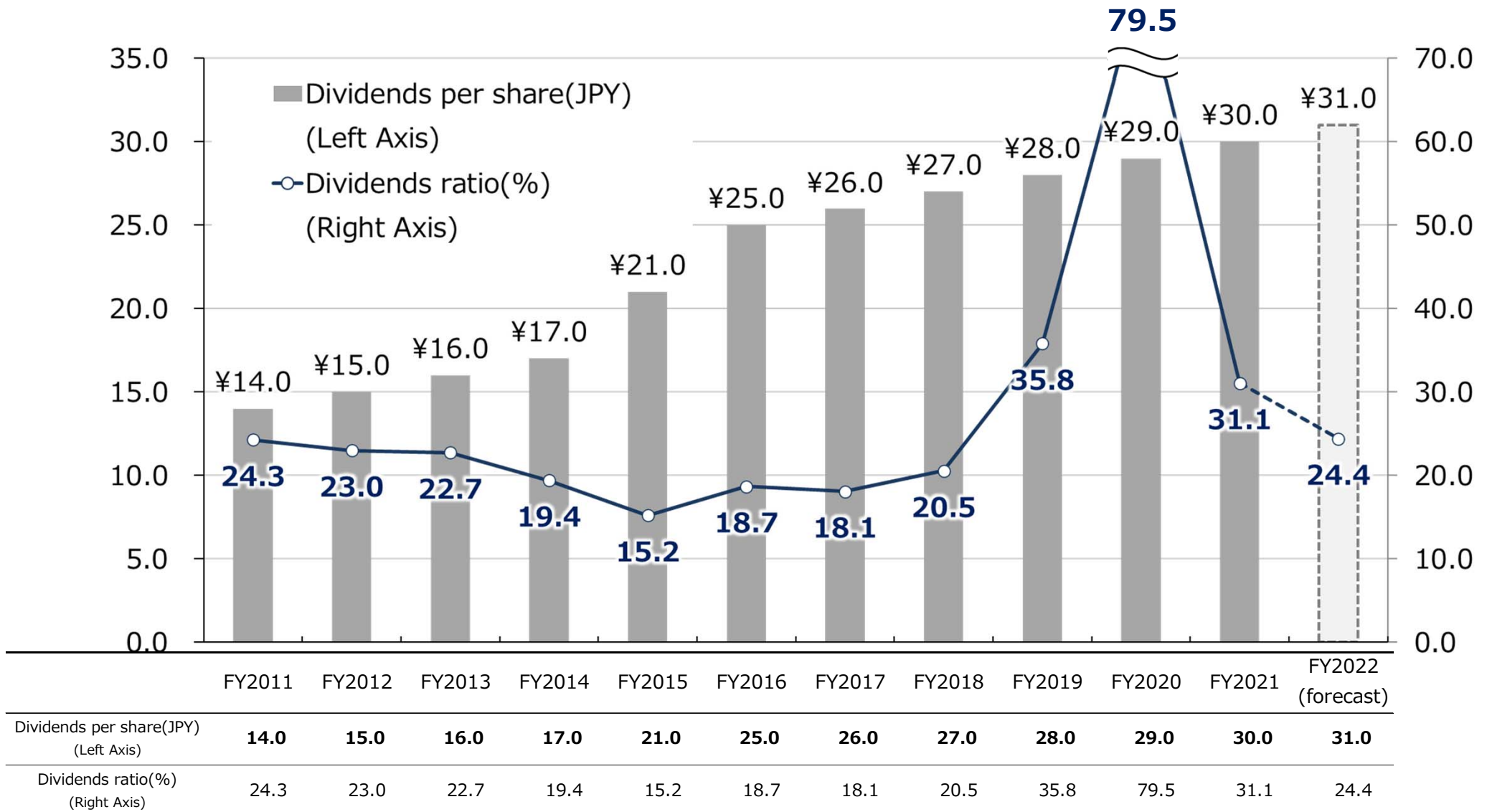
- Already taken measures such as disclosure of skills matrix, number of independent directors, independence of the Nomination and Compensation Advisory Committee, and establishment of an electronic platform for exercising voting rights.
- In terms of diversity, the ratio of female executives and the ratio of foreign executives have been disclosed as our own KPIs for some time.
- In terms of climate change, disclosure based on TCFD is being promoted.
- Compliance education again this year at a strategy meeting attended by all Group executives

Market restructuring

- It is scheduled to be listed on the "Prime Market" of the Tokyo Stock Exchange in April.

Shareholder Return

- Shareholder Return



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CONSOLIDATED FINANCIAL RESULTS OF FY2021 (APPENDIX)

FEBRUARY 2022

SIIX CORPORATION



PROFIT AND LOSS

	FY2017	FY2018	FY2019	FY2020	FY2021
(JPY in millions)					
Net sales	233,153	242,804	223,037	181,598	226,833
Operating income	9,705	8,625	5,506	4,452	4,954
Operating income ratio (%)	4.2	3.6	2.5	2.5	2.2
Ordinary income	10,513	8,717	5,634	4,444	5,934
Ordinary income ratio (%)	4.5	3.6	2.5	2.4	2.6
Profit attributable to owners of parent	7,093	6,414	3,695	1,724	4,561
Profit attributable to owners of parent ratio(%)	3.0	2.6	1.7	0.9	2.0
Consolidated subsidiaries	19	22	22	22	22
Equity method affiliates	1	2	2	2	2
Employees	11,659	13,632	12,721	11,257	12,354

MANAGEMENT INDICATORS

		FY2017	FY2018	FY2019	FY2020	FY2021
ROE	(%)	13.1	11.4	6.5	3.0	7.5
ROA	(%)	8.8	6.5	4.0	3.1	3.8
Total asset turnover		1.9	1.8	1.6	1.3	1.4
Net interest-bearing debts/Net asset	(%)	15.6	36.1	40.7	43.4	63.6
D/E ratio		0.3	0.6	0.7	0.8	0.8
Current ratio	(%)	170.6	159.6	148.1	174.2	153.8
Accounts receivable turnover ratio	(day)	69.7	64.7	61.6	73.8	67.9
Inventory turnover ratio	(day)	49.3	59.5	71.1	79.1	76.2
PBR	(X)	2.1	1.2	1.2	1.3	1.0
PER	(X)	16.8	10.9	19.5	42.3	14.7

CAPITAL STRUCTURE

(JPY in millions)	FY2017	FY2018	FY2019	FY2020	FY2021
Total asset	130,526	137,350	143,391	144,436	169,921
Liability	72,916	81,334	85,141	87,937	103,551
interest-bearing debt	19,553	32,969	38,667	47,471	51,350
Net asset	57,609	56,016	58,249	56,498	66,369
Capital-to-asset ratio (%)	43.9	40.5	40.3	38.8	38.8
Closing stock price (JPY)	2,418	1,430	1,523	1,543	1,416
Capital-to-asset ratio at market value (%)	91.3	49.2	50.2	50.5	39.4
Issued stock (thousand)	50,400	50,400	50,400	50,400	50,400
BPS	1,162.33	1,178.04	1,224.26	1,186.71	1,393.92

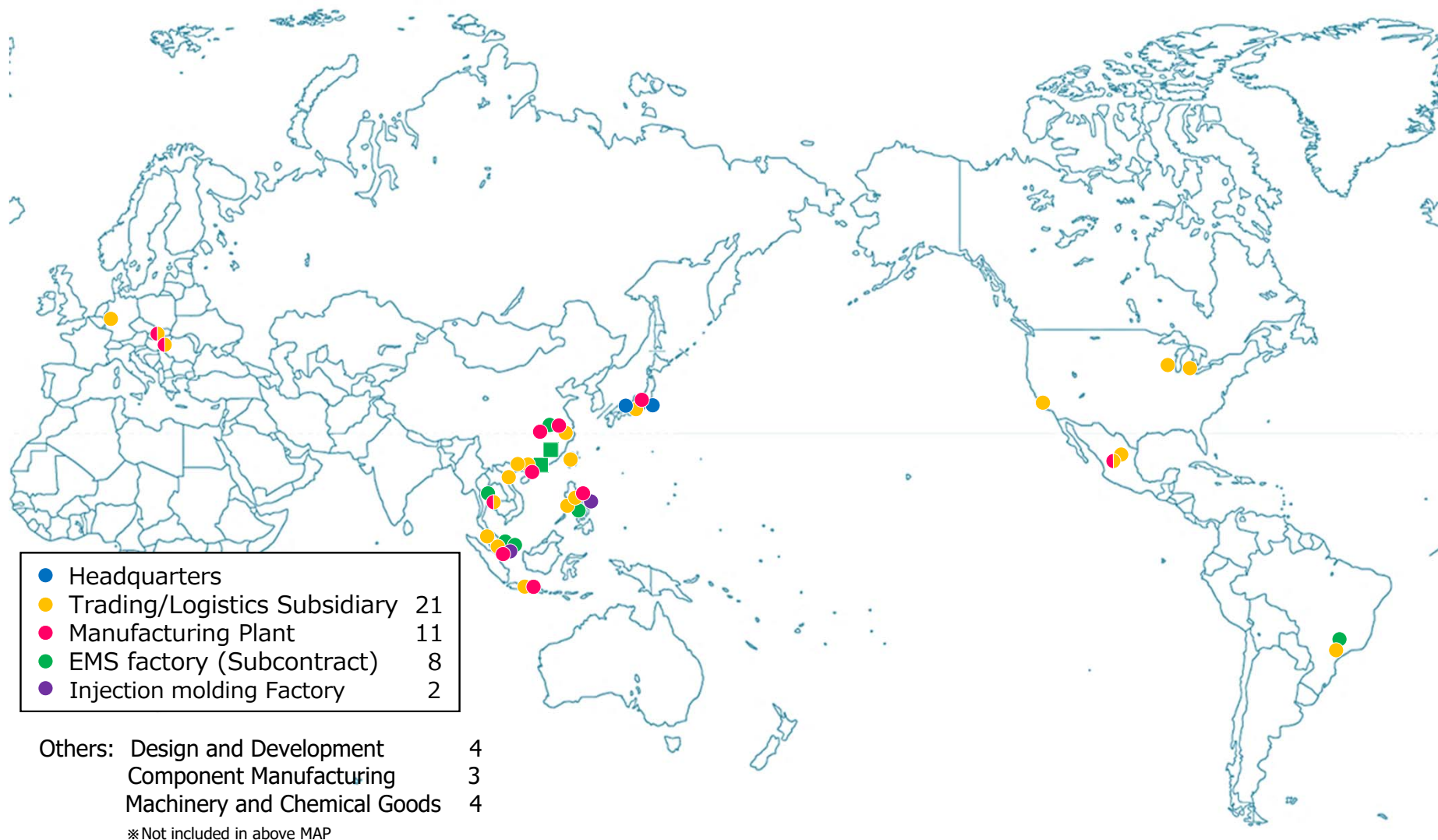
※The Company conducted a two-for-one stock split of its common stock on April 1, 2018 and adjusted the figures retroactively.

SALES BY MARKET SECTOR

(JPY in millions, %)	FY2020				FY2021			
	1H	2H	full year	%	1H	2H	full year	%
Automotive-related equipments	39,364	58,995	98,359	54.2	61,962	65,355	127,317	56.1
Home appliances	17,477	17,056	34,534	19.0	19,674	22,176	41,850	18.4
Industrial equipments	11,623	11,307	22,930	12.6	11,632	11,150	22,782	10.0
Information equipments	8,271	8,048	16,318	9.0	10,108	10,457	20,565	9.1
Electronics others	564	1,598	2,162	1.2	1,272	1,647	2,919	1.3
Machinery and others	2,935	4,360	7,295	4.0	4,822	6,579	11,401	5.0
Total	80,234	101,364	181,598	100.0	109,470	117,363	226,833	100.0

SIIX GLOBAL NETWORK

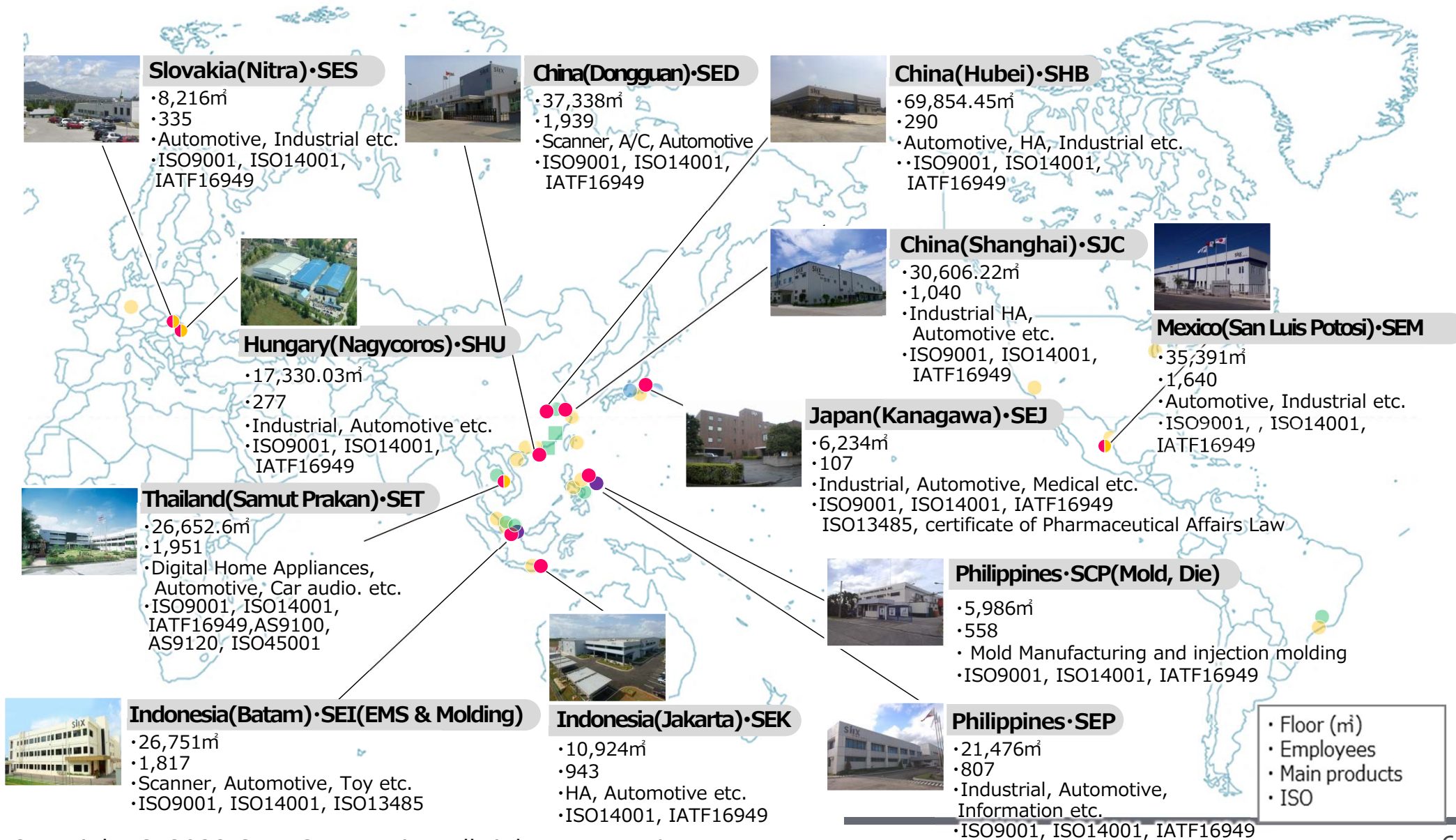
(as of end of Dec. 2021)



SIIX GLOBAL NETWORK

■ Manufacturing Factory

(as of end of Dec. 2021)



SIIX GLOBAL NETWORK

■ Sales & Logistics

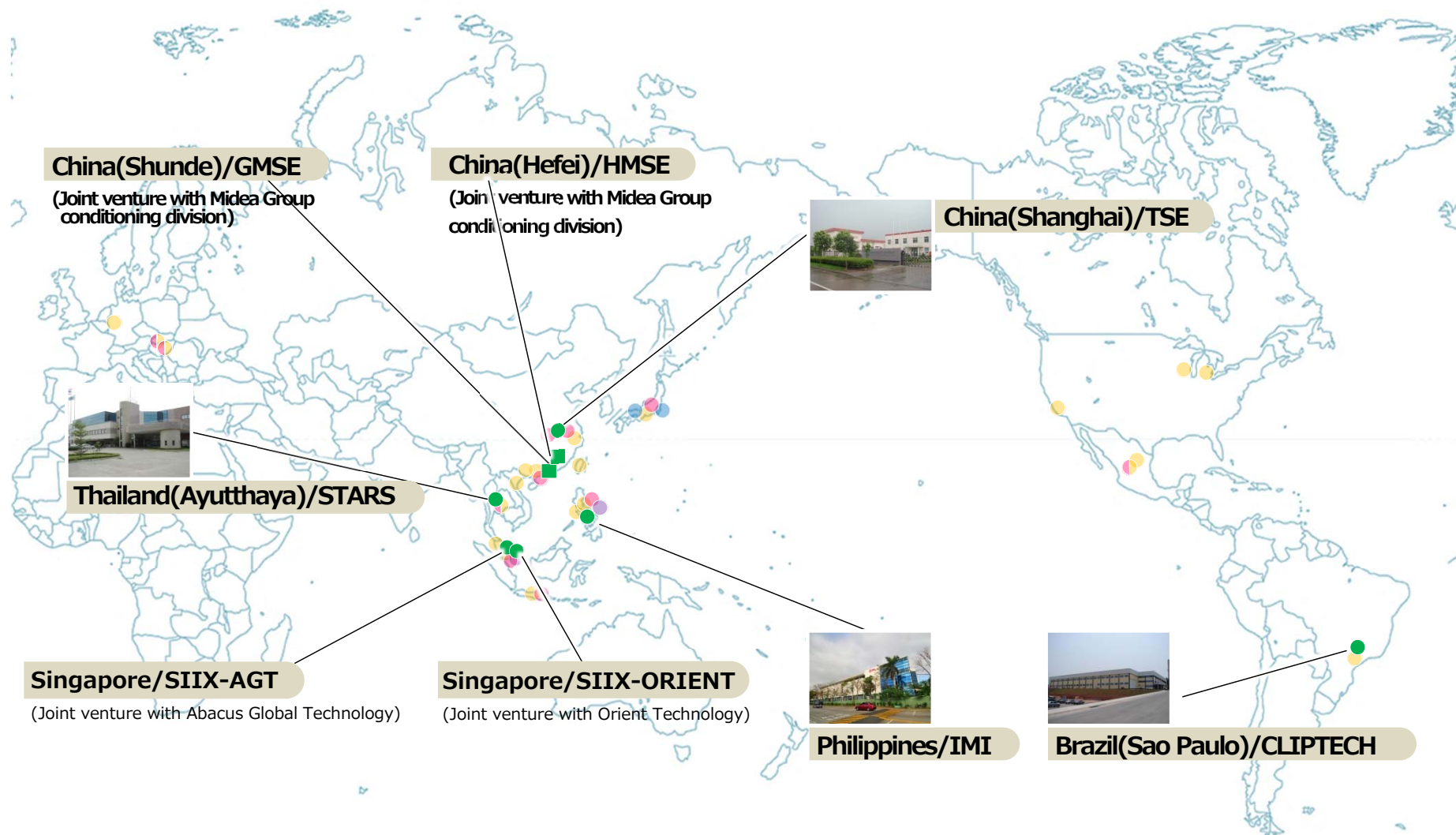
(as of end of Dec. 2021)



■ SIIX GLOBAL NETWORK

■ Subcontract Factory & Affiliates

(as of end of Dec. 2021)



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