

# Consolidated Financial Result of 1H, FY2022

August 2022

SIIX Corporation





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# Consolidated Financial Result of 1H, FY2022

- Profit and Loss

(JPY in millions)	1H, FY2021		1H, FY2022		1H, FY2021 vs. 1H, FY2022		Impact of change in FX	1H, FY2021 vs. 1H, FY2022, net	
	amount	%	amount	%	diff.	%		diff.(net)	%
Sales	109,470	100.0	<b>125,467</b>	<b>100.0</b>	15,997	14.6	10,537	5,459	5.0
Gross Profit	10,059	9.2	<b>11,584</b>	<b>9.2</b>	1,525	15.2			
SGA	7,517	6.9	<b>8,126</b>	<b>6.5</b>	609	8.1			
Operating Income	2,541	2.3	<b>3,457</b>	<b>2.8</b>	916	36.0	85	830	32.7
Ordinary Income	2,917	2.7	<b>3,639</b>	<b>2.9</b>	722	24.8	Exchange rate		
Extraordinary Income & Loss	0	0.0	<b>-367</b>	<b>-0.3</b>	-367	-	1H, FY2021	1H, FY2022	
Corporate tax	459	0.4	<b>1,707</b>	<b>1.4</b>	1,247	271.3	USD	107.93	<b>122.99</b>
							EUR	129.89	<b>134.40</b>
							HKD	13.91	<b>15.71</b>
							THB	3.50	<b>3.65</b>
Profit attributable to owners of parent	2,452	2.2	<b>1,579</b>	<b>1.3</b>	-872	-35.6	RMB	16.67	<b>18.96</b>

- Scope of Consolidation

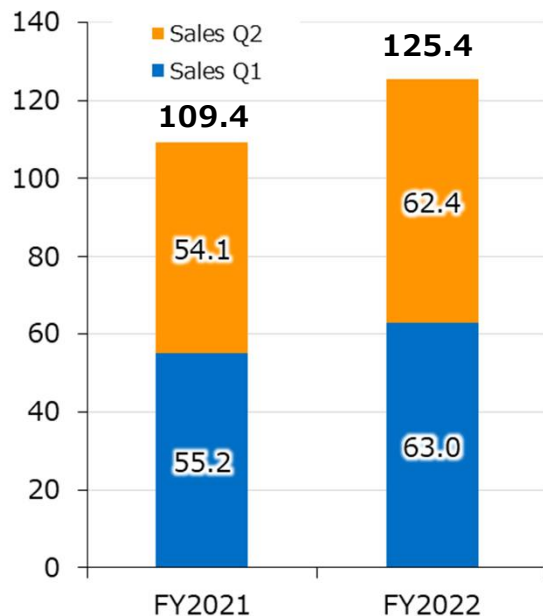
	End of 1H, FY2021	Changes		End of 1H, FY2022
		Increase	Decrease	
Consolidated Subsidiary	22	-	-	<b>22</b>
Equity Method Affiliate	2	-	-	<b>2</b>



# Consolidated Financial Result of 1H, FY2022

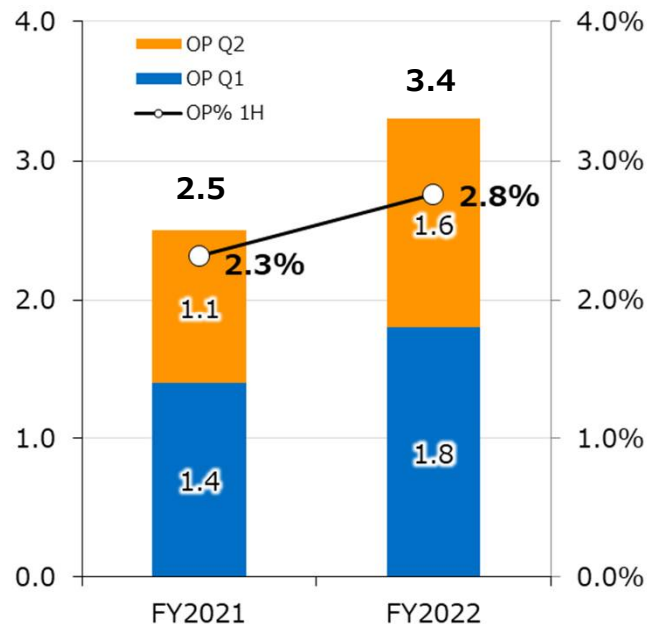
## • Sales

(JPY in billions, %)



## • Operating Profit

(JPY in billions, %)

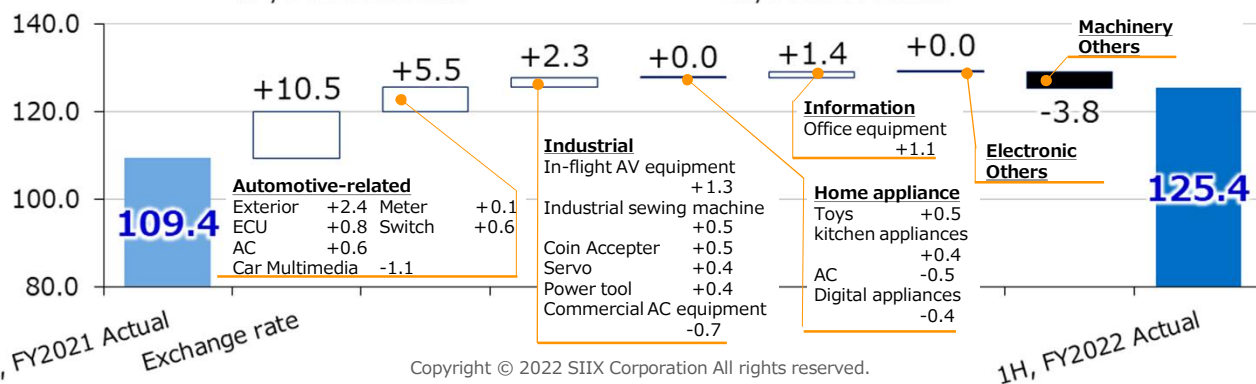
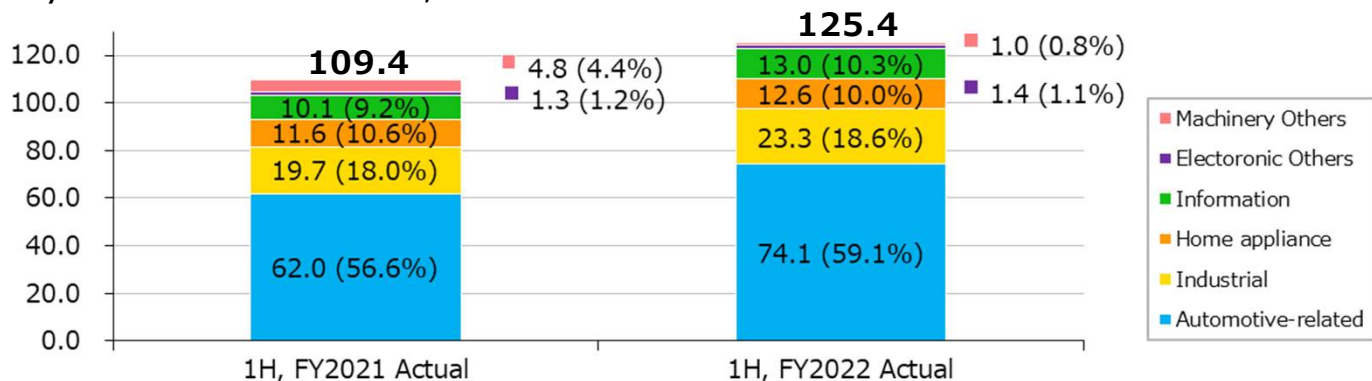




# Consolidated Financial Result of 1H, FY2022

- Sales by Market Sector (1H, FY2021 actual vs. 1H FY2022 actual)

(JPY in billions, %)

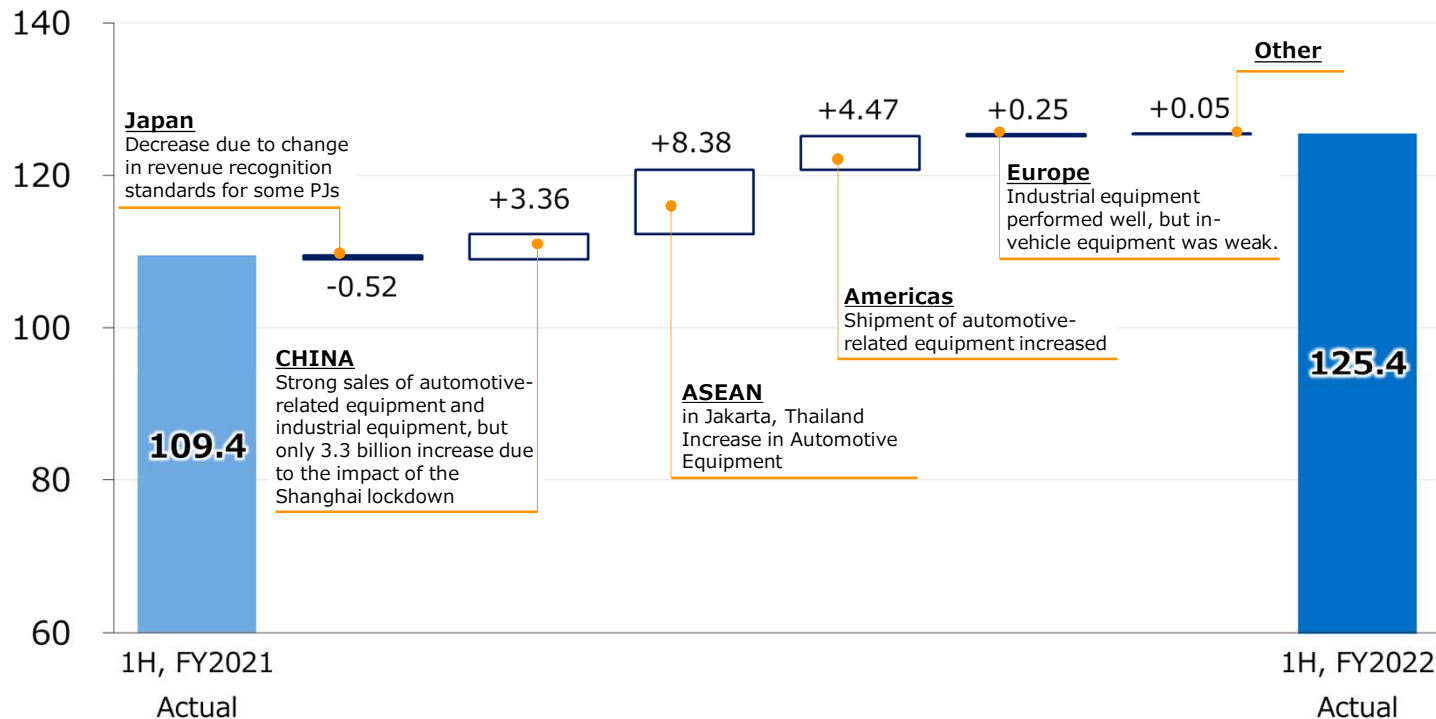




# Consolidated Financial Result of 1H, FY2022

- Consolidated Sales by area (1H, FY2021 vs. 1H, FY2022)

(JPY in billions)

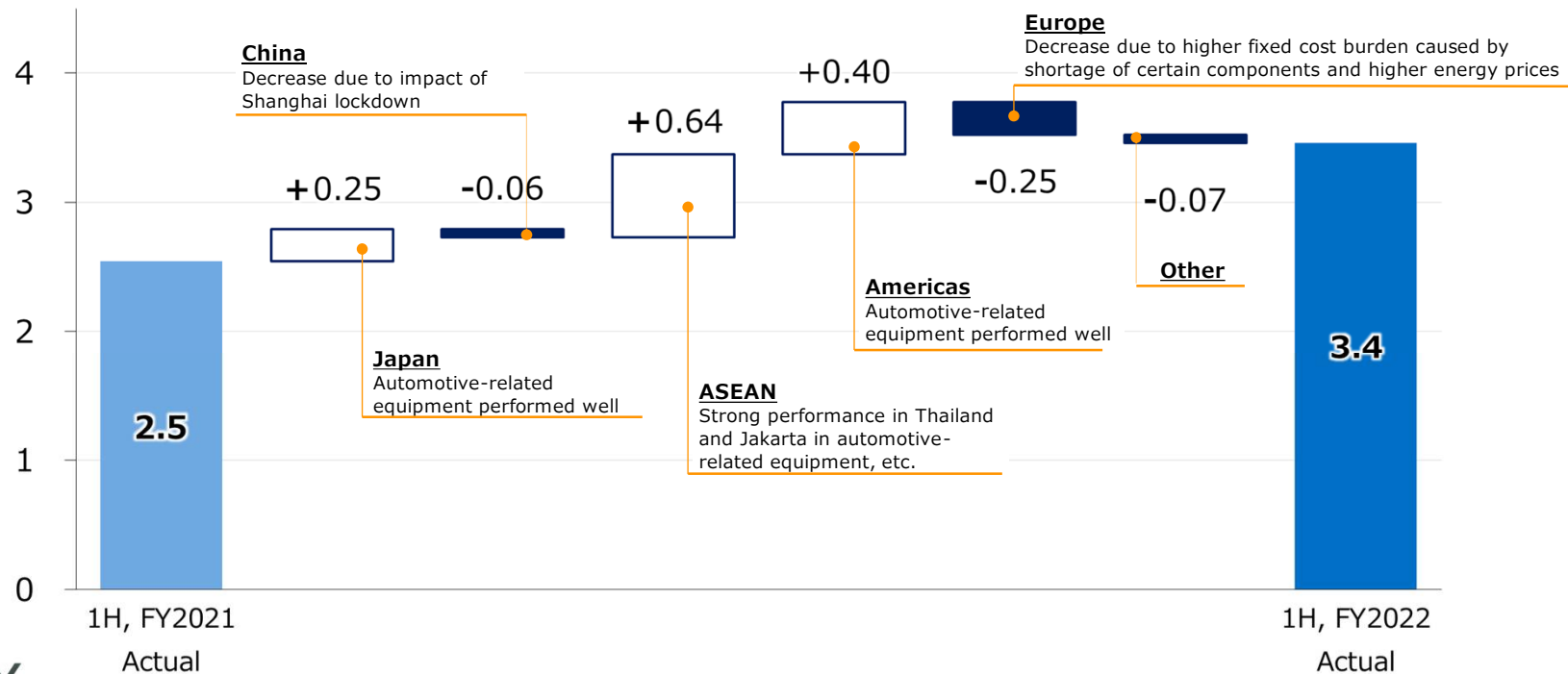




# Consolidated Financial Result of 1H, FY2022

- Consolidated Operating Profit by area (1H, FY2021 vs. 1H, FY2022)

(JPY in billions)





# Consolidated Financial Result of 1H, FY2022

- SGA

(JPY in millions)	1H, FY2021		1H, FY2022		Changes	
	amount	%	amount	%	amount	%
Personnel expenses	3,539	3.2	<b>3,967</b>	<b>3.2</b>	427	12.1
Traveling and communication expenses	98	0.1	<b>157</b>	<b>0.1</b>	59	60.1
Freightage and packing expenses	1,783	1.6	<b>1,550</b>	<b>1.2</b>	-233	-13.1
Commission fee	370	0.3	<b>461</b>	<b>0.4</b>	91	24.7
Rent expenses on real estates	100	0.1	<b>106</b>	<b>0.1</b>	5	5.9
Depreciation	538	0.5	<b>756</b>	<b>0.6</b>	218	40.5
Other expense	1,086	1.0	<b>1,126</b>	<b>0.9</b>	40	3.7
Total	7,517	6.9	<b>8,126</b>	<b>6.5</b>	609	8.1





# Consolidated Financial Result of 1H, FY2022

- Non-Operating Profit and Loss

(JPY in millions)	1H, FY2021	1H, FY2022
Interest income	11	7
Dividends income	15	6
Share of gain of entities accounted for using equity method	-	98
Foreign exchange gains	206	100
Subsidy Income	88	96
Gain on sales of goods	320	139
Gain on sales of scraps	85	110
Other	117	141
Non-operating income	846	701
Interest expenses	137	287
Share of loss of entities accounted for using equity method	3	-
Purchase of goods	276	93
Other	53	138
Non-operating expenses	471	519
Non-operating income/loss	375	181



# Consolidated Financial Result of 1H, FY2022

(JPY in millions)	End of 1H, FY2021	End of FY2021	End of 1H, FY2022	Changes (1H, FY2021 vs. 1H, FY2022)		Changes (FY2021 vs. 1H, FY2022)			
				amount	%	amount	%	Impact of exchange rate	net
Current assets	107,368	122,797	<b>142,902</b>	35,534	33.1	20,105	16.4	15,324	4,781
<i>Notes and accounts receivable-trade*</i>	41,838	48,044	<b>53,692</b>	11,853	28.3	5,647	11.8	4,946	700
<i>Inventories</i>	43,881	58,240	<b>72,141</b>	28,259	64.4	13,901	23.9	8,414	5,483
Noncurrent assets	42,274	47,123	<b>54,075</b>	11,801	27.9	6,952	14.8	6,027	924
Total asset	149,643	169,921	<b>196,978</b>	47,334	31.6	27,057	15.9	21,351	5,705
Current liabilities	60,097	79,833	<b>87,662</b>	27,565	45.9	7,830	9.8	8,453	-624
<i>Accounts payable-trade</i>	32,424	37,298	<b>37,370</b>	4,946	15.3	73	0.2	4,083	-4,010
<i>Short-term loans payable</i>	17,291	31,561	<b>35,632</b>	18,341	106.1	4,071	12.9	2,963	1,107
Noncurrent liabilities	26,944	23,718	<b>31,055</b>	4,111	15.3	7,337	30.9	1,753	5,582
Corporate bonds	10,000	10,000	<b>10,000</b>	-	-	-	-	-	-
<i>Long-term loans payable</i>	11,309	8,446	<b>15,201</b>	3,892	34.4	6,754	80.0	1,526	5,228
Total liability	87,042	103,551	<b>118,718</b>	31,676	36.4	15,166	14.6	10,207	4,958
Net assets	62,601	66,369	<b>78,260</b>	15,658	25.0	11,891	17.9	11,143	747
Minority interests	386	412	<b>448</b>	62	15.9	37	8.9	51	-14
Total asset and liability	149,643	169,921	<b>196,978</b>	47,334	31.6	27,057	15.9	21,351	5,705

\*Including contract assets



# Consolidated Financial Result of 1H, FY2022

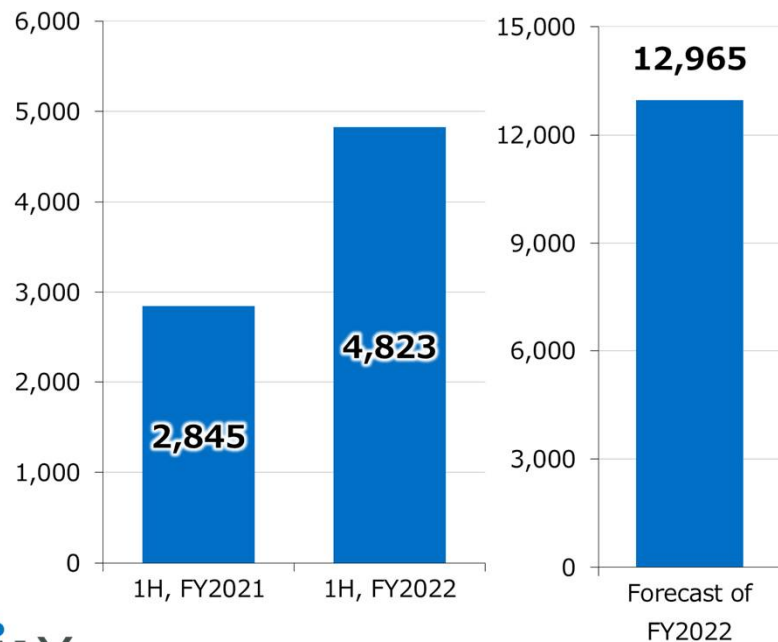
- Cash Flow

(JPY in millions)	1H, FY2020	1H, FY2021	1H, FY2022	FY2020	FY2021
Net cash from operating activities	-1,759	2,185	<b>-3,435</b>	13,280	-8,106
Net cash from investing activities	-3,601	-2,185	<b>-4,073</b>	-6,034	-7,765
Net cash from financing activities	2,698	-9,089	<b>5,768</b>	1,291	869
Cash and cash equivalents	12,098	15,059	<b>8,894</b>	22,968	9,315
Debt to annual cash flow ratio (years)	-	-	-	3.2	—
Interest coverage ratio (X)	-	16.7	-	34.9	—

# Consolidated Financial Result of 1H, FY2022

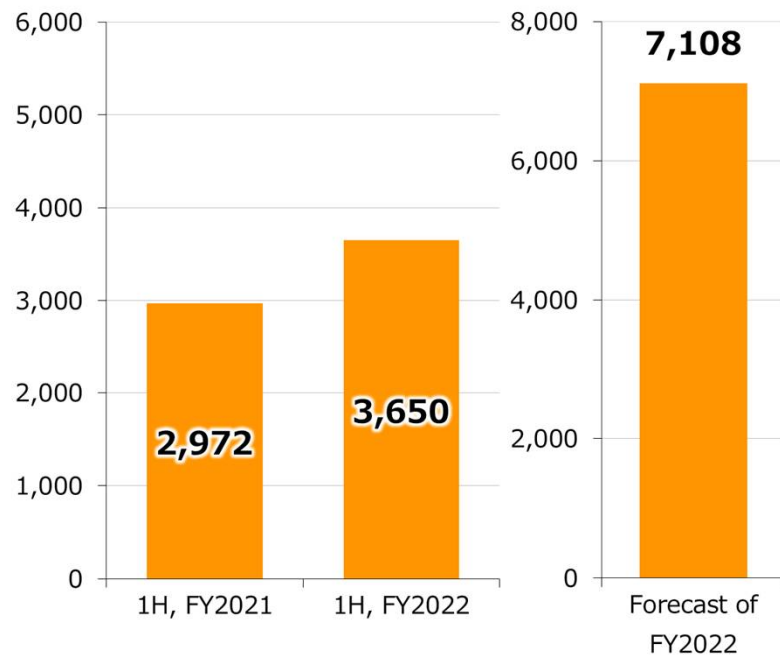
## CAPEX

(JPY in millions)



## Depreciation

(JPY in millions)





# Consolidated Financial Forecast of FY2022

- Consolidated Financial Forecast of FY2022

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



# Topics

- Improvement of BCP response capability

Operations suspended in April due to lockdown in Shanghai area, but gradually resumed in early May  
→Temporary urgent transfer of production sites for some products

- Land Expansion in Mexico, Construction Begins on Expansion in Thailand

Capital investment is underway to prepare for future demand growth

- Expansion of transactions with non-Japanese and Japanese customers

Business with European customers is expanding to other regions (ASEAN, Mexico). Business negotiations with many European customers are in progress. Signed a contract with a Japanese customer for an automotive project.

- Expanding business with electronic component manufacturers.

Co-creation with component manufacturers for the modularization of components

- Collaboration with Technology Partners

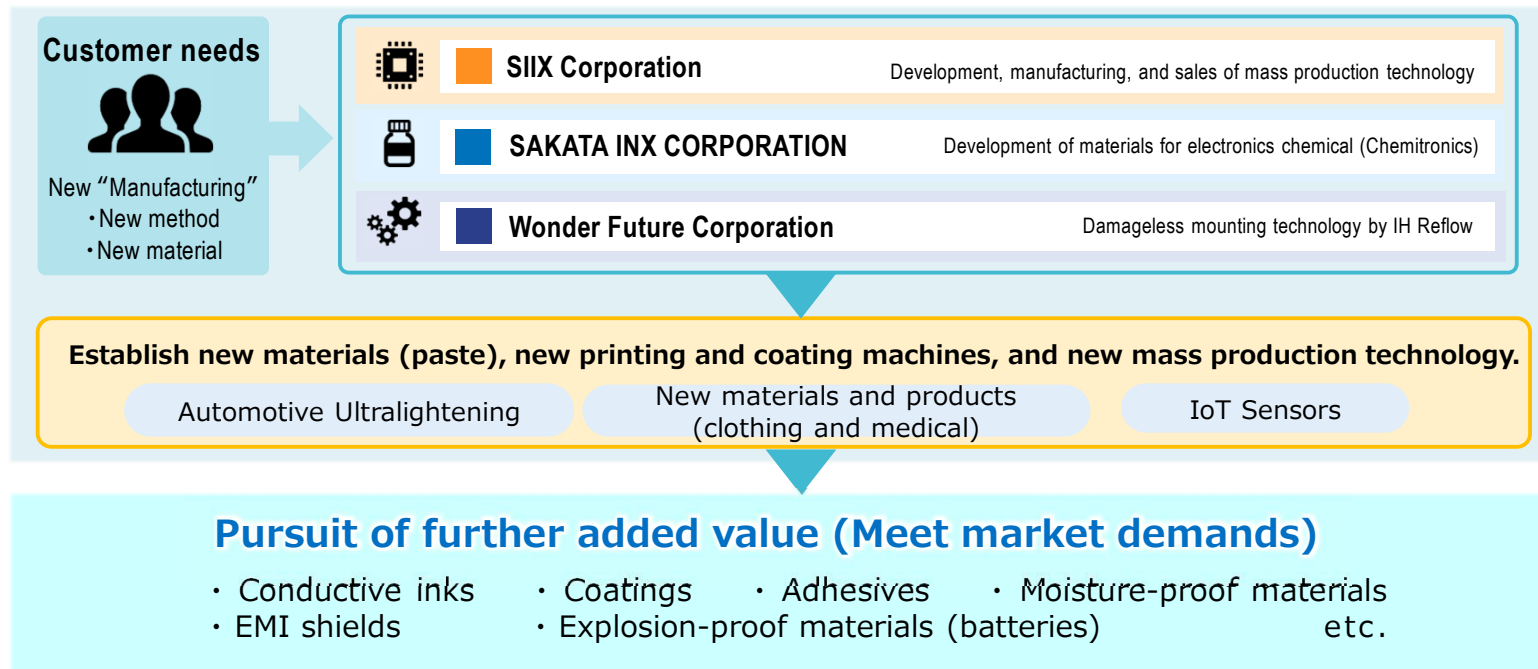
Fusion of chemical fields such as conductive inks, coatings, and adhesives with electronic devices and components  
Creation of IoT-related and battery-related businesses

- Promoting Sustainability Management

Establishment of Sustainability Committee and endorsement of TCFD

# Electronics Into New Realms

- Chemitronics (Chemical + Electronics)



# Battery-related Business Initiatives

- **Initiatives with Orient Technology - Energy Management**

- Establishment of SIIX-ORIENT, a joint venture to expand battery management business

In order to contribute to a decarbonized society through our business, we have established a joint venture with Orient Technology, a technology partner with expertise in battery pack design, development, and manufacturing technologies, and we will build on this expertise, acquire battery-related EMS business, and strengthen relationships with battery manufacturers.

## Key devices in various markets

**Automotive equipment**

Expansion of EV use thanks to government support measures, etc.

**Medical Devices  
Industrial equipment**

Accelerated electrification



**Aim to provide battery packs on a global basis.**

Provision of solutions  
for Battery pack  
design, development

**SIIX-ORIENT  
TECHNOLOGY**

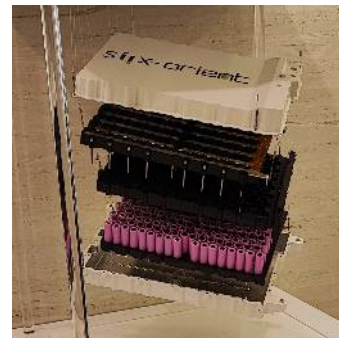


**SIIX**

Mass production,  
sales expansion

## Examples

Scooters  
Electric bicycles  
Bar code reader  
Freezer containers  
Medical equipment  
etc.



▲ Battery pack mock-up





# Current Situation of Midterm Business Plan

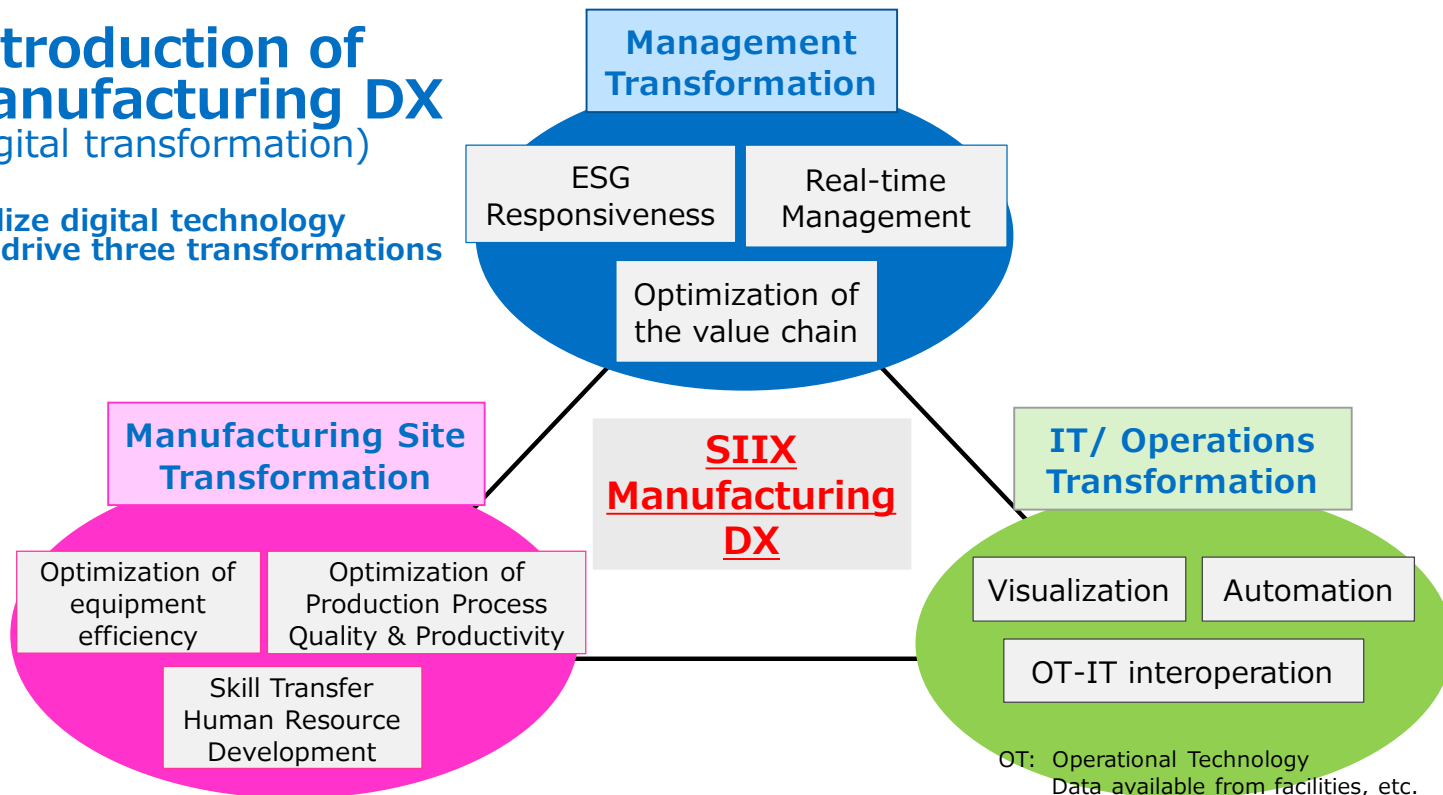
Target	KPI for 2023		1H, 2022
<b>Expanding business with major global companies</b>	Expansion of non-Japanese ratio	25% of consolidated sales	<b>15.8% of consolidated sales</b> Expansion of business for non-Japanese customers into multiple regions
	Strengthen Reinforce alliances with technology	5 billion yen of consolidated sales	<b>Demand from public sector calmed down and remained flat YoY</b>
	Customer development in the medical field	5 billion yen of consolidated sales	<b>Same level as the previous year due to COVID-19. Continue to develop business opportunities around the world.</b>
<b>Contributing to a decarbonized society through our business</b>	Expansion of Non-commodity ratio (Automotive-related and Industrial equipment)	85% of consolidated sales	<b>77.6% of consolidated sales</b> Year-on-year increase in industrial equipment (in-flight AV equipment, etc.) and automotive equipment fields
	Expansion of CASE-related business	35 billion yen of consolidated sales	<b>Increase the number of projects with European customers around the world</b> <b>Negotiations underway in other areas</b>
	Expansion of battery-related business	10 billion yen of consolidated sales	<b>Negotiations underway in the portable equipment, medical equipment, and mobility fields</b>
<b>Diversity management</b>	Improvement of local executives' ratio	80%	<b>78.0%</b>
	Improvement of female executives' ratio	50%	<b>32.4%</b>



# SIIX Manufacturing Priority Measures

## Introduction of Manufacturing DX (Digital transformation)

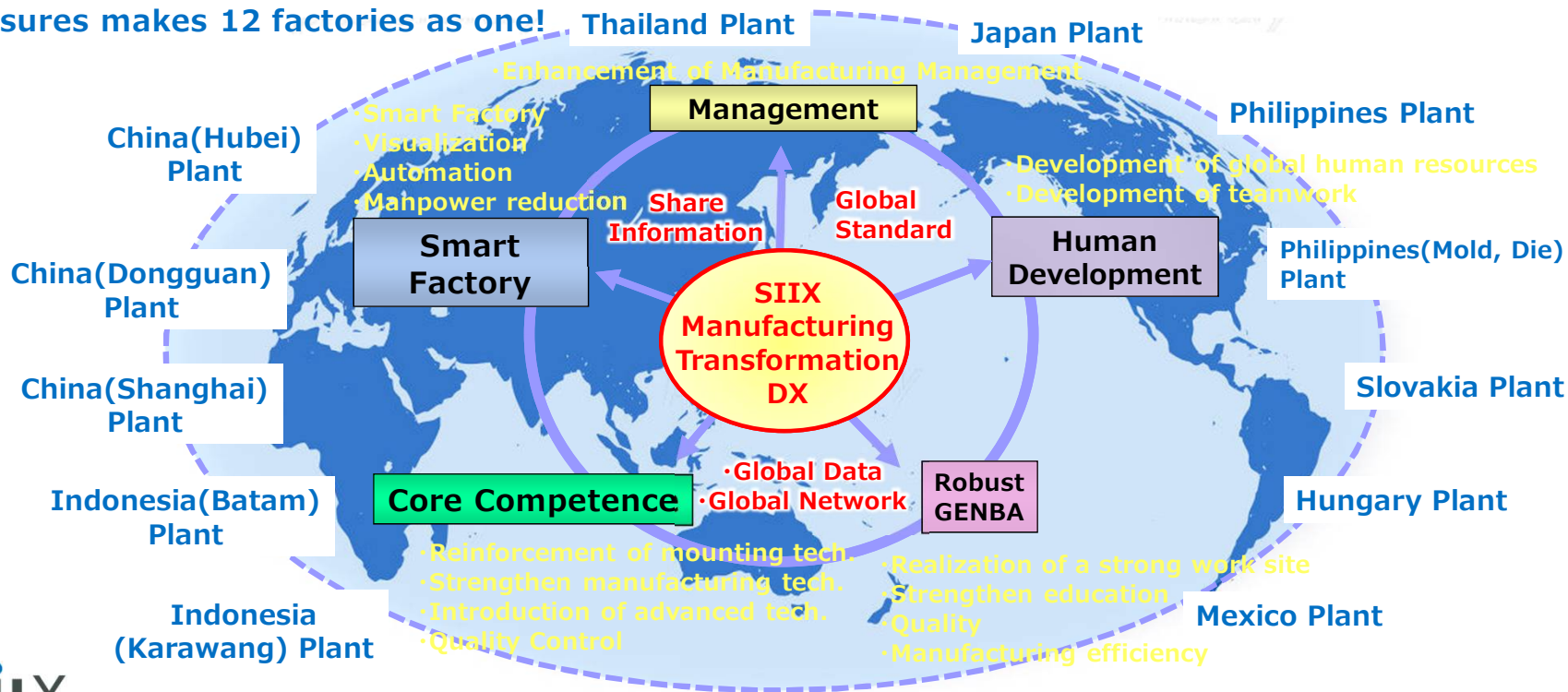
Utilize digital technology  
to drive three transformations



# SIIX Manufacturing Priority Measures

Implementation of Five Key

Measures makes 12 factories as one!



# Initiatives for Smart Factories

Category	Major automation efforts within SIIX
Environment	Automatic temperature and humidity control and visualization of power usage
Warehouse	Automated transport and parts management
SMT	QR Code, Solder Supply Stencil Changeover/Inspection, ICT Production Program, Quality Control, Model Changeover Accuracy Measurement, AOI Inspection AI Utilization, Trace
ASSY	QR code, moisture-proofing agent application, application inspection, Board partitioning, manual insertion, visual inspection, pallet transfer, Soldering, assembly, welding, potting, Screw tightening, tracing (work records)
Examination	IN LINE ICT, FCT, X-ray, Imaging
Shipping Examination	Trace and image recording
Shipping	Packing and Transportation
Others	Thread aligner, marking, lead cutting, Greasing, molding, plastic parts cleaning, Board cleaning

**Promotion of activities to accelerate automation and continuous improvement in all processes, from receiving parts to shipping finished products.**

- Strengthen response to customer requirements
- Stabilize quality and efficiency
- Manpower reduction
- Strengthen horizontal deployment to other bases
- Enhancement and utilization of information sharing contents

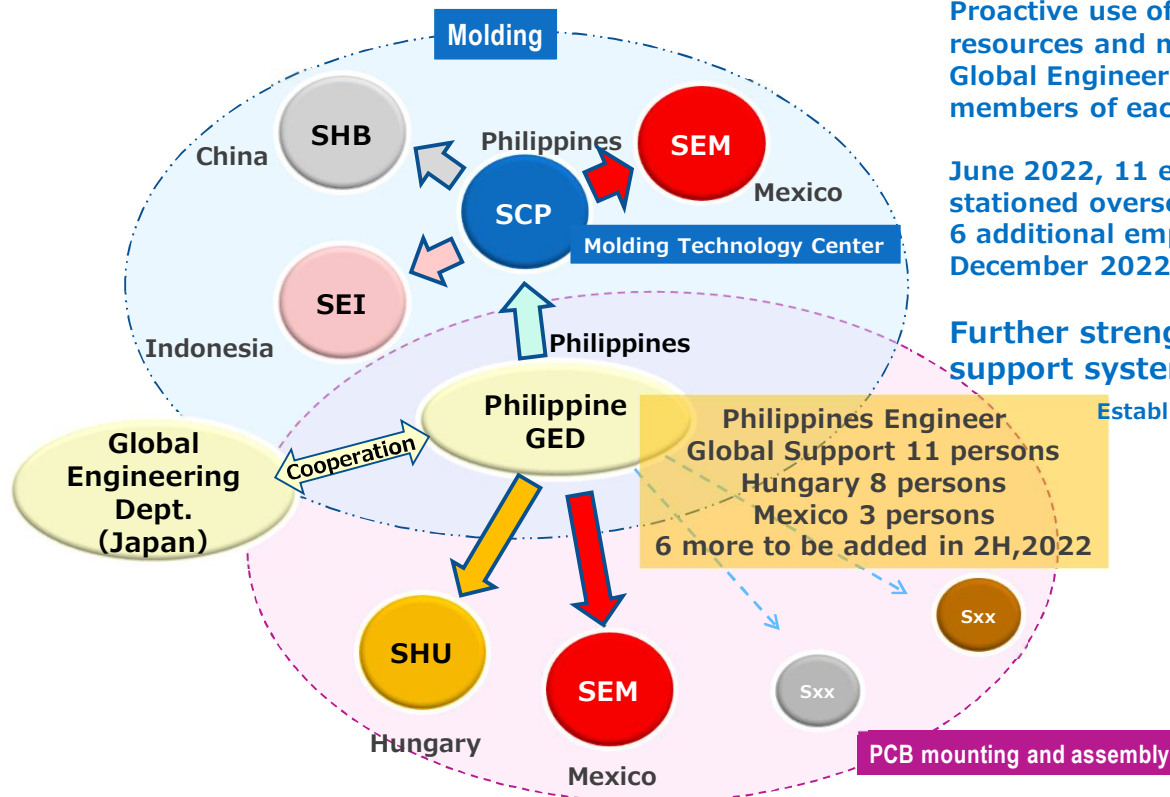


**Example of automated line at SIIX China plant**



**Example of automated line at SIIX Thailand plant**

# Strengthen global support system



Proactive use of Philippines human resources and mutual global support by Global Engineering Dept. and key members of each factory

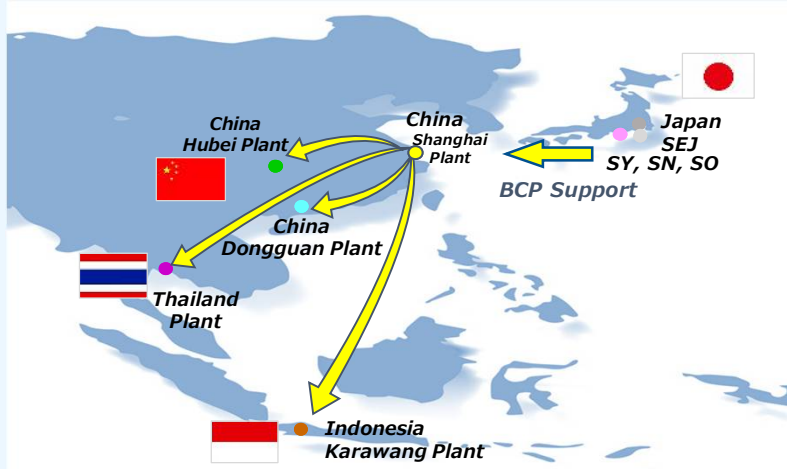
June 2022, 11 employees are currently stationed overseas.  
6 additional employees to be posted by December 2022

Further strengthening of global support system is underway.

Establishment of Philippine AOI Engineering Center  
2H, 2022

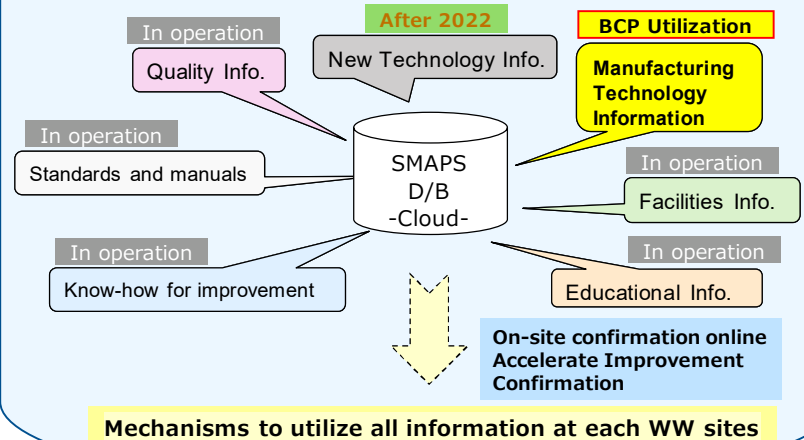
# ● Build a mechanism to support BCP response and ● factory-to-factory collaboration

Production transferred to China (Dongguan, Hubei), Indonesia and Thailand



Support system for manufacturing, technology, and quality information shared with factories around the world

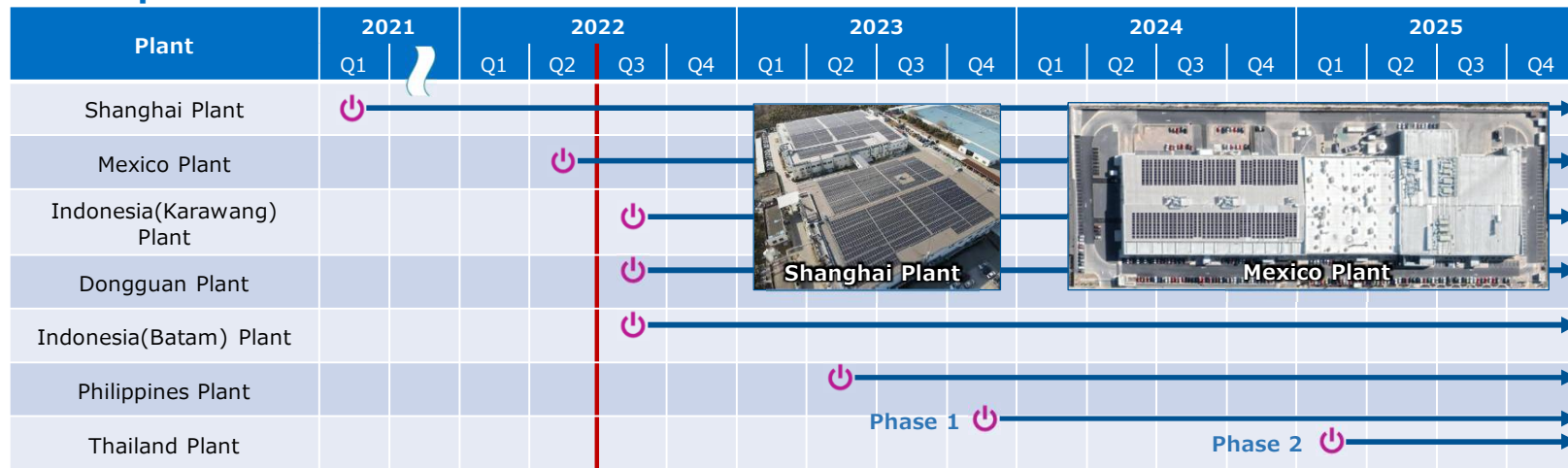
**SMAPS (Siix Manufacturing Platform System)**





# SIIX ESG Enhancement, CO2 Reduction Activities

## Solar panel installation status



## Renewable Energy Use

Area	Activity Ratio	Electronic Power	Start of use
Germany Sales Office	100%	Wind, Solar	2021
Philippines Plant	45%	Wind, Solar	2022
Hungary Plant	7%	Wind, Solar, Hydro, Biomass	2021
Slovakia Plant	13%	Wind, Solar, Hydro, Biomass	2021

# Initiatives in ESG

Environment

## Total CO2 emission reduction target for 2030

Target

vs. 2021

SCOPE 1

SCOPE 2

SCOPE 3

**42% cut**

**25% cut**

FY2021

SCOPE 1

924t

SCOPE 2

69,484t

SCOPE 3

583,026t

TOTAL

653,434t

〔Total CO2 emissions reduction activities〕

- Installation of solar panels  
Already in operation in Shanghai and Mexico, with plans to install in Jakarta, Dong Guan, Batam, Philippines, and Thailand in the future.
- Switching Purchased Electricity to Electricity Derived from Renewable Energies
- Conversion to LED lighting
- Switching production facilities to energy-saving models  
Add power consumption as a criterion for capital investment etc. under consideration

Social

## Local executives ratio

Ratio of local executives in management of all SIIX Group

Target

**80%**

1H.  
2022

**78.0%**

## Female executives ratio

\*Executives: Manager and above

Ratio of Female executives in management of all SIIX Group

Target

**50%**

1H.  
2022

**32.4%**

Governance

## Complying with the Revised Corporate Governance Code

- Already taken action regarding disclosure of skills matrix, number of independent directors, independence of Nomination and Remuneration Advisory Committee, establishment of electronic platform for voting, etc.
- With regard to diversity, we have traditionally disclosed the ratios of female and non-Japanese executives as our own KPIs.
- Climate change-related disclosures were made in the Integrated Report based on the TCFD. (Reference : [Integrated Report 2022](#))
- Compliance awareness was raised this year at a strategy meeting attended by the entire group's executives.

## Market restructuring

- Listed on the Prime Market in Tokyo Stock Exchange



# Initiatives in ESG

- Establishment of Sustainability Committee

## Sustainability Committee

Contribute to social issues and achieve sustainable corporate growth, Promote Sustainability Management

**“Contribute to a decarbonized society through business” and “Promote diversity management”**

Development and content review of sustainability policies on key issues, including climate change-related, human rights advocacy, diversity and inclusion, governance, and compliance

- Establish targets and indicators, and formulate activity policies
- Monitor activities reported by the Environmental Management Committee
- Periodic reports and advice to the Board of Directors (at least once a quarter)

Management

Supervision

## Environmental Management Committee

Promote activities related to climate change, forest protection, water resources protection, and biodiversity

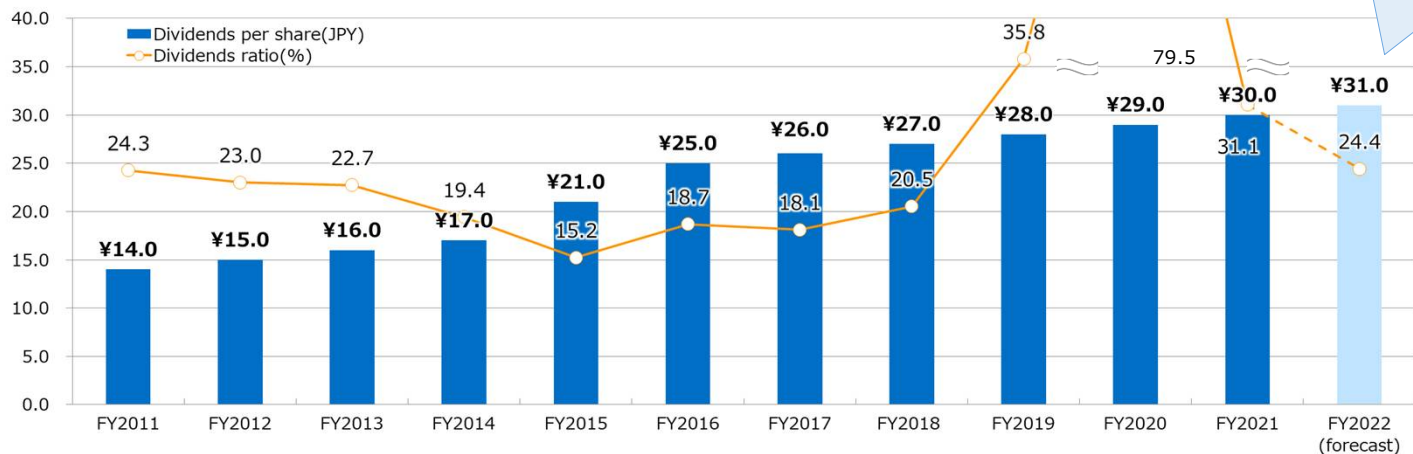
- Formulate action plans to achieve goals
- Support and guidance in promoting activities
- Monitor the progress of activities

## Compliance Committee

Promote legal compliance activities (awareness-raising activities and educational programs for the entire group)

- Provide guidance to prevent recurrence of misconduct
- Collect information from experts
- Compile information on activities from compliance officers in each region and identify problems

# Shareholder Return



	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 (forecast)
Dividends per share(JPY)	14.0	15.0	16.0	17.0	21.0	※ 25.0	26.0	27.0	28.0	29.0	30.0	31.0
Dividends ratio(%)	24.3	23.0	22.7	19.4	15.2	18.7	18.1	20.5	35.8	79.5	31.1	24.4
# of Treasury Stock Acquisition						508,900		2,035,700				
Amount of treasury stock acquisition (JPY)	-	-	-	-	-	2,000 mil.	-	4,000 mil.	-	-	-	-

※includes commemorative dividend 1.00 yen



# Disclaimer

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# Consolidated Financial Result of 1H, FY2022 (Appendix)

August 2022

SIIX Corporation





# Profit and Loss

(JPY in millions)	1H, FY2020	1H, FY2021	1H, FY2022	FY2020	FY2021
Net sales	80,234	109,470	125,467	181,598	226,833
Operating income	1,048	2,541	3,457	4,452	4,954
Operating income ratio (%)	1.3	2.3	2.8	2.5	2.2
Ordinary income	784	2,917	3,639	4,444	5,934
Ordinary income ratio (%)	1.0	2.7	2.9	2.4	2.6
Profit attributable to owners of parent	(641)	2,452	1,579	1,724	4,561
Profit attributable to owners of parent ratio(%)	(0.8)	2.2	1.3	0.9	2.0
# of Consolidated subsidiaries	22	22	22	22	22
# of Equity method affiliates	2	2	2	2	2
# of Employees	11,475	11,648	12,719	11,257	12,354



# Management Indicators

		1H, FY2020	1H, FY2021	1H, FY2022	FY2020	FY2021
ROE	(%)	-	-	-	3.0	7.5
ROA	(%)	-	-	-	3.1	3.8
Total asset turnover		0.6	0.7	0.7	1.3	1.4
Net interest-bearing debts/Net asset	(%)	65.4	40.3	68.6	43.4	63.6
D/E ratio		0.9	0.6	0.8	0.8	0.8
Current ratio	(%)	191.6	178.7	163.0	174.2	153.8
Accounts receivable turnover ratio	(day)	75.3	65.1	72.2	73.8	67.9
Inventory turnover ratio	(day)	96.8	67.0	94.8	79.1	76.2
PBR	(X)	0.9	1.1	0.6	1.3	1.0
PER	(X)	-	-	-	42.3	14.7



# Capital Structure

	FY2018	FY2019	FY2020	FY2021	1H, FY2022
(JPY in millions)					
Total asset	137,350	143,391	144,436	169,921	196,978
Liability	81,334	85,141	87,937	103,551	118,718
interest-bearing debt	32,969	38,667	47,471	51,350	62,395
Net asset	56,016	58,249	56,498	66,369	78,260
Capital-to-asset ratio (%)	40.5	40.3	38.8	38.8	39.5
Closing stock price (JPY)	1,430	1,523	1,543	1,416	951
Capital-to-asset ratio at market value (%)	49.2	50.2	50.5	39.4	22.8
Issued stock (thousand)	50,400	50,400	50,400	50,400	50,400
BPS	1,178.04	1,224.26	1,186.71	1,393.92	1,643.48



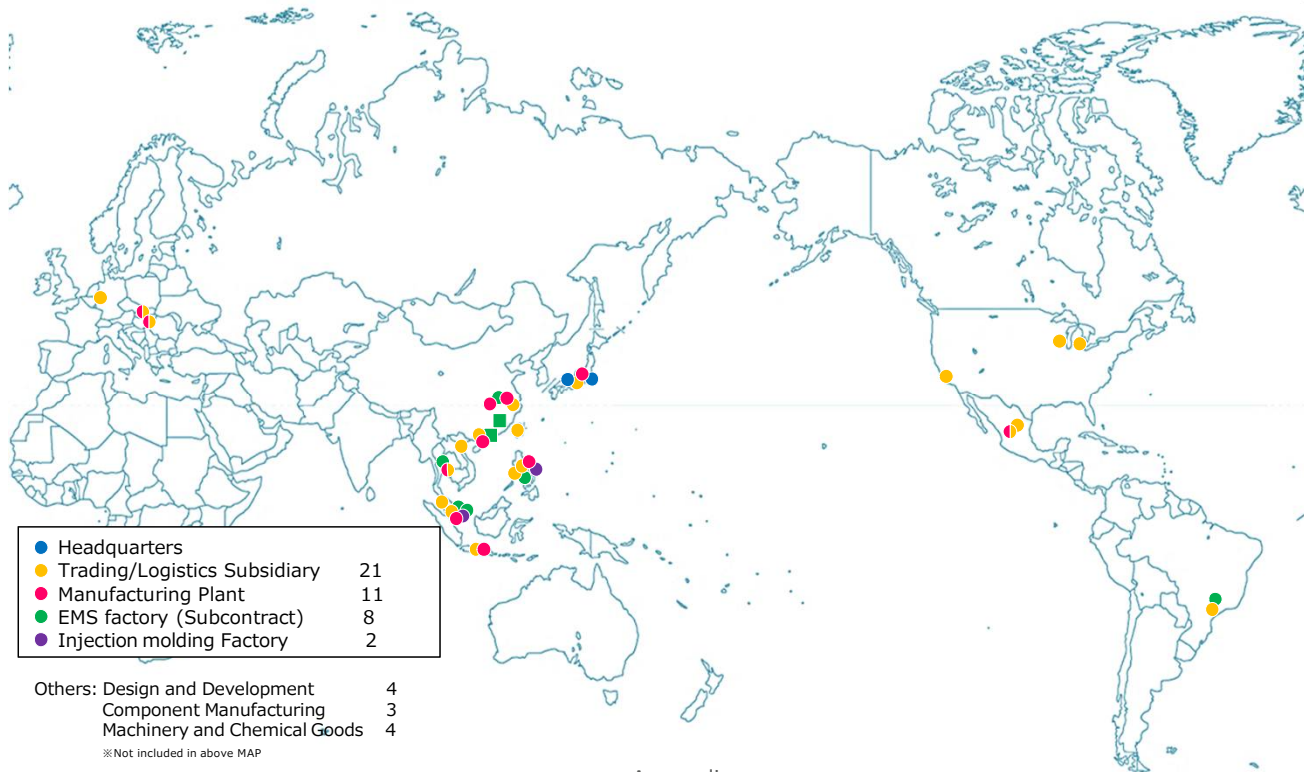
# Sales by market sector

(JPY in millions, %)	1H, FY2020	1H, FY2021	1H, FY2022	FY2020		FY2021	
				full year	%	full year	%
Automotive-related equipments	39,364	61,962	<b>74,117</b>	98,359	54.2	127,317	56.1
Industrial equipments	17,477	19,674	<b>23,303</b>	34,534	19.0	41,850	18.4
Home appliances	11,623	11,632	<b>12,602</b>	22,930	12.6	22,782	10.0
Information equipments	8,271	10,108	<b>12,963</b>	16,318	9.0	20,565	9.1
Electronics others	564	1,272	<b>1,440</b>	2,162	1.2	2,919	1.3
Machinery and others	2,935	4,822	<b>1,041</b>	7,295	4.0	11,401	5.0
Total	80,234	109,470	<b>125,467</b>	181,598	100.0	226,833	100.0



# SIIX GLOBAL NETWORK

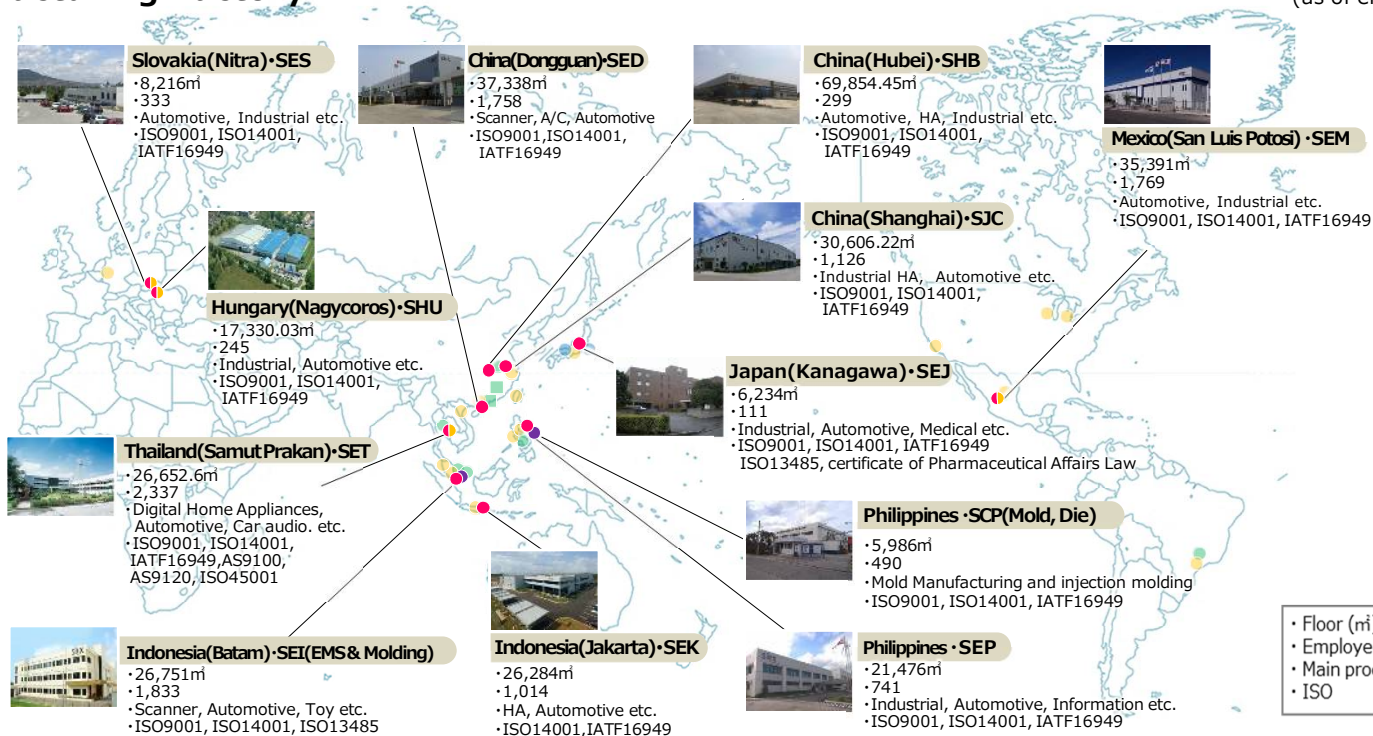
(as of end of Jun. 2022)



# SIIX GLOBAL NETWORK

## • Manufacturing Factory

(as of end of Jun. 2022)



• Floor (m<sup>2</sup>)  
 • Employees  
 • Main products  
 • ISO

<Appendix>

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# SIIX GLOBAL NETWORK

## • Sales & Logistics

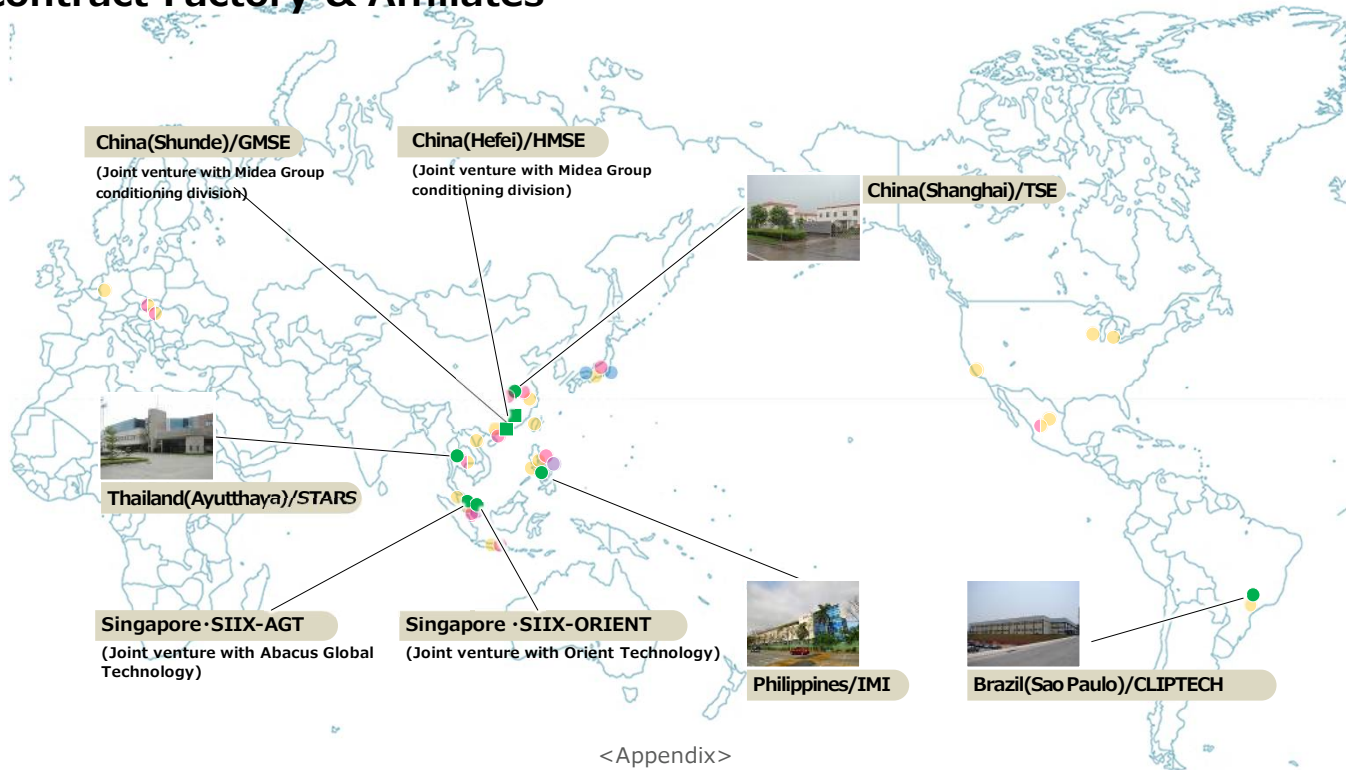
(as of end of Jun. 2022)



# SIIX GLOBAL NETWORK

## Subcontract Factory & Affiliates

(as of end of Jun. 2022)





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