

Consolidated Financial Result of FY2022

February 2023

SIIX Corporation





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Consolidated Financial Result of FY2022

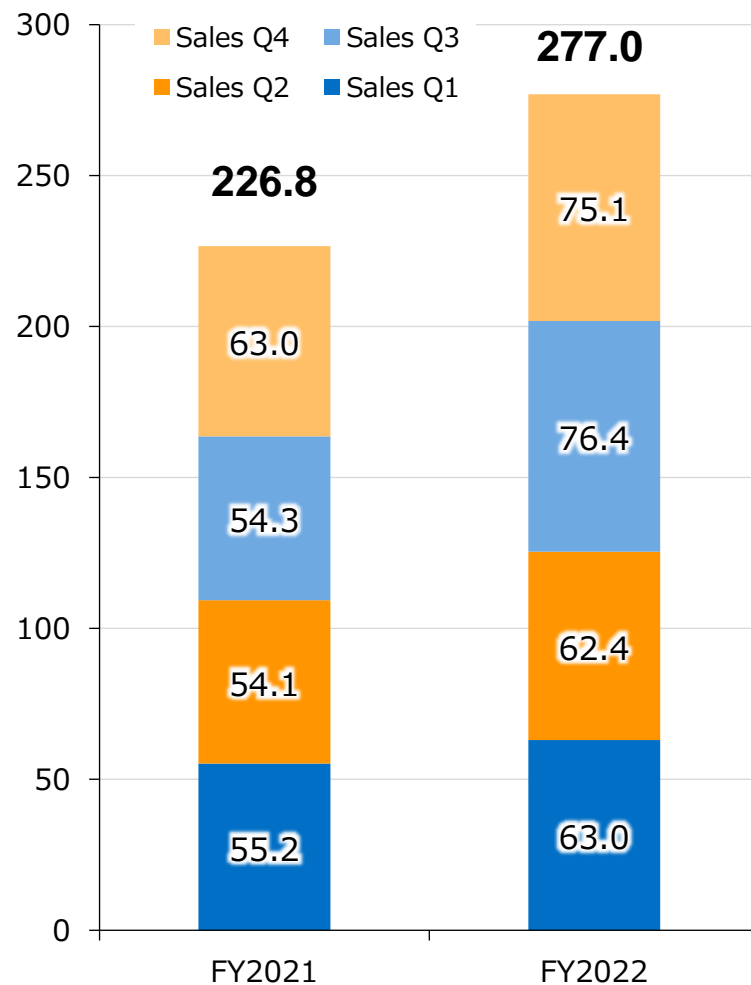
- Profit and Loss

	FY2021		FY2022		FY2021 vs. FY2022		Impact of	FY2021 vs. FY2022, net	
(JPY in millions)	amount	%	amount	%	diff.	%	change in FX	diff.(net)	%
Sales	226,833	100.0	277,031	100.0	50,198	22.1	29,637	20,560	9.1
Gross Profit	20,120	8.9	25,791	9.3	5,670	28.2			
SGA	15,165	6.7	16,862	6.1	1,696	11.2			
Operating Income	4,954	2.2	8,929	3.2	3,974	80.2	1,017	2,956	59.7
Ordinary Income	5,934	2.6	8,337	3.0	2,402	40.5	Exchange rate		
Extraordinary Income & Loss	0	0.0	-377	-0.1	-377	-			
Corporate tax	1,364	0.6	3,229	1.2	1,865	136.7			
Profit attributable to owners of parent	4,561	2.0	4,733	1.7	172	3.8			
							USD	109.95	131.22
							EUR	129.94	138.05
							HKD	14.15	16.76
							THB	3.44	3.74
							RMB	17.04	19.48

Consolidated Financial Result of FY2022

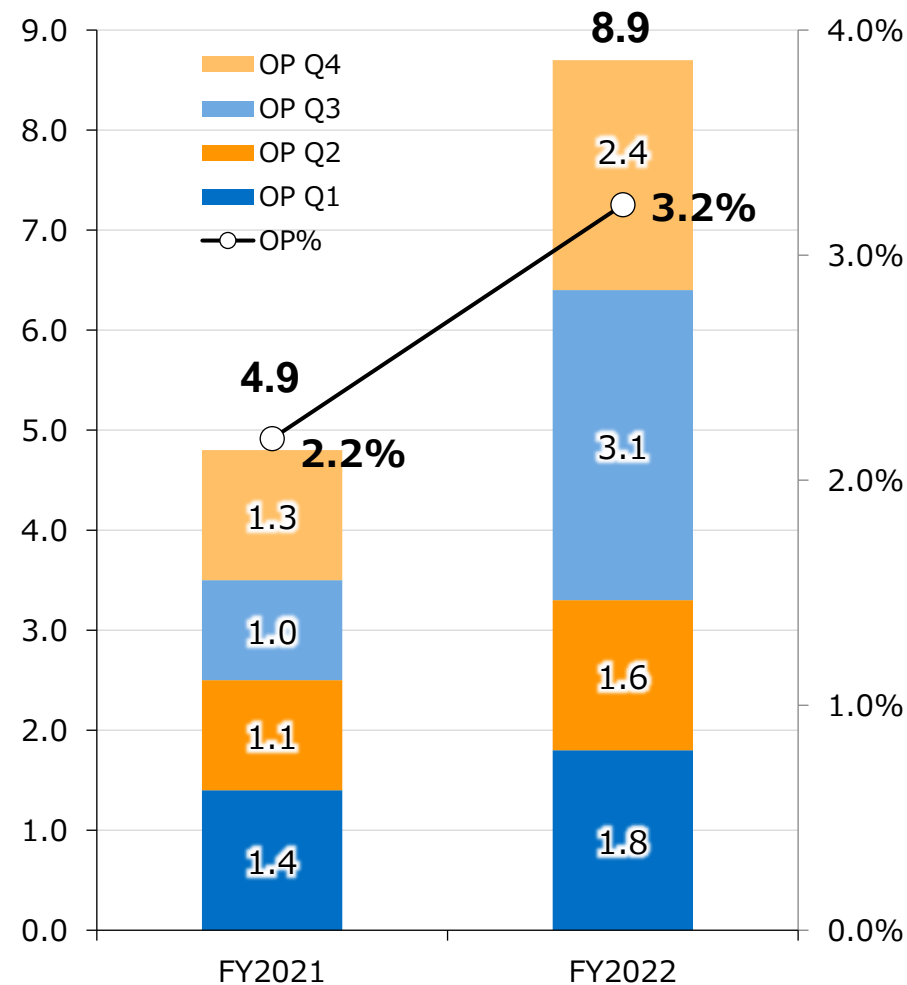
• Sales

(JPY in billions, %)



• Operating Profit

(JPY in billions, %)

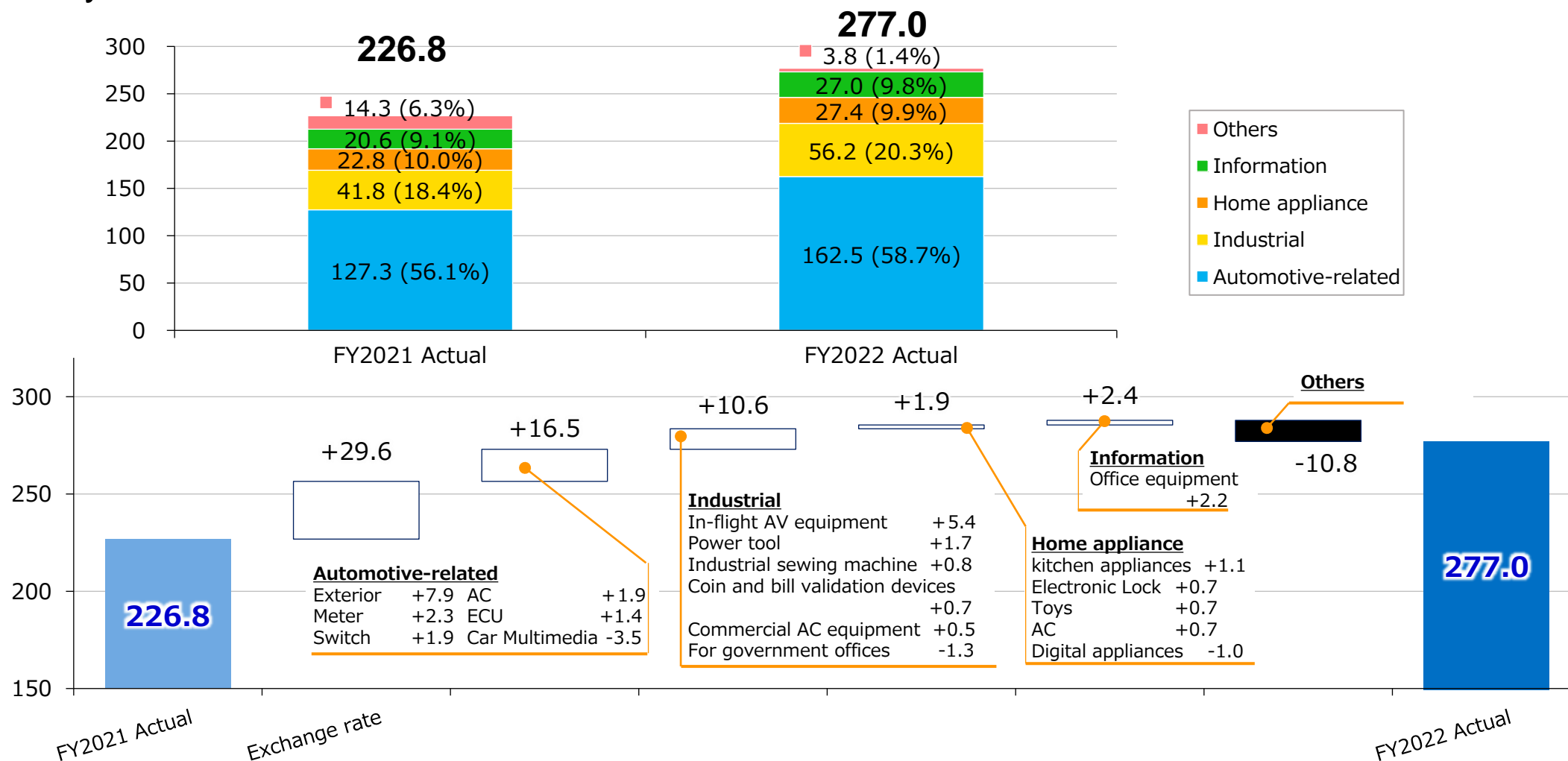




Consolidated Financial Result of FY2022

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

(JPY in billions, %)

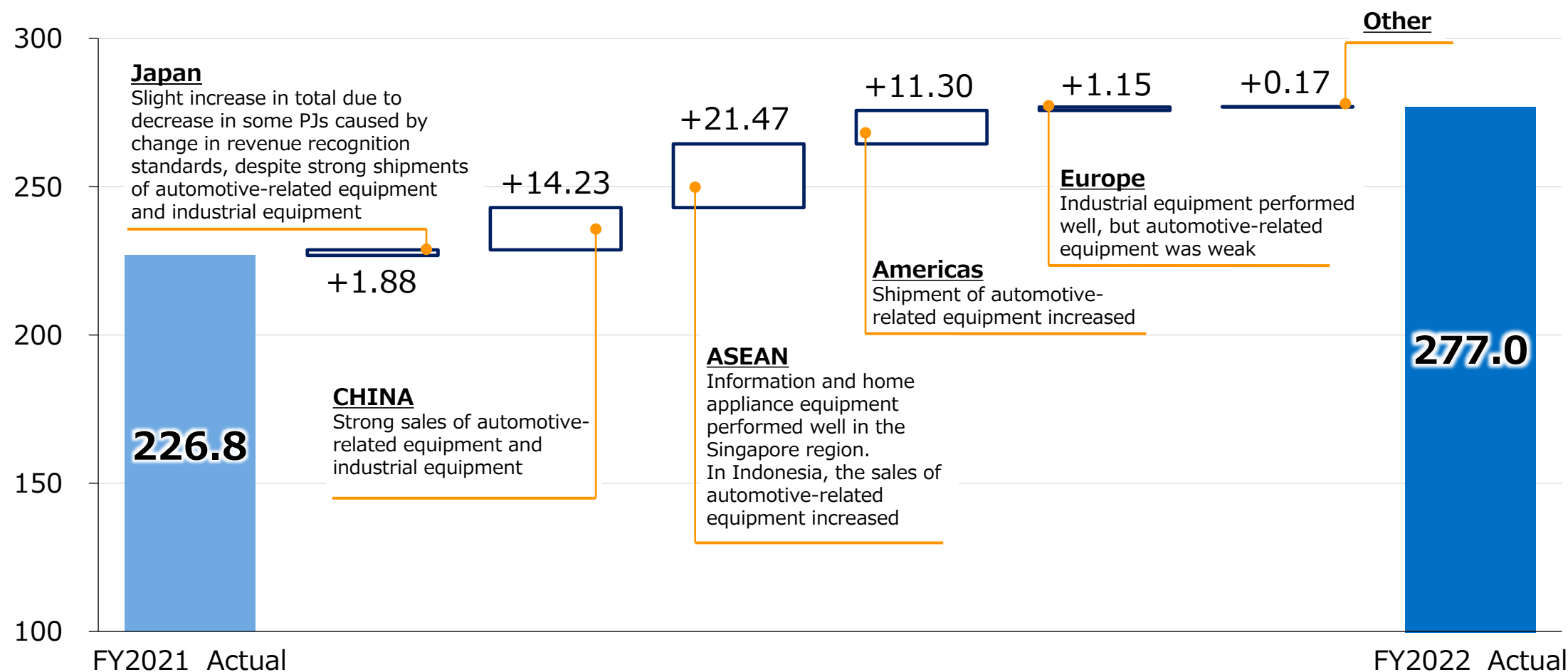




Consolidated Financial Result of FY2022

- Consolidated Sales by area (FY2021 vs. FY2022)

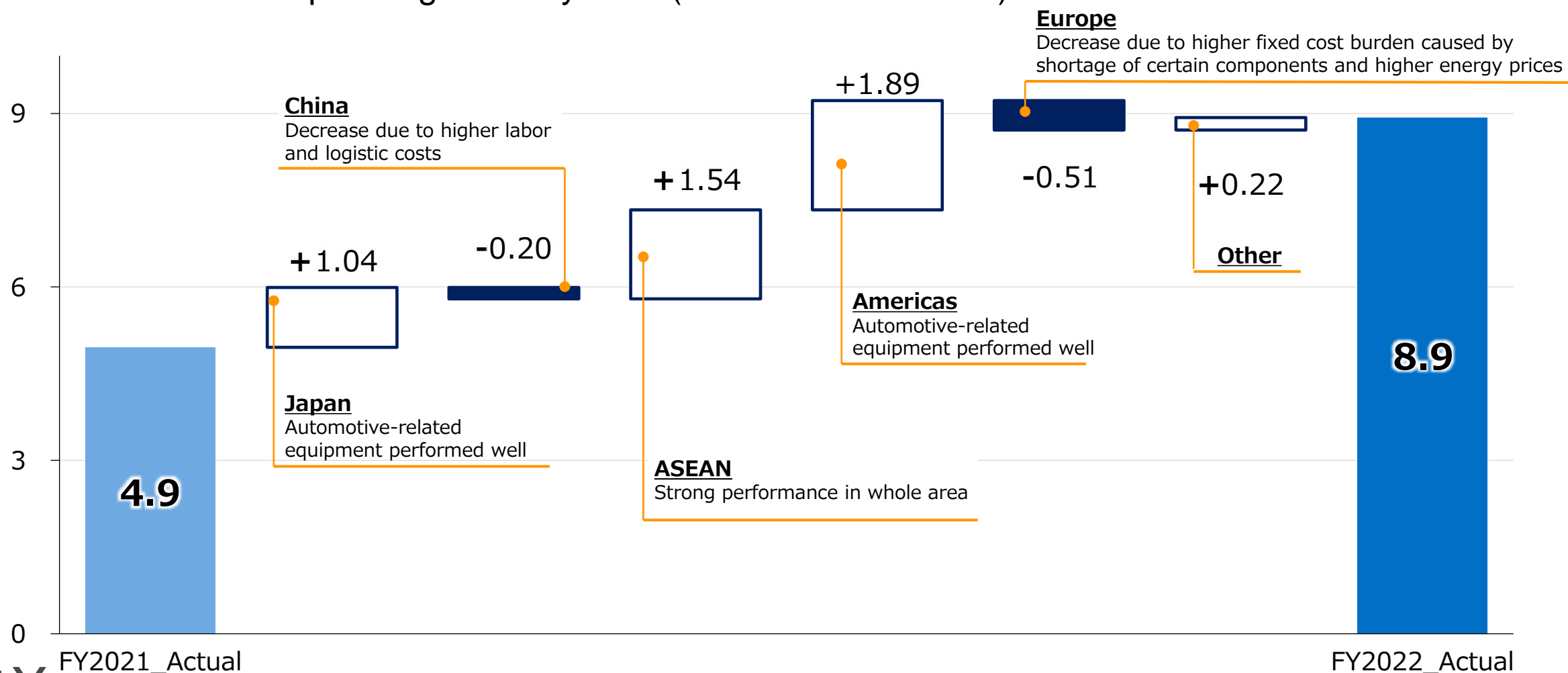
(JPY in billions)



Consolidated Financial Result of FY2022

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

(JPY in billions)





Consolidated Financial Result of FY2022

- SGA

(JPY in millions)	FY2021		FY2022		Changes	
	amount	%	amount	%	amount	%
Personnel expenses	6,792	3.0	7,645	2.8	852	12.6
Traveling and communication expenses	212	0.1	351	0.1	139	65.8
Freightage and packing expenses	3,332	1.5	3,161	1.1	-171	-5.1
Commission expenses	783	0.3	968	0.3	184	23.6
Rent expenses on real estates	233	0.1	239	0.1	5	2.3
Depreciation	1,121	0.5	1,572	0.6	450	40.2
Other expense	2,689	1.2	2,923	1.1	233	8.7
Total	15,165	6.7	16,862	6.1	1,696	11.2



Consolidated Financial Result of FY2022

- Non-Operating Profit and Loss

(JPY in millions)	FY2021	FY2022
Interest income	26	35
Dividends income	191	46
Foreign exchange gains	286	-
Subsidy income	201	195
Gain on sales of goods	328	323
Gain on sales of scraps	172	203
Other	373	298
Non-operating income	1,579	1,103
Interest expenses	284	823
Share of loss of entities accounted for using equity method	33	7
Foreign exchange losses	-	483
Purchase of goods	148	172
Other	133	207
Non-operating expenses	599	1,695
Non-operating income/loss	979	- 591



Consolidated Financial Result of FY2022

- Balance Sheet

(JPY in millions)	End of FY2021	End of FY2022	Changes (FY2021 vs. FY2022)			
			amount	%	Impact of exchange rate	net
Current assets	122,797	150,275	27,478	22.4	13,027	14,451
<i>Notes and accounts receivable - trade, and contract assets *</i>	48,044	55,091	7,046	14.7	4,588	2,457
<i>Inventories</i>	58,240	73,428	15,187	26.1	6,430	8,757
Noncurrent assets	47,123	54,894	7,770	16.5	4,429	3,341
Total asset	169,921	205,170	35,249	20.7	17,456	17,792
Current liabilities	79,833	96,598	16,764	21.0	8,746	8,018
<i>Accounts payable-trade</i>	37,298	41,733	4,435	11.9	2,346	2,088
<i>Short-term loans payable</i>	31,561	36,136	4,575	14.5	2,944	1,631
Noncurrent liabilities	23,718	31,182	7,463	31.5	424	7,039
Corporate bonds	10,000	10,000	-	-	-	-
<i>Long-term loans payable</i>	8,446	15,125	6,678	79.1	252	6,426
Total liability	103,551	127,780	24,228	23.4	9,170	15,057
Net assets	66,369	77,389	11,020	16.6	8,285	2,734
Minority interests	412	430	18	4.5	21	-3
Total asset and liability	169,921	205,170	35,249	20.7	17,456	17,792

*Contract assets are included beginning in FY2022. Reclassifications have been made for FY2021 year-end for comparative purposes.



Consolidated Financial Result of FY2022

- Cash Flow

(JPY in millions)	FY2018	FY2019	FY2020	FY2021	FY2022
Net cash from operating activities	966	8,945	13,280	-8,106	5,567
Net cash from investing activities	-6,515	-9,602	-6,034	-7,765	-8,892
Net cash from financing activities	7,991	2,923	1,291	869	6,676
Cash and cash equivalents	12,813	15,035	22,968	9,315	13,652
Debt to annual cash flow ratio (years)	27.2	4.0	3.2	—	10.3
Interest coverage ratio (X)	3.2	18.3	34.9	—	7.6



Consolidated Financial Forecast of FY2023

	FY 2021 Actual		FY 2022 Actual		FY 2023 Forecast		FY2022 vs. FY 2023	
	(JPY in millions)	%		%		%	diff.	%
Sales	226,833		277,031		300,000		22,968	8.3
Operating income	4,954	2.2	8,929	3.2	11,300	3.8	2,370	26.5
Ordinary income	5,934	2.6	8,337	3.0	10,200	3.4	1,878	22.5
Profit attributable to owners of parent	4,561	2.0	4,737	1.7	7,700	2.6	3,044	64.3
Net income per share (JPY)	96.53		100.11		162.78		62.67	62.6

Assumption rate(USD)

¥109.95

¥131.22

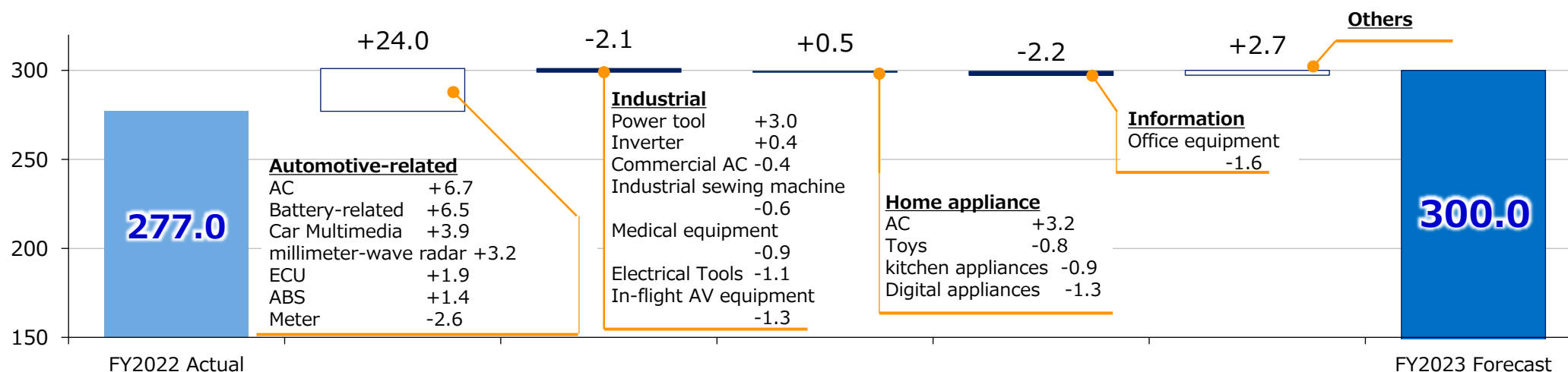
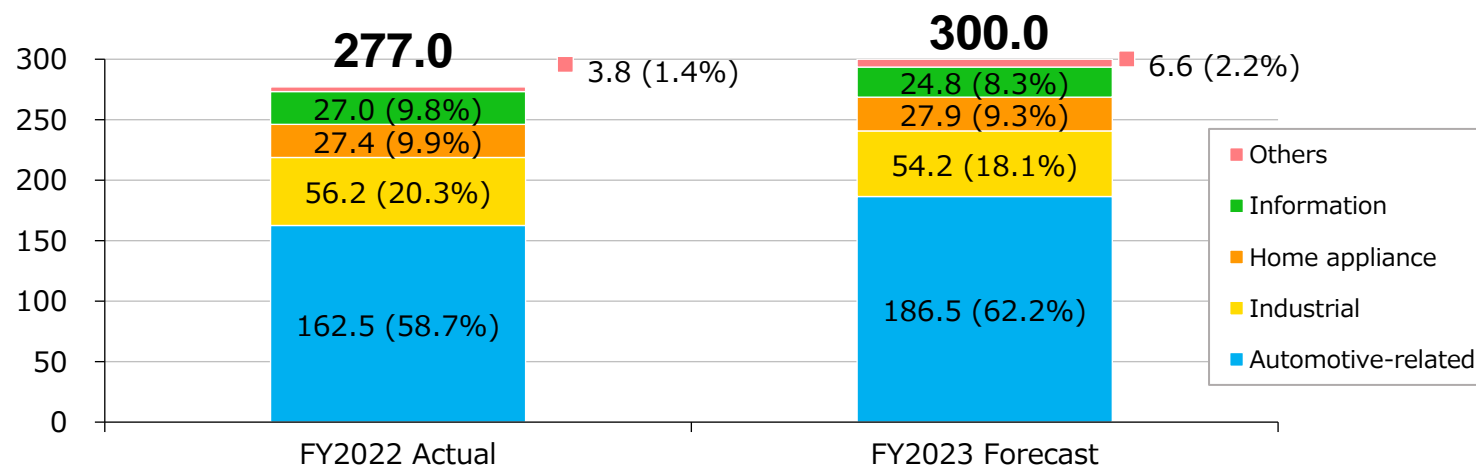
¥127.00



Consolidated Financial Forecast of FY2023

- Sales by Market Sector (FY2022 actual vs. FY2023 forecast)

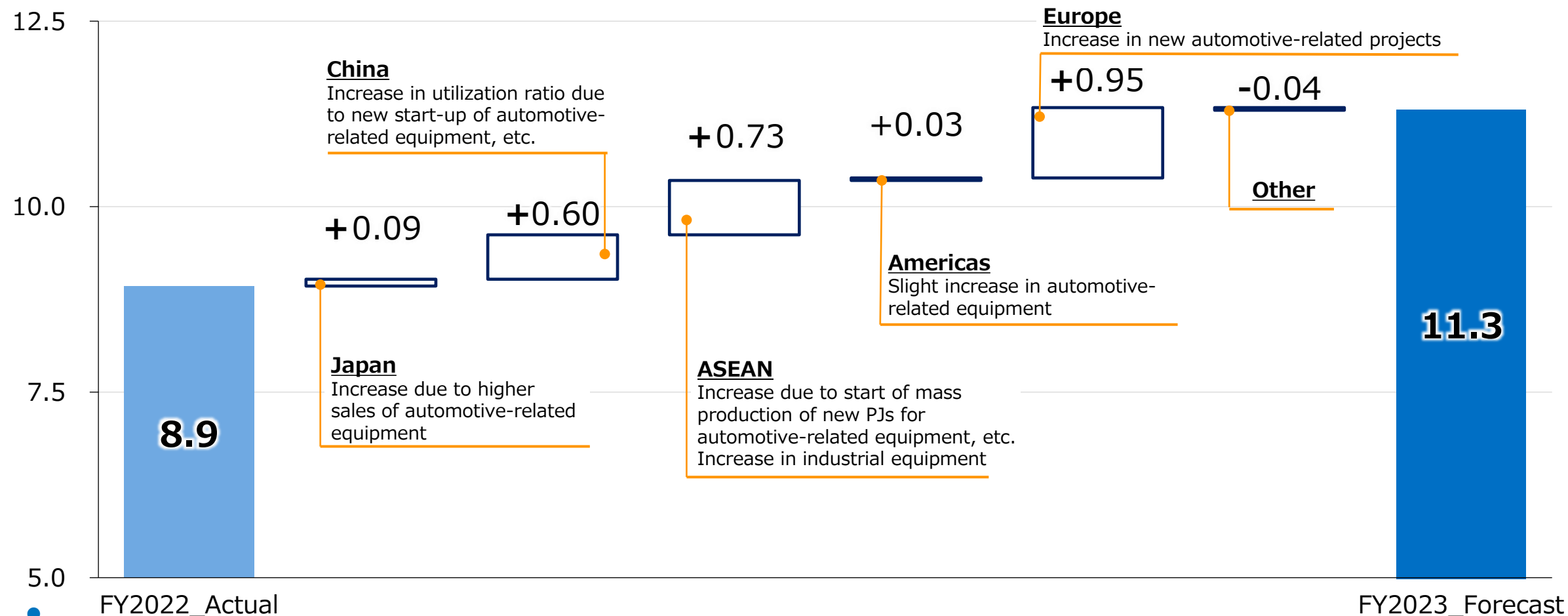
(JPY in billions, %)



Consolidated Financial Forecast of FY2023

- Consolidated Operating Profit by area (FY2022 actual vs. FY2023 forecast)

(JPY in billions)

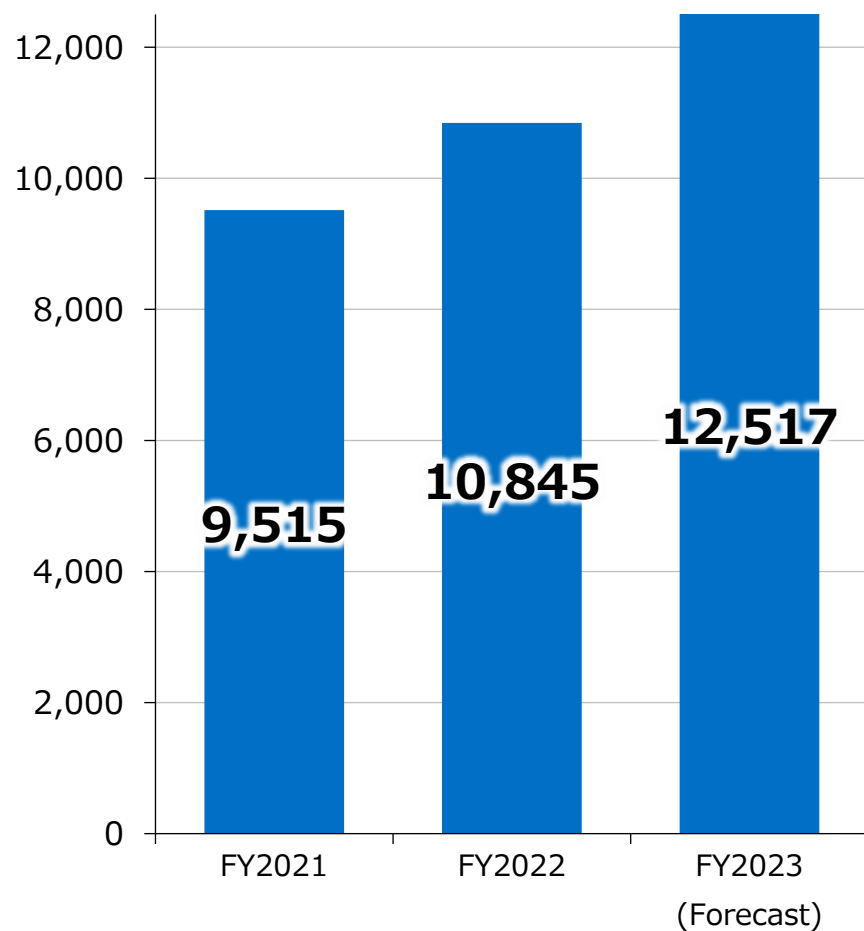




Consolidated Financial Result of FY2022

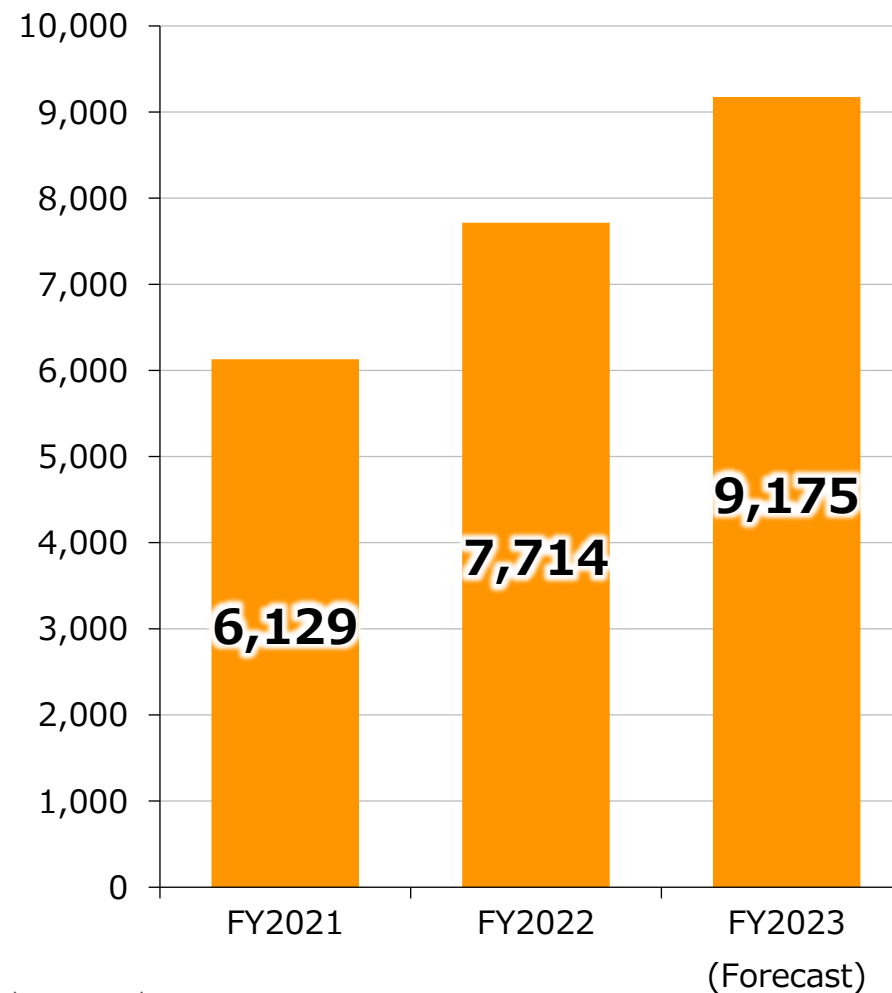
• CAPEX

(JPY in millions)



• Depreciation

(JPY in millions)





Current Situation of Midterm Business Plan

Target	KPI for 2023		2022
Expanding business with major global companies	Expansion of non-Japanese ratio	25% of consolidated sales	15.3% of consolidated sales Expansion of business for non-Japanese customers into multiple regions
	Strengthen Reinforce alliances with technology	5 billion yen of consolidated sales	Demand from public sector calmed down and remained flat YoY
	Customer development in the medical field	5 billion yen of consolidated sales	Same level as the previous year due to COVID-19. 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	79.0% of consolidated sales 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	Increase the number of projects with European customers around the world Negotiations underway in other areas
	Expansion of battery-related business	10 billion yen of consolidated sales	Negotiations underway in the portable equipment, medical equipment, and mobility fields
Diversity management	Improvement of local executives' ratio	80%	77.3%
	Improvement of female executives' ratio	50%	32.2%



Topics

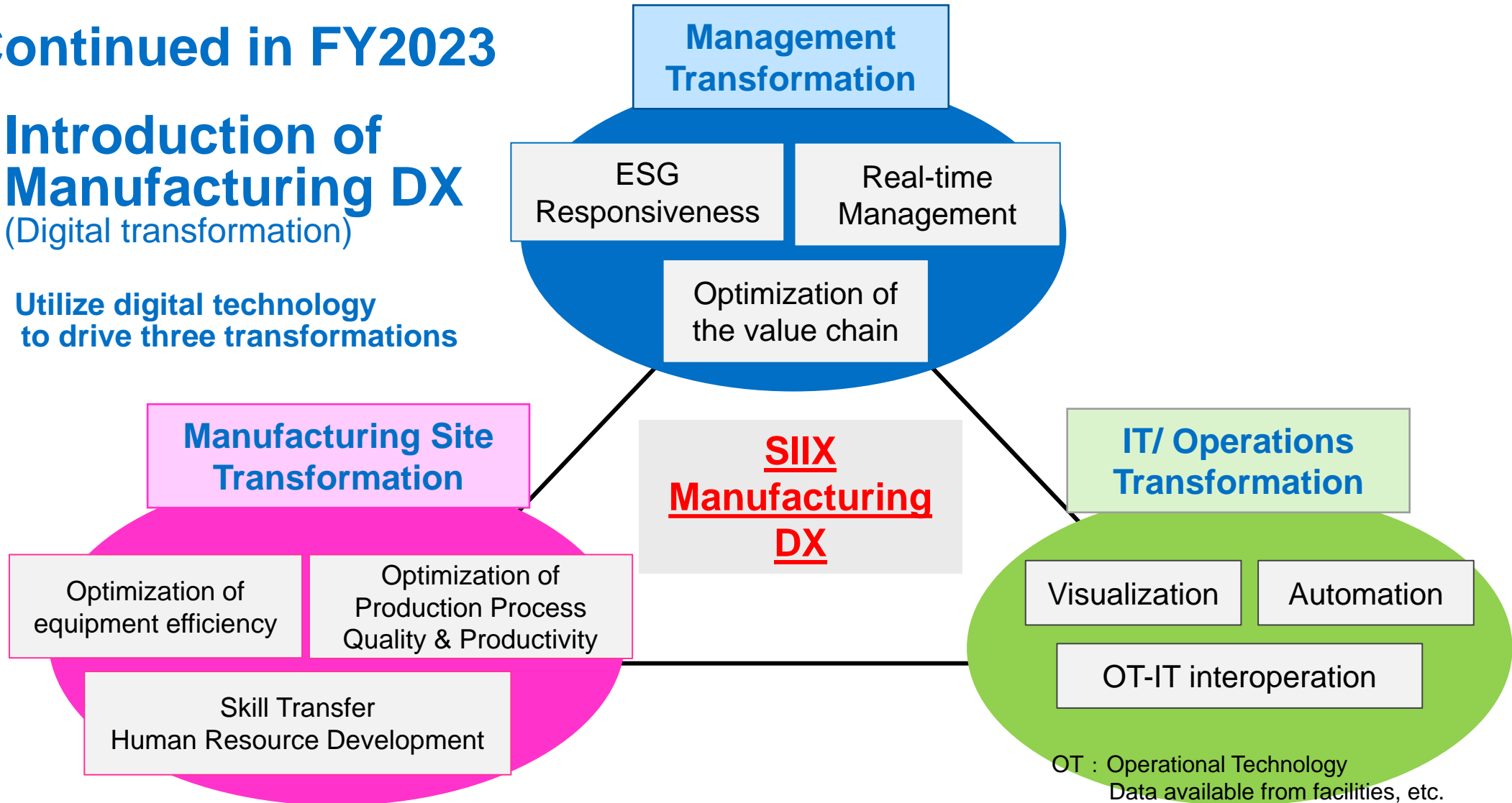
- Expanding business with global customers, both Japanese and non-Japanese, in all areas of the world (with larger contracts and inquiries)
- Started direct businesses with EV manufacturers and finished automotive manufacturers (BMS, OBC, E-PUMP, etc.)
+ Negotiations underway for EV charging facilities (Charging Stations)
- Expanding battery business (power tools, E-Mobility, wireless equipment, handy terminals, etc.) + Contracts for storage battery business
- Completed expansion of the Thailand plant in May. Started considering a second plant in Mexico (to be completed in 2025)
Strengthened and expanded the capacity of partner in Malaysia.
- Expanding demand for air conditioners, capturing heat pump air conditioners (Acceleration of decarbonization business)
- Enforcing centralized & consolidated management in each region
(improving BCP capacity, countermeasures against US-China decoupling)
- Strengthening sales in Silicon Valley (open a sales office)
- Developing the market for printed electronics
- Adaptation to modularization of components
- Joint Design and Manufacturing services

SIIX Manufacturing Priority Measures

Continued in FY2023

Introduction of Manufacturing DX (Digital transformation)

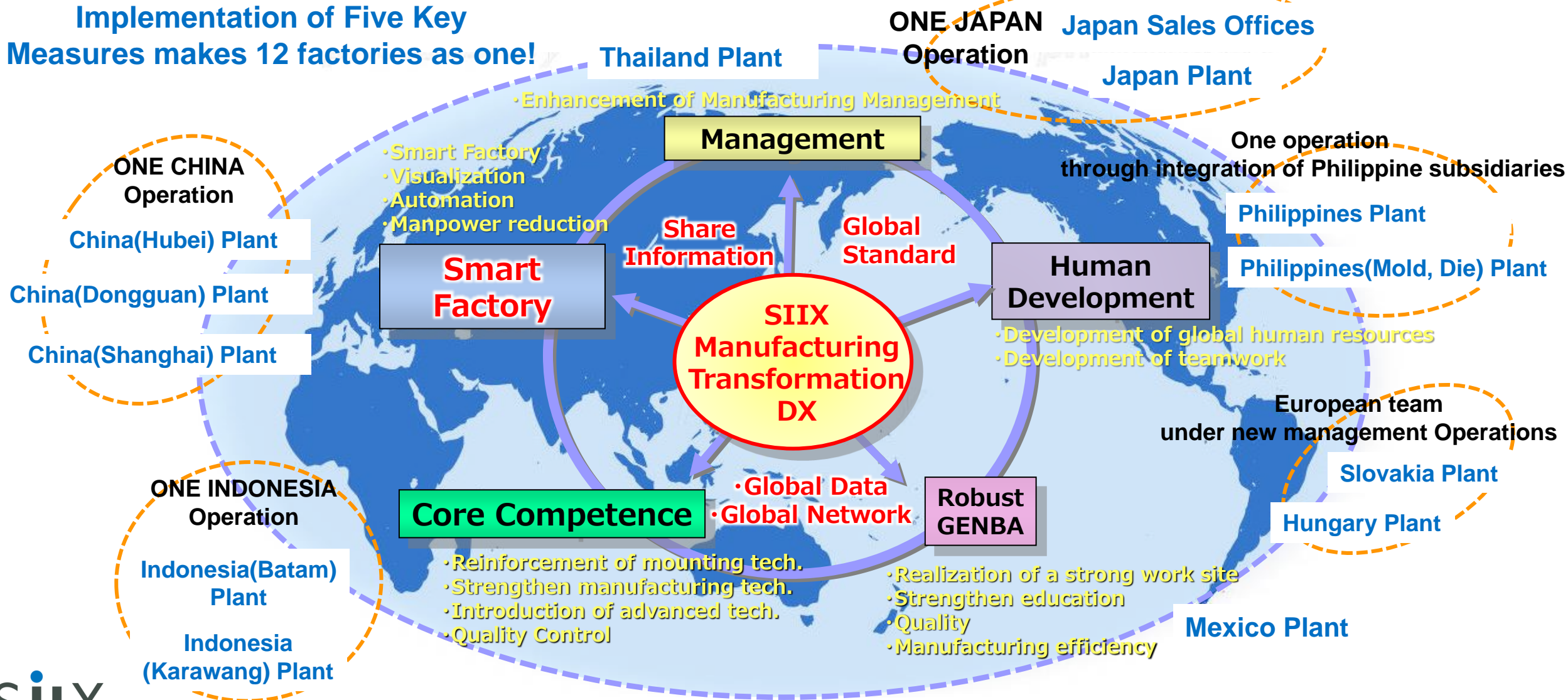
Utilize digital technology
to drive three transformations



SIIX Manufacturing Priority Measures

Implementation of Five Key Measures makes 12 factories as one!

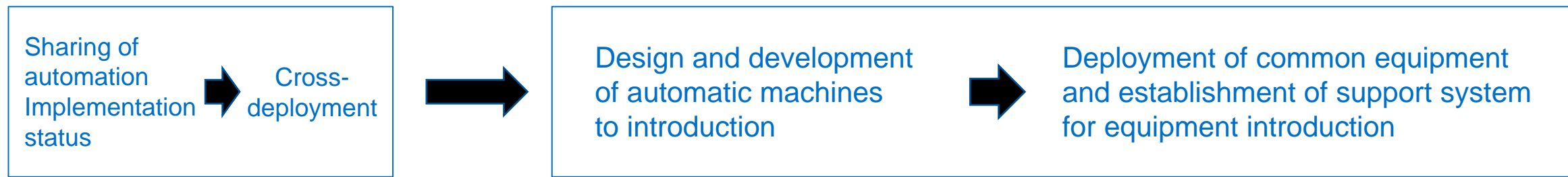
Region by Region Operation Building





Smart Factory Initiatives

Accelerating Automation through a New Global Structure



Initiatives at each location



Example of automated line in Thailand plant



Example of automated line at China plant

Introduction of common automation and common equipment

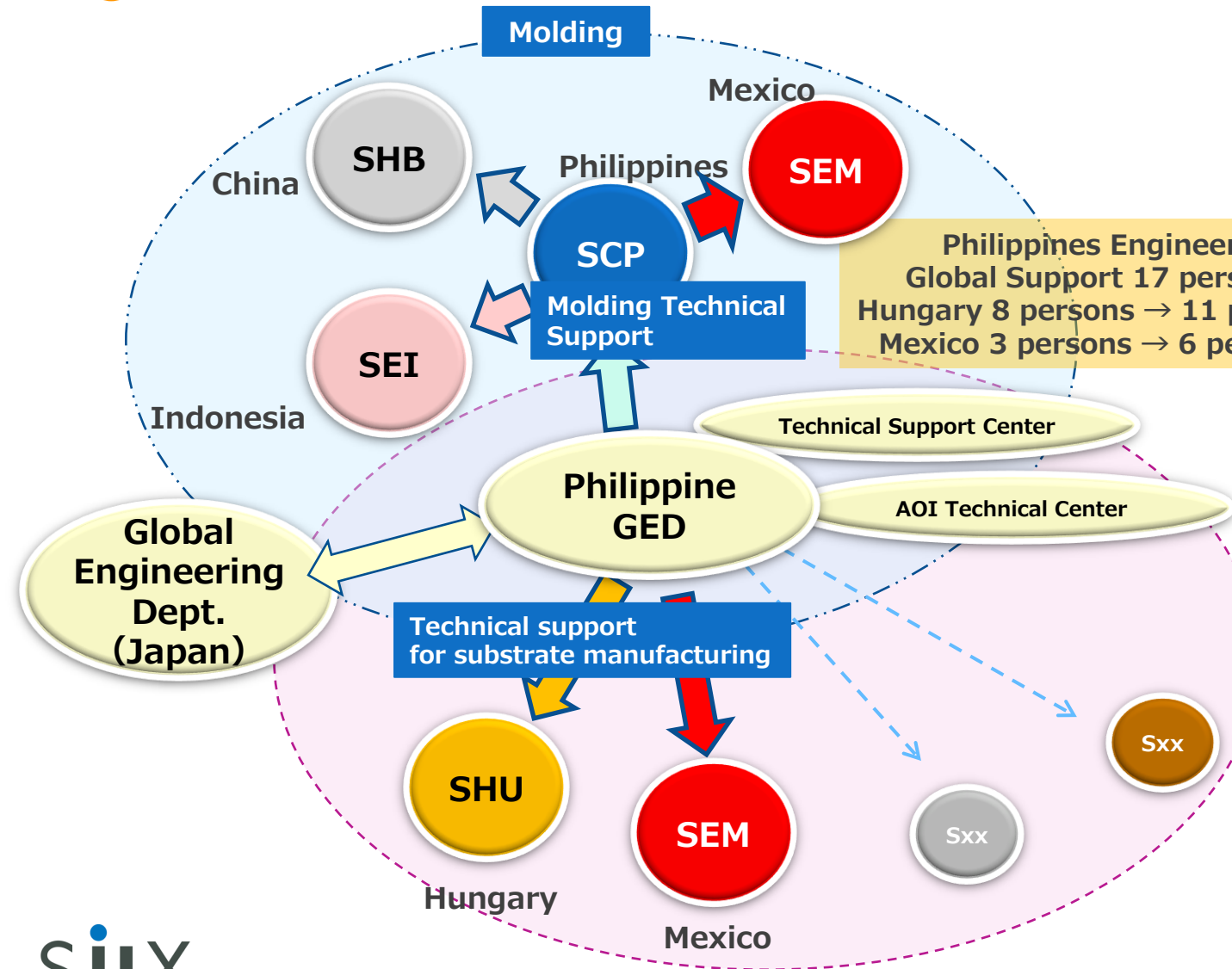
(enables acceleration of automation, common management, and early start-up)

- Establishment of Indonesia Automated Machinery Design and Development Division
- Established a global system by utilizing the Indonesian Design & Development Division and the Philippine Technical Support Division.

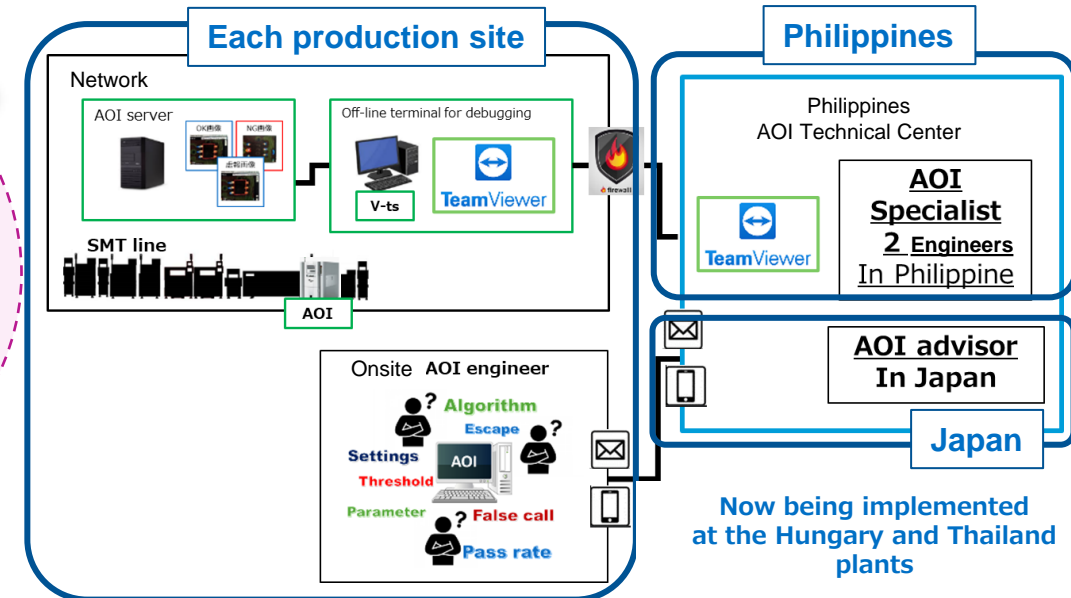


GED Philippines Branch Activities

- **Further utilization of Philippine engineers**
Establishing a global support System
 Total of 17 engineers are providing technical support to Hungary and Mexico
- **AOI Technical Center in the Philippines Begins Operations**
3 technicians
 2 Philippine technicians and 1 Japanese instructor

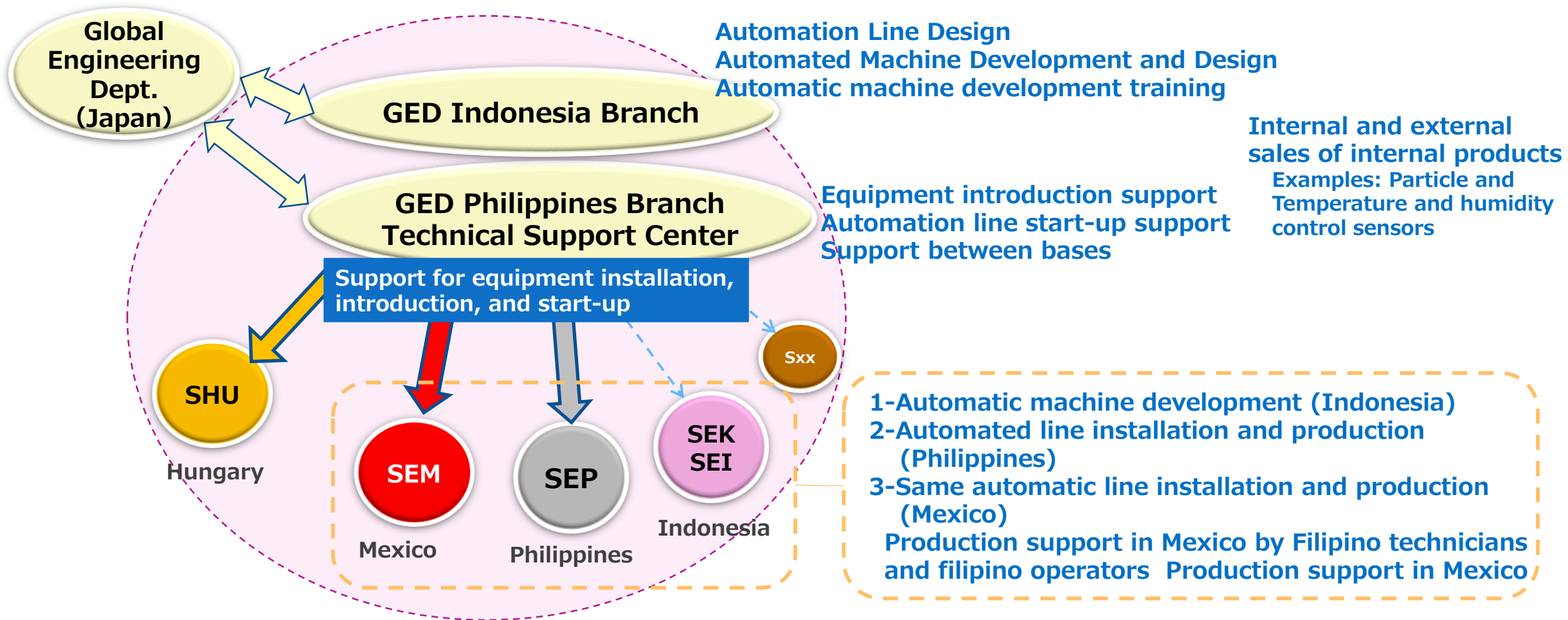


Networking to check data at each location and modify programs.



GED Indonesia Branch Activities

8-person team

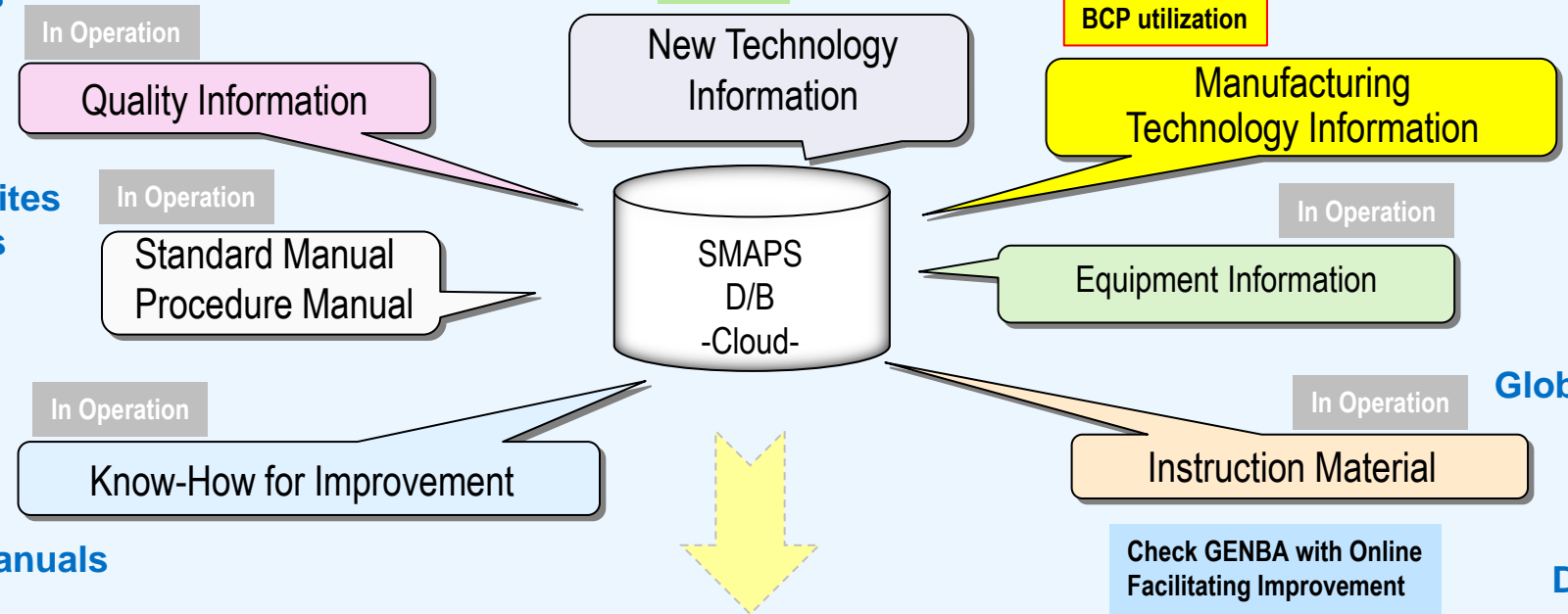


● Enhancement of mechanisms to support collaboration ● between factories

Sharing manufacturing, technical, and quality information with factories around the world through a horizontal support system

SMAPS (Siix Manufacturing Platform System)

2022~



Creating a system to utilize all types of information in real time at each WW site

Information sharing of quality measures

Between manufacturing sites ZERO Identical defects

Management of shared manuals of global standards

Element Work Knowhow sharing

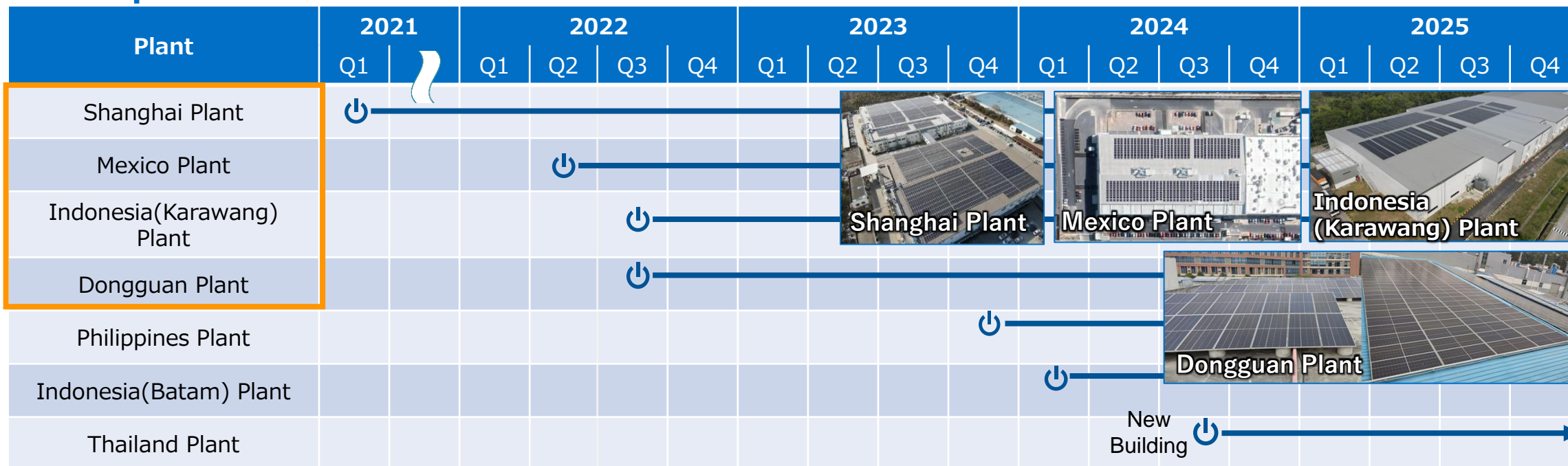
BCP Document Management

Global Facilities Management

Human Resource Development Materials Management

CO2 Reduction Activities

Solar panel installation status



Renewable Energy Use

Europe Area 100% of Renewable energy use

Area	Activity Ratio	Electronic Power	Start of use
Germany Sales Office	100%	Wind, Solar	2021~
Slovakia Plant	100%	Wind, Solar, Hydro, Biomass	2023~
Hungary Plant	100%	Wind, Solar, Hydro, Biomass	2023~
Philippines Plant	45%	Wind, Solar	2022~
Japan Plant	100%	Non-fossil certificate	2023~

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

Initiatives in ESG

Environment

Total CO2 emission reduction target for 2030

Target		vs. 2021		FY2021	
SCOPE 1	}	42%	cut	SCOPE 1	924t
SCOPE 2				SCOPE 2	69,484t
SCOPE 3		25%	cut	SCOPE 3	583,026t
				TOTAL	653,434t

〔Total CO2 emissions reduction activities〕

- Installation of solar panels
Already in operation in Shanghai, Mexico, Jakarta and Dong Guan, with plans to install in 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.

Social

Contributions to Society

Plans to send donations for the Earthquake in Syria, Turkey to the Embassy of the Republic of Turkey in Japan.

*Executives: Manager and above

Human Resource Activity

Local executives ratio
Ratio of local executives in management of all SIIX Group

Target	80%	FY2022	77.3%
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Female executives ratio
Ratio of Female executives in management of all SIIX Group

Target	50%	FY2022	32.2%
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Governance

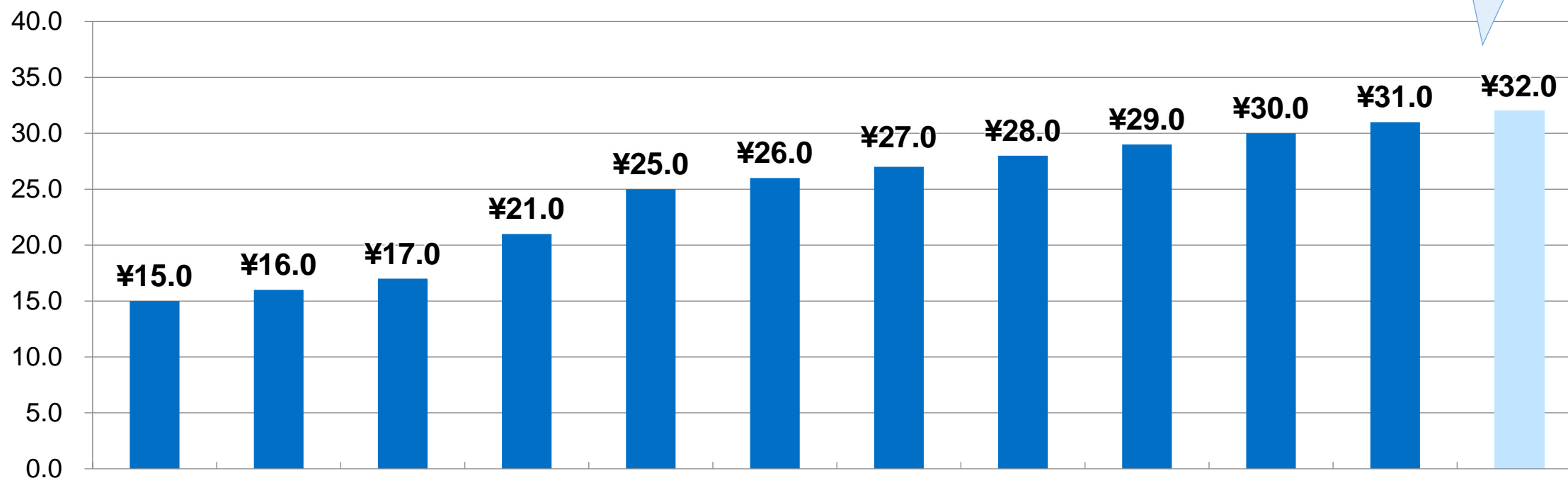
Progress in Compliance with Revised Companies Act and Corporate Governance Code

Diversity	Female directors (internal) and female corporate auditors (external) are scheduled to be elected at the General Meeting of Shareholders in 2023.
Disclosure	Already taken action regarding further enhancement of the Directors' skill matrix in the Notice of Convocation of the General Meeting of Shareholders and the establishment of an electronic platform for voting.
Risk Management	Strengthen risk management to ensure the company's sustainable growth and achievement of the medium-term management plan. Specifically, identify risks on a company-wide basis at strategy meetings attended by all group executives, and thoroughly strengthen responses (strategic risk, financial risk, hazard risk, and operational risk).



Shareholder Return

Plans to increase dividends for
17 consecutive fiscal years



	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (forecast)
Dividends per share(JPY)	15.0	16.0	17.0	21.0	25.0	26.0	27.0	28.0	29.0	30.0	31.0	32.0
Dividends ratio(%)	23.0	22.7	19.4	15.2	18.7	18.1	20.5	35.8	79.5	31.1	31.0	19.7
# of Treasury Stock Acquisition	-	-	-	-	508,900	-	2,035,700	-	-	-	-	-
Amount of treasury stock acquisition (JPY)	-	-	-	-	2,000 mil.	-	4,000 mil.	-	-	-	-	-



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Consolidated Financial Result of FY2022 (Appendix)

February 2023
SIIX Corporation





Profit and Loss

	FY2018	FY2019	FY2020	FY2021	FY2022
(JPY in millions)					
Net sales	242,804	223,037	181,598	226,833	277,031
Operating income	8,625	5,506	4,452	4,954	8,929
Operating income ratio (%)	3.6	2.5	2.5	2.2	3.2
Ordinary income	8,717	5,634	4,444	5,934	8,337
Ordinary income ratio (%)	3.6	2.5	2.4	2.6	3.0
Profit attributable to owners of parent	6,414	3,695	1,724	4,561	4,733
Profit attributable to owners of parent ratio(%)	2.6	1.7	0.9	2.0	1.7
# of Consolidated subsidiaries	22	22	22	22	22
# of Equity method affiliates	2	2	2	2	2
# of Employees	13,632	12,721	11,257	12,354	12,734



Management Indicators

		FY2018	FY2019	FY2020	FY2021	FY2022
ROE	(%)	11.4	6.5	3.0	7.5	6.6
ROA	(%)	6.5	4.0	3.1	3.8	4.4
Total asset turnover		1.8	1.6	1.3	1.4	1.5
Net interest-bearing debts/Net asset	(%)	36.1	40.7	43.4	63.6	64.2
D/E ratio		0.6	0.7	0.8	0.8	0.8
Current ratio	(%)	159.6	148.1	174.2	153.8	155.6
Accounts receivable turnover ratio	(day)	64.7	61.6	73.8	67.9	67.9
Inventory turnover ratio	(day)	59.5	71.1	79.1	76.2	86.7
PBR	(X)	1.2	1.2	1.3	1.0	0.8
PER	(X)	10.9	19.5	42.3	14.7	12.7

* Accounts receivable turnover ratio for FY2022 is calculated using FY2021 trade receivables and FY2022 trade receivables including contract assets.



Capital Structure

	FY2018	FY2019	FY2020	FY2021	FY2022
(JPY in millions)					
Total asset	137,350	143,391	144,436	169,921	205,170
Liability	81,334	85,141	87,937	103,551	127,780
interest-bearing debt	32,969	38,667	47,471	51,350	63,150
Net asset	56,016	58,249	56,498	66,369	77,389
Capital-to-asset ratio (%)	40.5	40.3	38.8	38.8	37.5
Closing stock price (JPY)	1,430	1,523	1,543	1,416	1,277
Capital-to-asset ratio at market value (%)	49.2	50.2	50.5	39.4	29.4
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	1,625.55

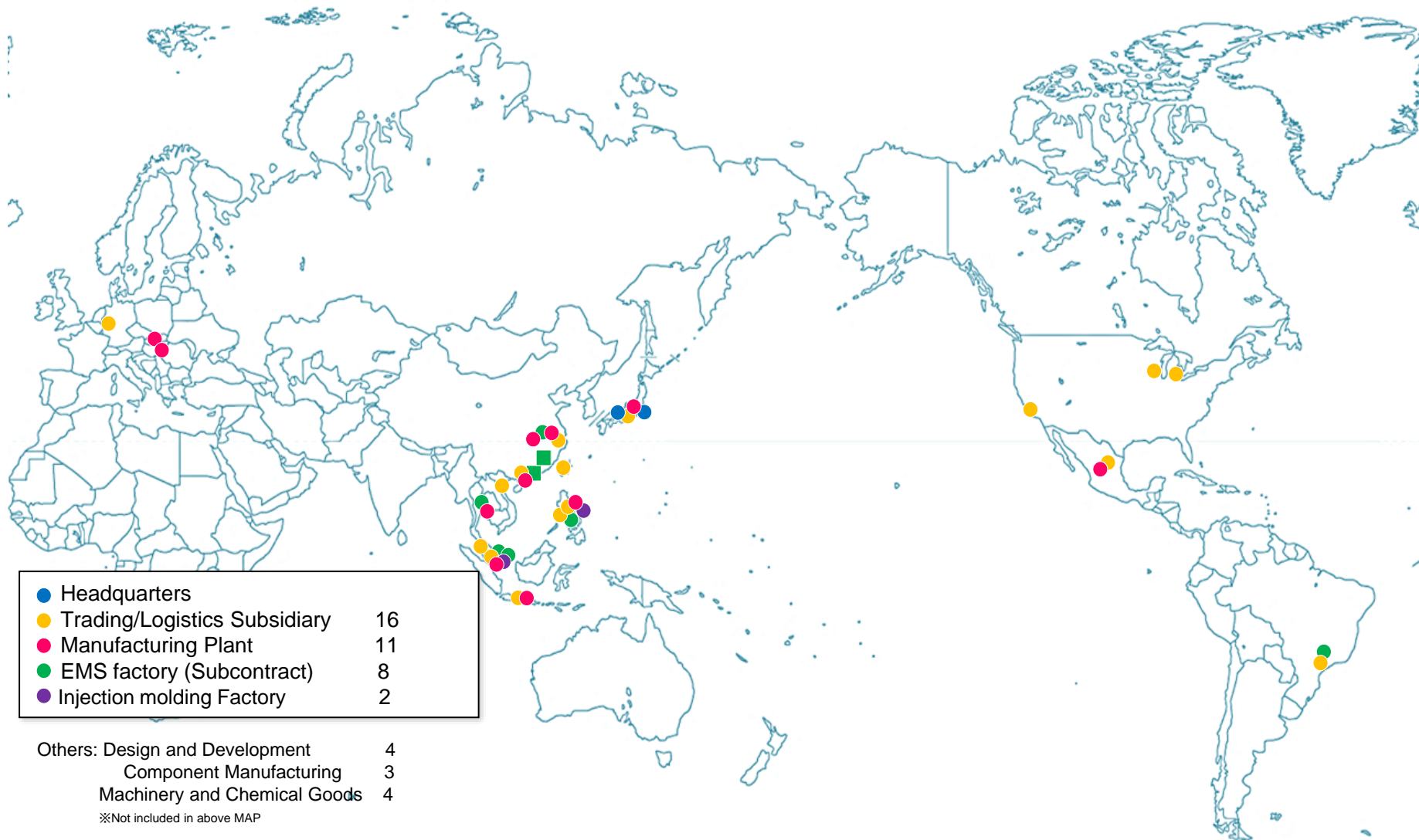


Sales by market sector

(JPY in millions, %)	FY2021				FY2022			
	1H	2H	full year	%	1H	2H	full year	%
Automotive-related equipments	61,962	65,355	127,317	56.1	74,117	88,405	162,522	58.7
Industrial equipments	19,674	22,176	41,850	18.4	23,303	32,937	56,240	20.3
Home appliances	11,632	11,150	22,782	10.0	12,602	14,808	27,411	9.9
Information equipments	10,108	10,457	20,565	9.1	12,964	14,055	27,018	9.8
Others	4,822	6,579	11,401	5.0	2,481	1,360	3,841	1.4
Total	109,470	117,363	226,833	100.0	125,467	151,564	277,031	100.0

SIIX GLOBAL NETWORK

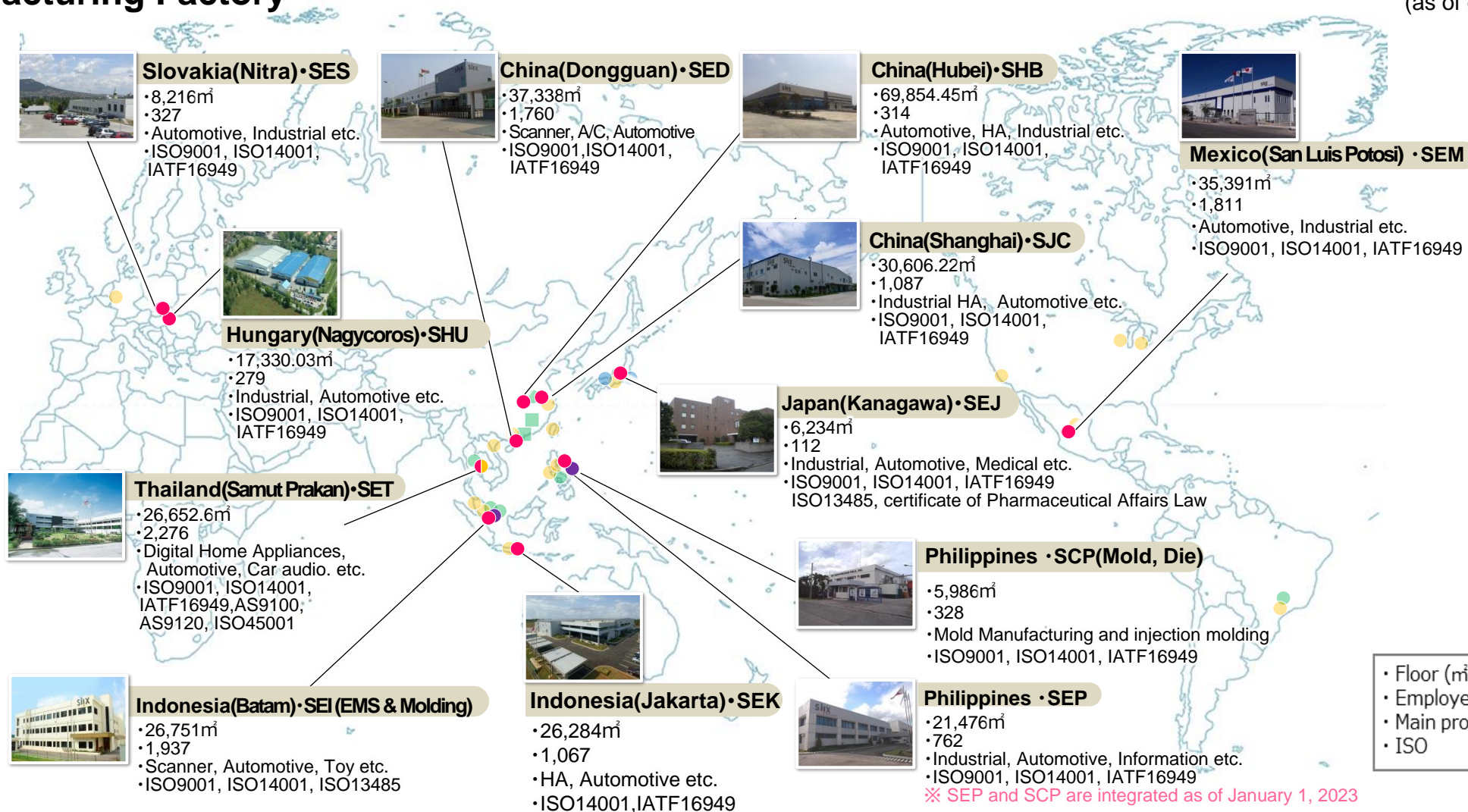
(as of end of Dec. 2022)



SIIX GLOBAL NETWORK

• Manufacturing Factory

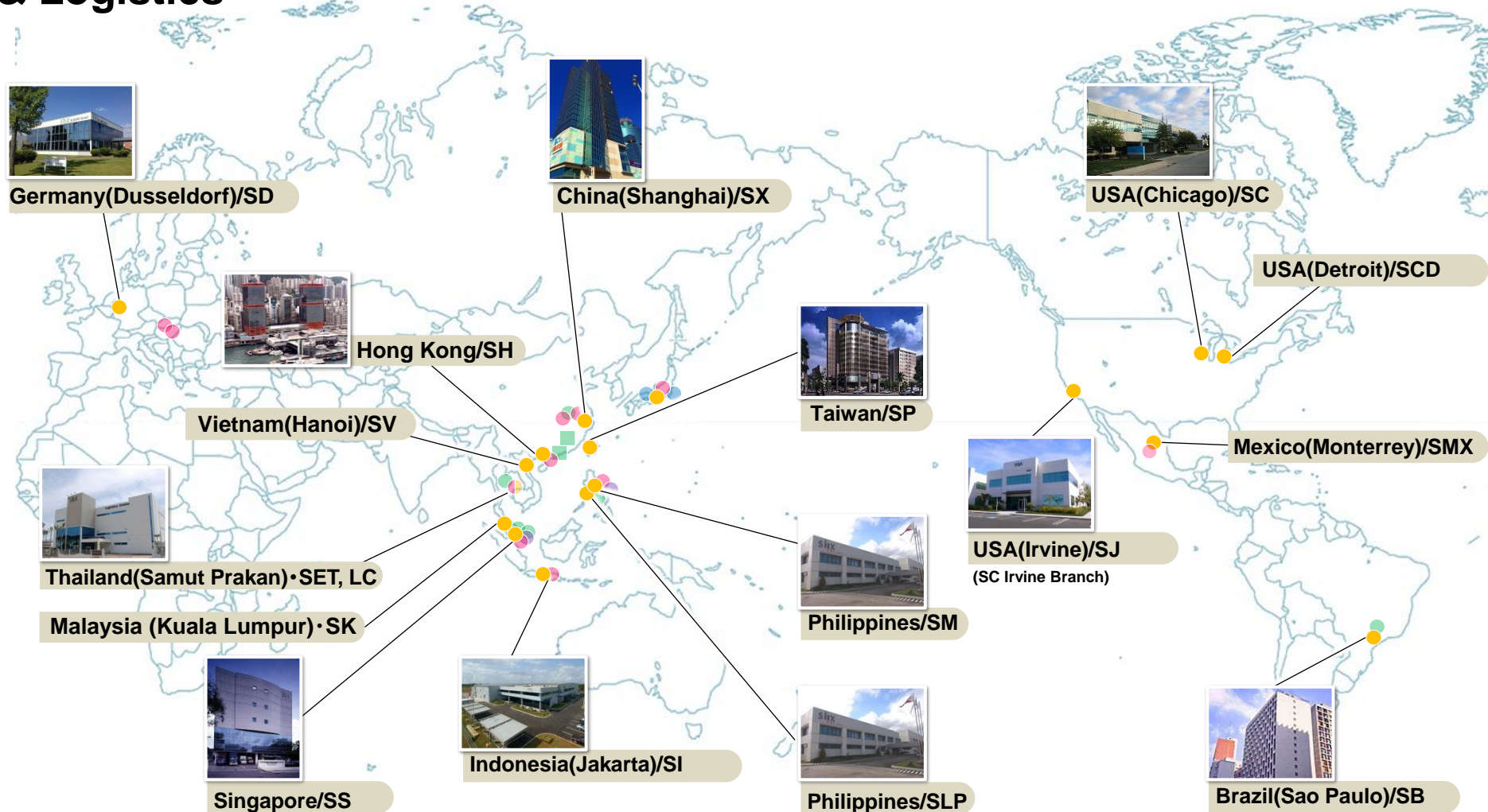
(as of end of Dec. 2022)



SIIX GLOBAL NETWORK

- Sales & Logistics

(as of end of Dec. 2022)

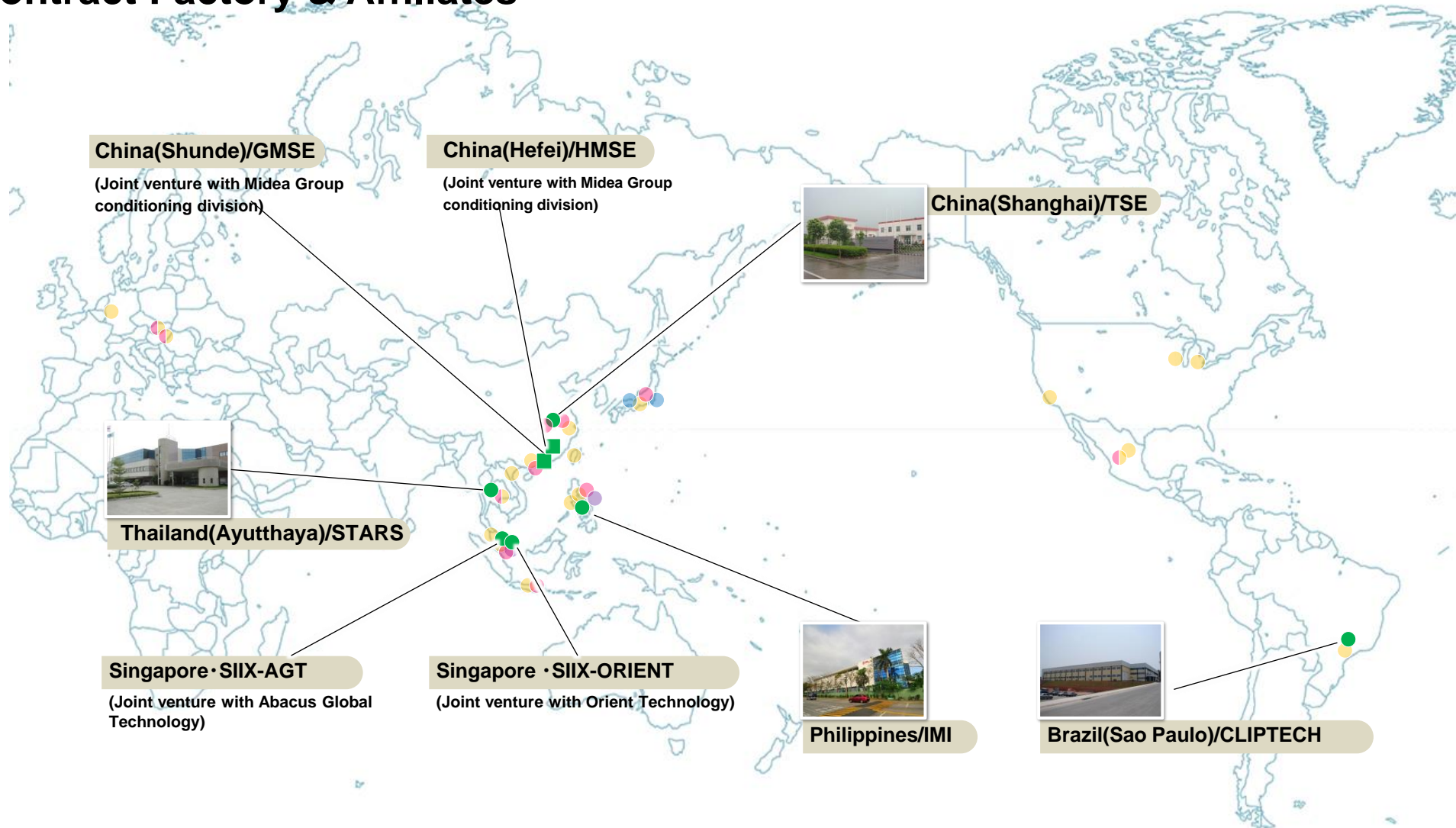


※ SLP is integrated into SEP as of Jan 1, 2023.

SIIX GLOBAL NETWORK

• Subcontract Factory & Affiliates

(as of end of Dec. 2022)





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