

Consolidated Financial Result of 1H, FY2023

August 2023

SIIX Corporation





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Consolidated Financial Result of 1H, FY2023

• Profit and Loss

(JPY in millions)	1H, FY2022		1H, FY2023		1H, FY2022 vs. 1H, FY2023		Impact of change in FX	1H, FY2022 vs. 1H, FY2023, net	
	amount	%	amount	%	diff.	%		diff.(net)	%
Sales	125,467	100.0	150,612	100.0	25,145	20.0	8,551	16,593	13.2
Gross Profit	11,584	9.2	14,551	9.7	2,966	25.6	833	2,132	18.4
SGA	8,126	6.5	8,840	5.9	713	8.8	456	256	3.2
Operating Income	3,457	2.8	5,711	3.8	2,253	65.2	377	1,876	54.3
Ordinary Income	3,639	2.9	5,855	3.9	2,215	60.9	Exchange rate		
Extraordinary Income & Loss	-367	-0.3	3	0.0	370	-	1H, FY2022		1H, FY2023
							USD		122.99
							EUR		134.40
							HKD		15.71
							THB		3.65
Corporate tax	1,707	1.4	1,915	1.3	207	12.2	RMB		18.96
Profit attributable to owners of parent	1,579	1.3	3,941	2.6	2,361	149.5			

• Scope of Consolidation

	End of 1H, FY2022	Changes		End of 1H, FY2023
		Increase	Decrease	
Consolidated Subsidiary	22	1	2	21
Equity Method Affiliate	2	1	-	3

* The scope of consolidation was changed as follows from the first quarter of 2023.

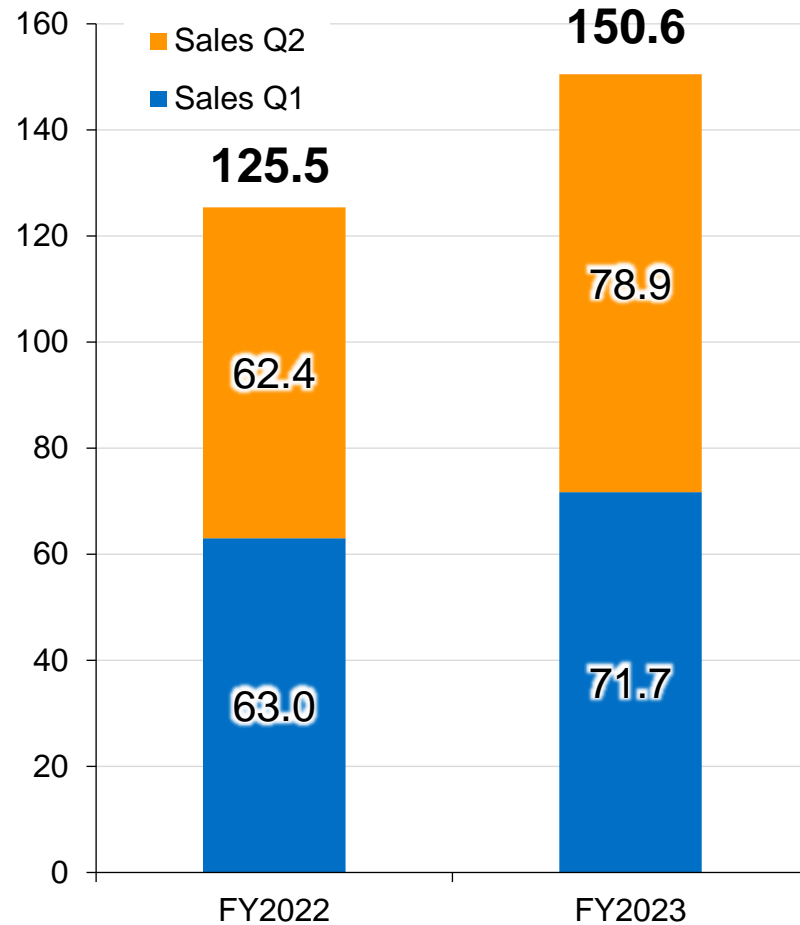
Consolidated subsidiaries	+1 (Newly consolidated Malaysian sales subsidiary)
	- 2 (Integration of 3 Philippine subsidiaries)
Equity method affiliates	+1 (Joint venture with Midea Group)



Consolidated Financial Result of 1H, FY2023

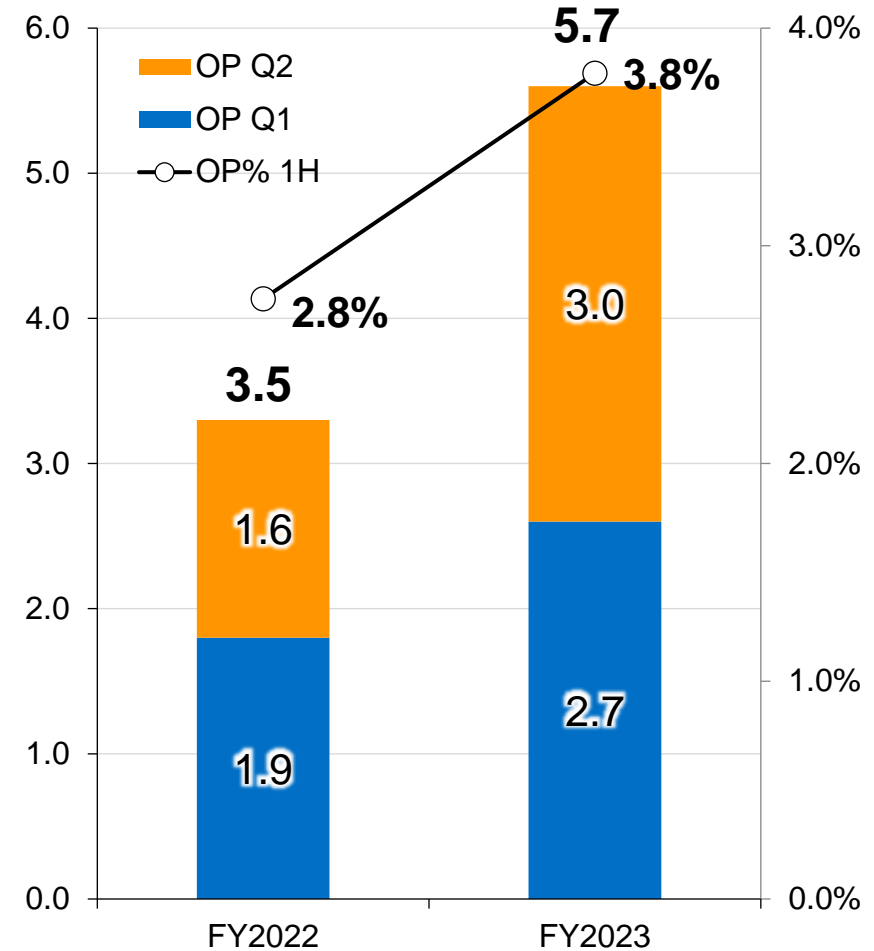
• Sales

(JPY in billions, %)



• Operating Profit

(JPY in billions, %)

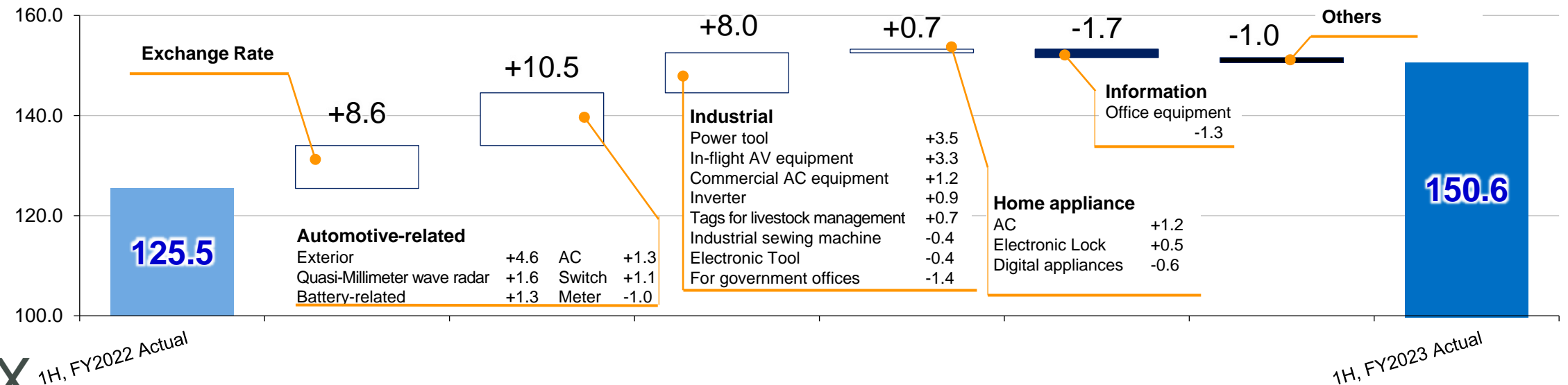
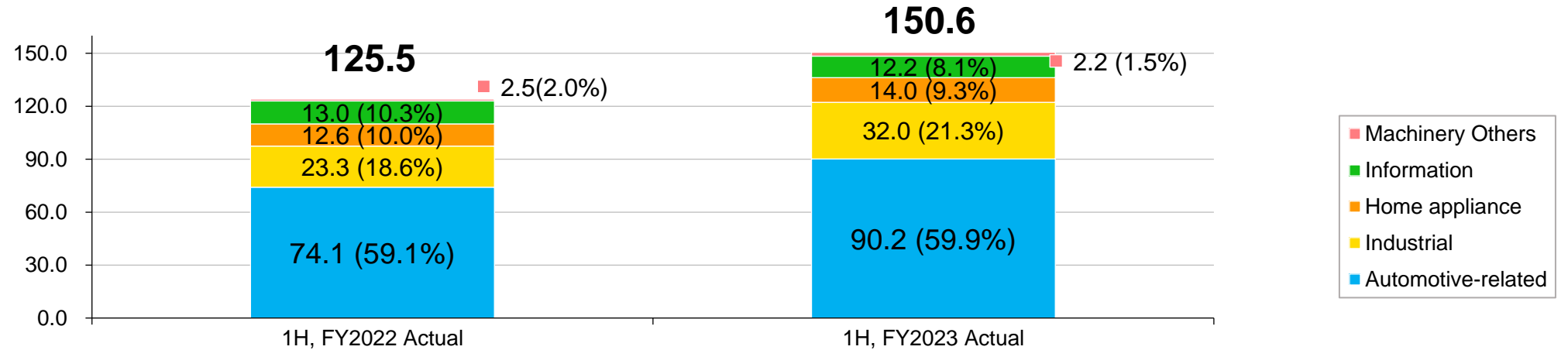




Consolidated Financial Result of 1H, FY2023

• Sales by Market Sector (1H, FY2022 vs. 1H, FY2023)

(JPY in billions, %)

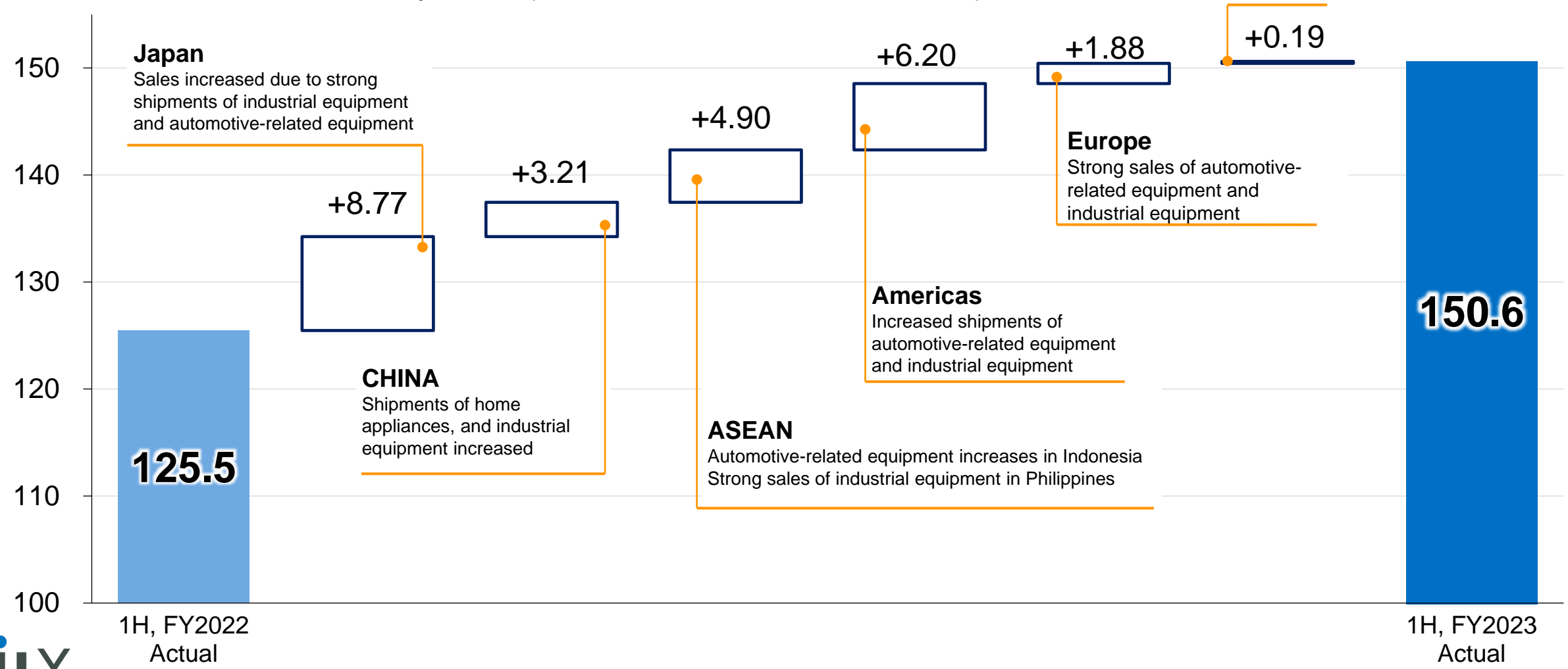




Consolidated Financial Result of 1H, FY2023

Consolidated Sales by area (1H, FY2022 vs. 1H, FY2023)

(JPY in billions)

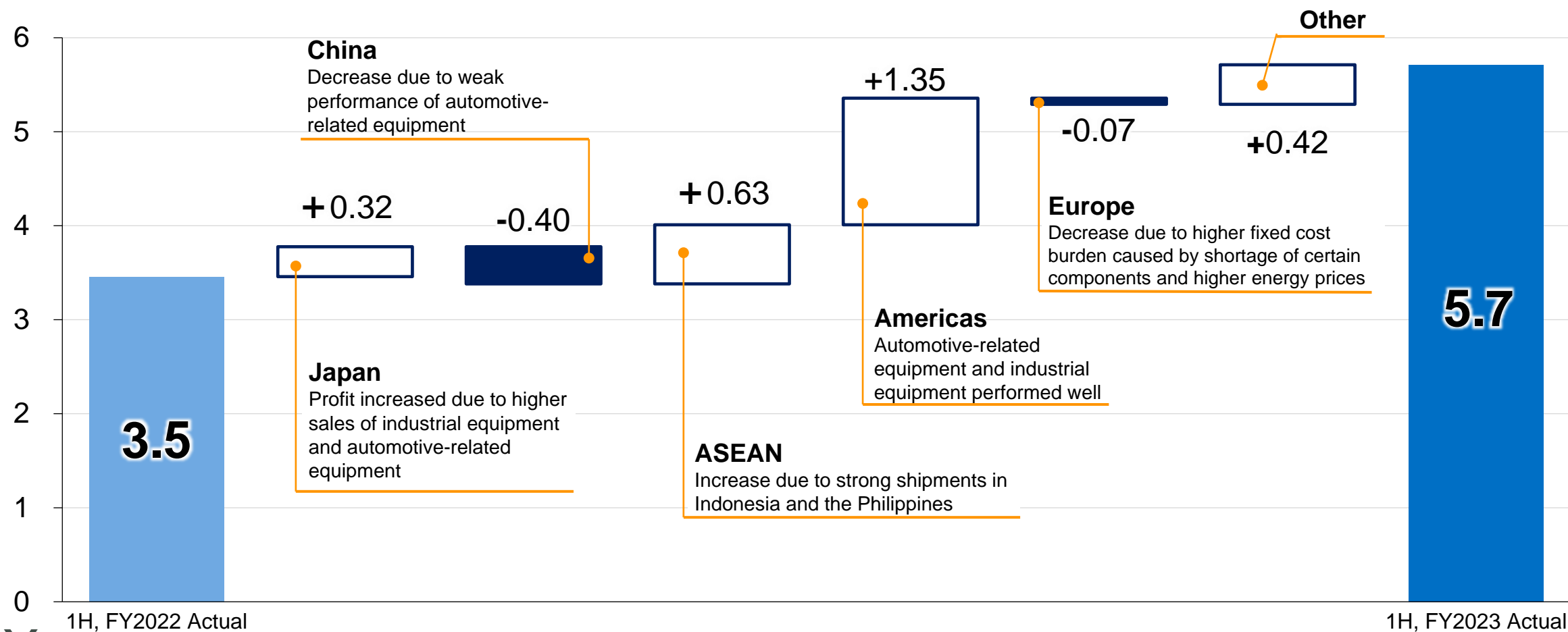




Consolidated Financial Result of 1H, FY2023

- Consolidated Operating Profit by area (1H, FY2022 vs. 1H, FY2023)

(JPY in billions)





Consolidated Financial Result of 1H, FY2023

- SGA

(JPY in millions)	1H, FY2022		1H, FY2023		Changes	
	amount	%	amount	%	amount	%
Personnel expenses	3,729	3.0	3,960	2.6	230	6.2
Traveling and communication expenses	157	0.1	237	0.2	80	51.0
Freightage and packing expenses	1,550	1.2	1,511	1.0	-39	-2.5
Commission fee	461	0.4	509	0.3	47	10.3
Rent expenses on real estates	106	0.1	130	0.1	24	22.6
Depreciation	756	0.6	838	0.6	82	10.9
Other expense	1,364	1.1	1,652	1.1	287	21.1
Total	8,126	6.5	8,840	5.9	713	8.8



Consolidated Financial Result of 1H, FY2023

- Non-Operating Profit and Loss

	1H, FY2022	1H, FY2023
(JPY in millions)		
Interest income	7	94
Dividends income	6	116
Share of gain of entities accounted for using equity method	98	11
Foreign exchange gains	100	61
Subsidy Income	96	74
Gain on sales of goods	139	153
Gain on sales of scraps	110	86
Other	141	283
Non-operating income	701	880
Interest expenses	287	591
Purchase of goods	93	56
Other	138	88
Non-operating expenses	519	736
Non-operating income/loss	181	143



Consolidated Financial Result of 1H, FY2023

- Balance Sheet

(JPY in millions)	End of 1H, FY2022	End of FY2022	End of 1H, FY2023	Changes (1H, FY2022 vs. 1H, FY2023)		Changes (FY2022 vs. 1H, FY2023)			
				amount	%	amount	%	Impact of exchange rate	net
Current assets	142,902	150,275	161,064	18,161	12.7	10,788	7.2	9,191	1,596
<i>Notes and accounts receivable-trade</i>	53,692	55,091	64,677	10,986	20.5	9,587	17.4	3,059	6,526
<i>Inventories</i>	72,141	73,428	75,341	3,200	4.4	1,913	2.6	4,654	-2,742
Noncurrent assets	54,075	54,894	59,255	5,180	9.6	4,362	7.9	3,328	1,033
Total asset	196,978	205,170	220,320	23,342	11.8	15,150	7.4	12,520	2,629
Current liabilities	87,662	96,598	97,738	10,076	11.5	1,141	1.2	5,235	-4,094
<i>Accounts payable-trade</i>	37,370	41,733	43,982	6,612	17.7	2,249	5.4	2,252	-2
<i>Short-term loans payable</i>	35,632	36,136	35,318	-314	-0.9	-818	-2.3	2,013	-2,831
Noncurrent liabilities	31,055	31,182	35,466	4,411	14.2	4,284	13.7	1,049	3,234
Corporate bonds	10,000	10,000	10,000	-	-	-	-	-	-
<i>Long-term loans payable</i>	15,201	15,125	19,290	4,090	26.9	4,165	27.5	891	3,274
Total liability	118,718	127,780	133,205	14,487	12.2	5,425	4.2	6,285	-860
Net assets	78,260	77,389	87,114	8,855	11.3	9,725	12.6	6,235	3,489
Minority interests	448	430	453	4	1.0	23	5.3	-331	353
Total asset and liability	196,978	205,170	220,320	23,342	11.8	15,150	7.4	12,520	2,629



Consolidated Financial Result of 1H, FY2023

- Cash Flow

(JPY in millions)	1H, FY2021	1H, FY2022	1H, FY2023	FY2021	FY2022
Net cash from operating activities	2,185	-3,435	5,210	-8,106	5,567
Net cash from investing activities	-2,185	-4,073	-5,805	-7,765	-8,892
Net cash from financing activities	-9,089	5,768	-887	869	6,676
Cash and cash equivalents	15,059	8,894	13,334	9,315	13,652
Debt to annual cash flow ratio (years)	-	-	-	—	10.3
Interest coverage ratio (X)	16.7	-	9.0	—	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

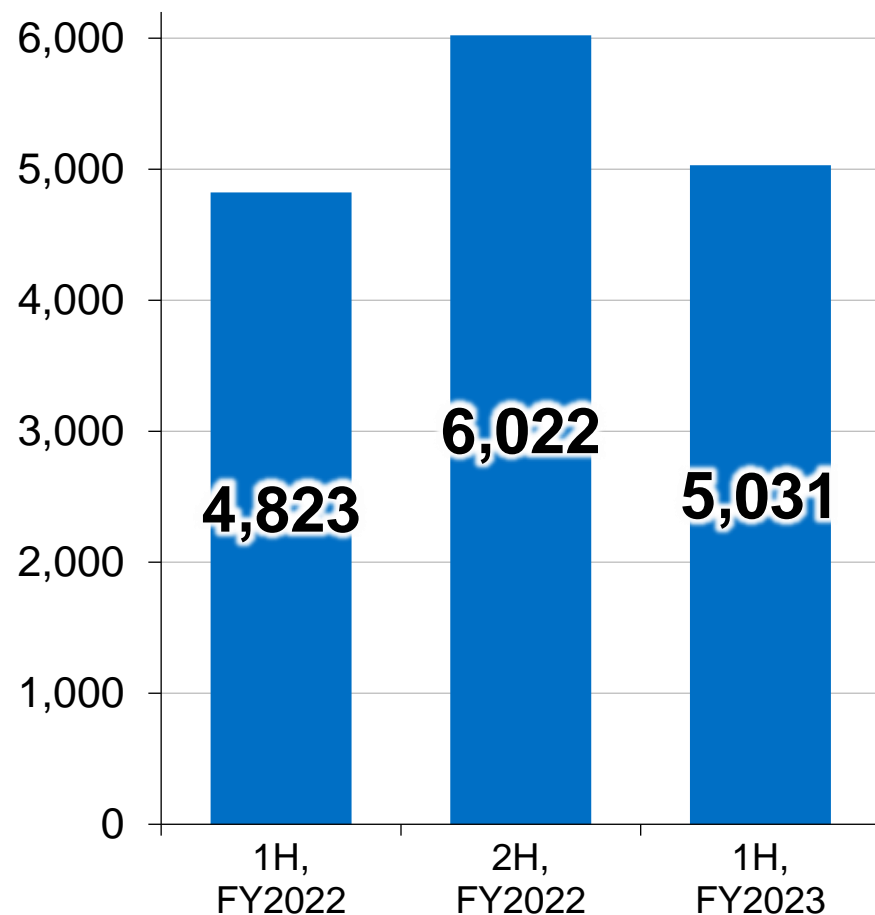
¥127.00



Consolidated Financial Result of 1H, FY2023

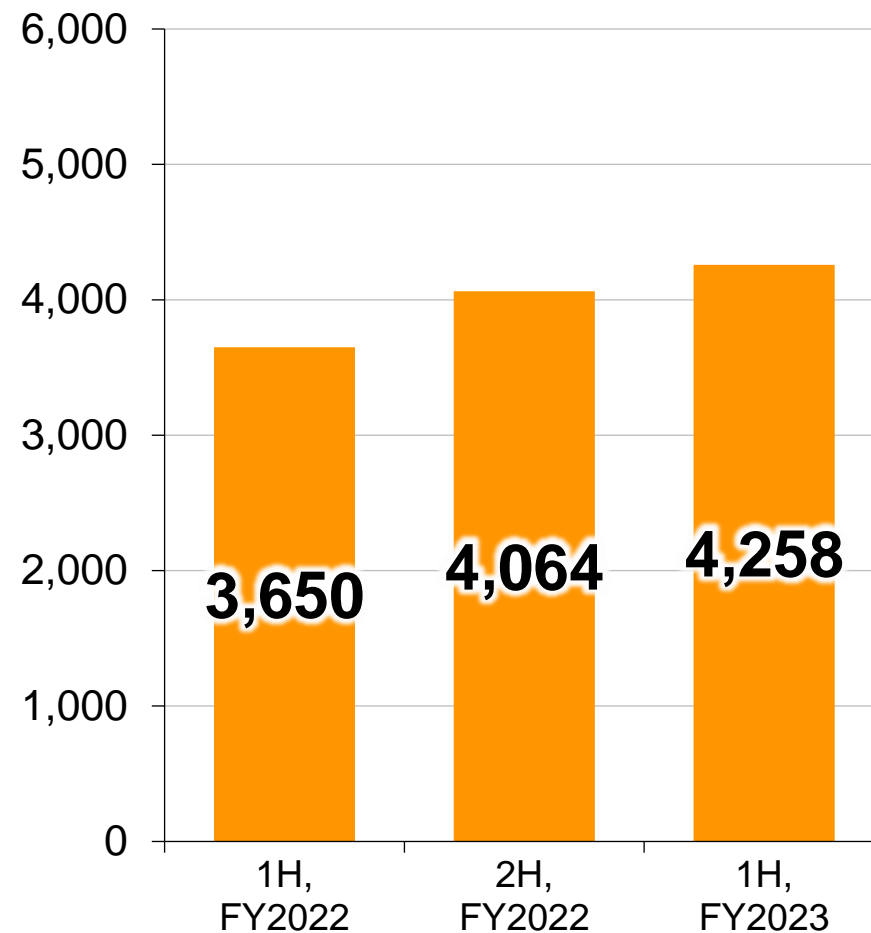
• CAPEX

(JPY in millions)



• Depreciation

(JPY in millions)





Current Situation of Midterm Business Plan

Target	KPI for 2023		1H, 2023
Expanding business with major global companies	Expansion of non-Japanese ratio	25% of consolidated sales	17.7% of consolidated sales Expansion of business for non-Japanese customers into multiple regions
	Strengthen alliances with technology partner	5 billion yen of consolidated sales	Demand from public sector calmed down and decreased YoY
	Business development in the medical field	5 billion yen of consolidated sales	Slight increase from 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 Business (Automotive-related and Industrial equipment)	85% of consolidated sales	81.1% of consolidated sales Year-on-year increase in industrial equipment (in-flight AV equipment, etc.) and automotive-related 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	Battery peripheral device project is in preparation for mass production. Negotiations underway in the portable equipment, medical equipment, and mobility fields
Diversity management	Improvement of local executives' ratio	80%	77.4%
	Improvement of female executives' ratio	50%	32.3%

Topics

- Thailand plant expansion completed in May, doubling manufacturing capacity.
- Batam Plant (Indonesia) started mass production for automotive equipment. All 11 plants are capable of automotive production.
- Contract with a major pure Chinese Tier 1 company for finished product modules (Direct delivery to Chinese automotive manufacturer started).
- Strengthened approach and negotiations with Korean companies.
- Contract for protection circuit module for EV Battery.
- Cultivate Automotive parts business (Ignition coil, TPMS etc.)
- Started electronic components business (sensors, connectors, etc.)
- Challenge in the field of chemitronics (nanotechnology, etc.)
- Expand joint design and manufacturing services
- Expand in-house production of automation and labor-saving equipment



New building in Thailand



Basic Policy and Activities of the SIIX's Manufacturing Plant in 2023

Continue to promote Manufacturing DX (Digital transformation)

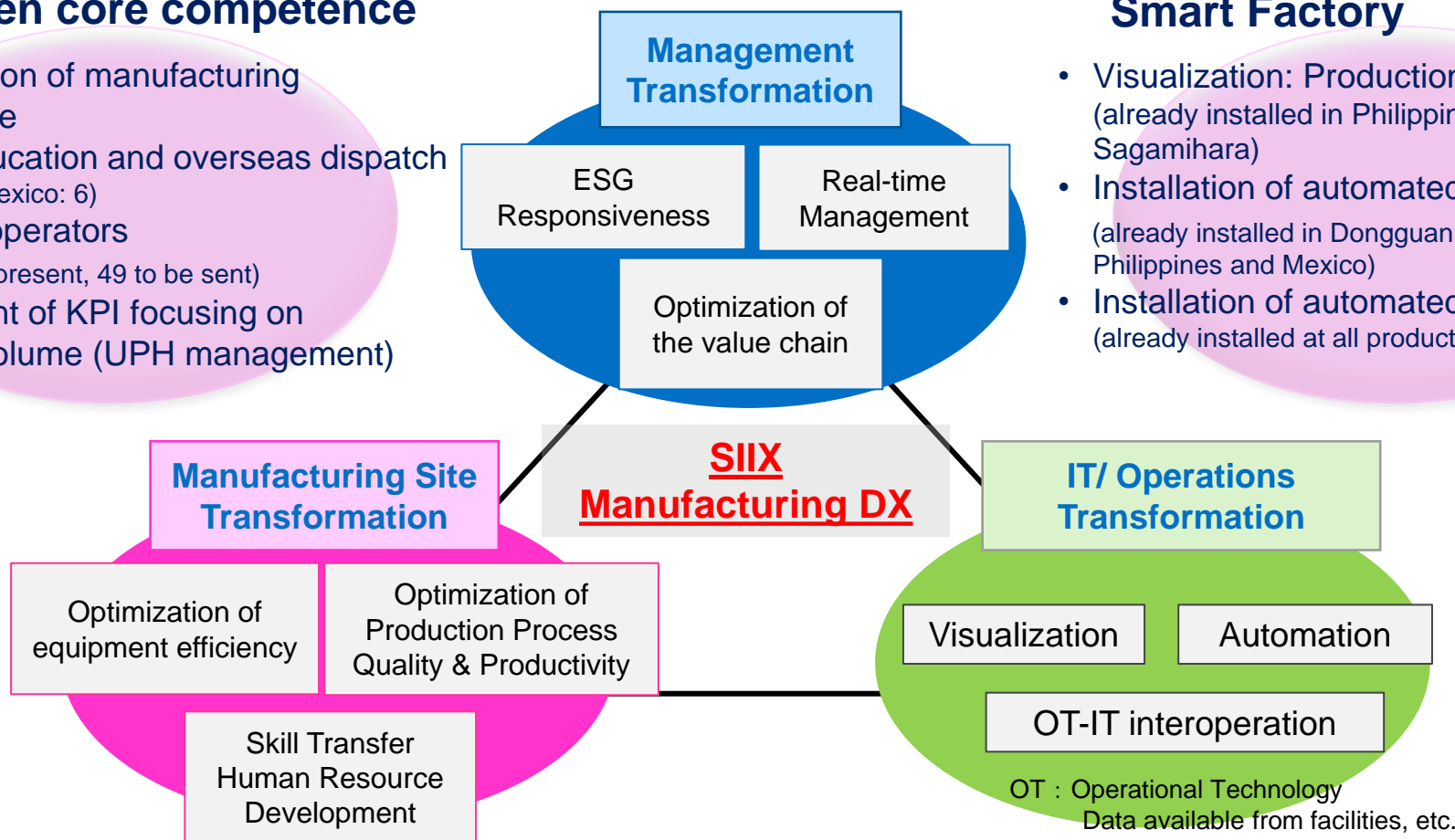
Promote three transformations by utilizing digital technology

Strengthen core competence

- Implementation of manufacturing subcommittee
- Engineer education and overseas dispatch (Hungary: 11, Mexico: 6)
- Dispatch of operators (Hungary: 24 at present, 49 to be sent)
- Establishment of KPI focusing on production volume (UPH management)

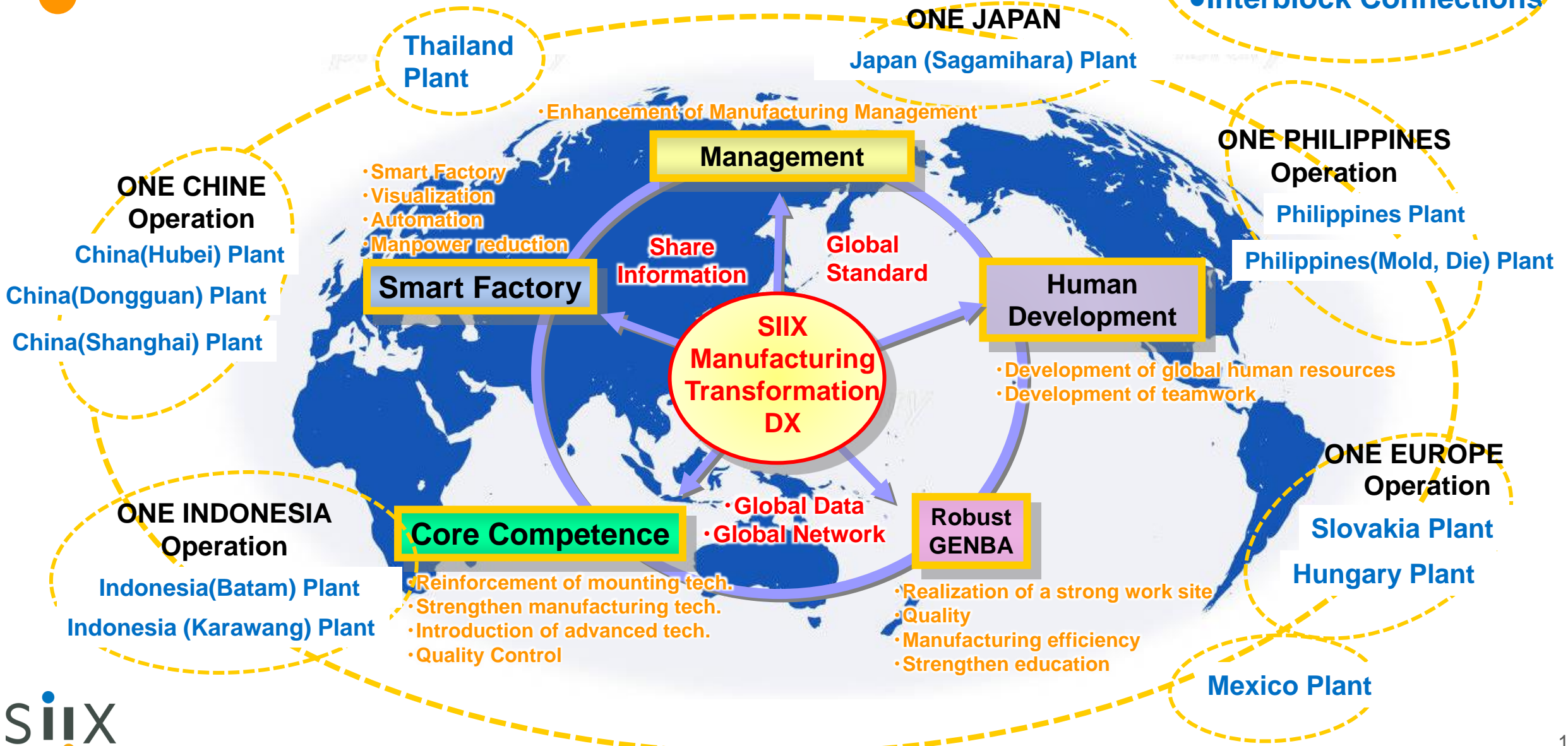
Smart Factory

- Visualization: Production progress monitors installed (already installed in Philippines, Batam, Jakarta, Thailand, and Sagamihara)
- Installation of automated warehouses (already installed in Dongguan and Sagamihara, to be installed in Philippines and Mexico)
- Installation of automated equipment and robots (already installed at all production bases)



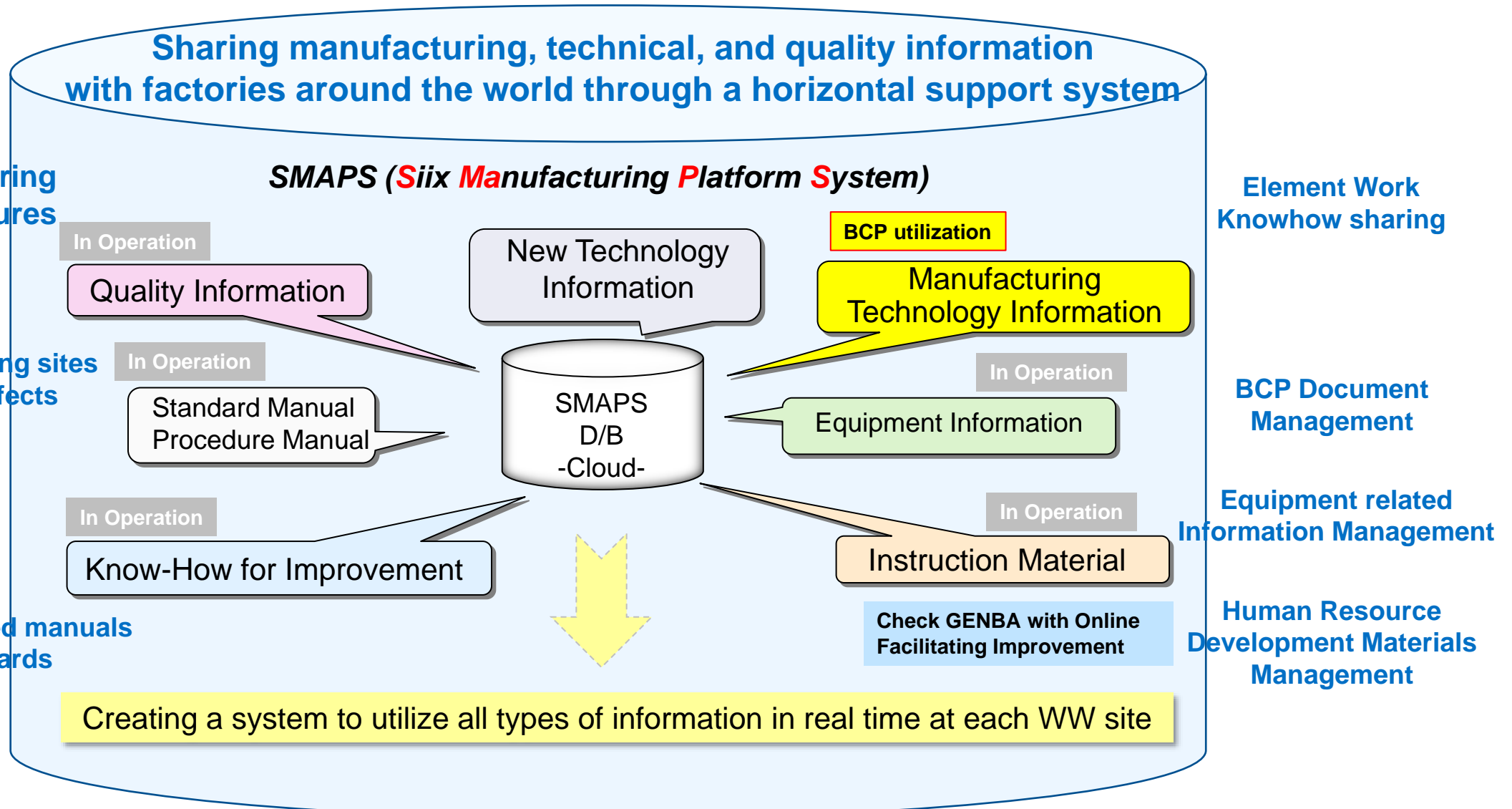


Key Measures for SIIX Manufacturing DX





Enhancement of mechanisms to support collaboration between factories





Initiatives for Smart Factories

Acceleration of automation through global structure

Design and development of automatic machines to introduction

→ Deployment of common equipment and establishment of support system for equipment introduction

FADC (Factory Automation Development Center) Establishment of facilities design unit (Indonesia)

HRDC (Human Resource Development Center) Expansion of Technical Support Unit (Philippines)

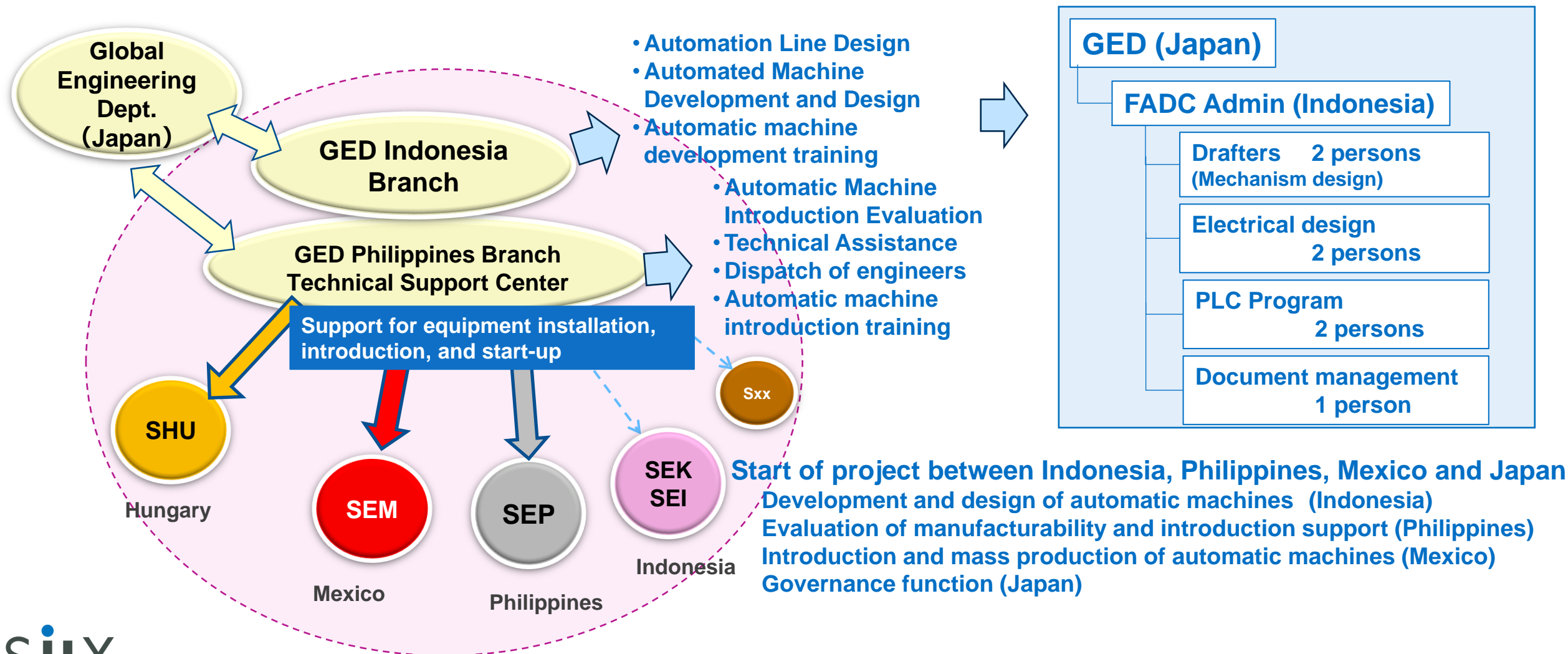
Establishment of an overseas development system for automatic machinery (GED, FADC, HRDC)



Indonesia Factory Automation Development Center (FADC) Activities

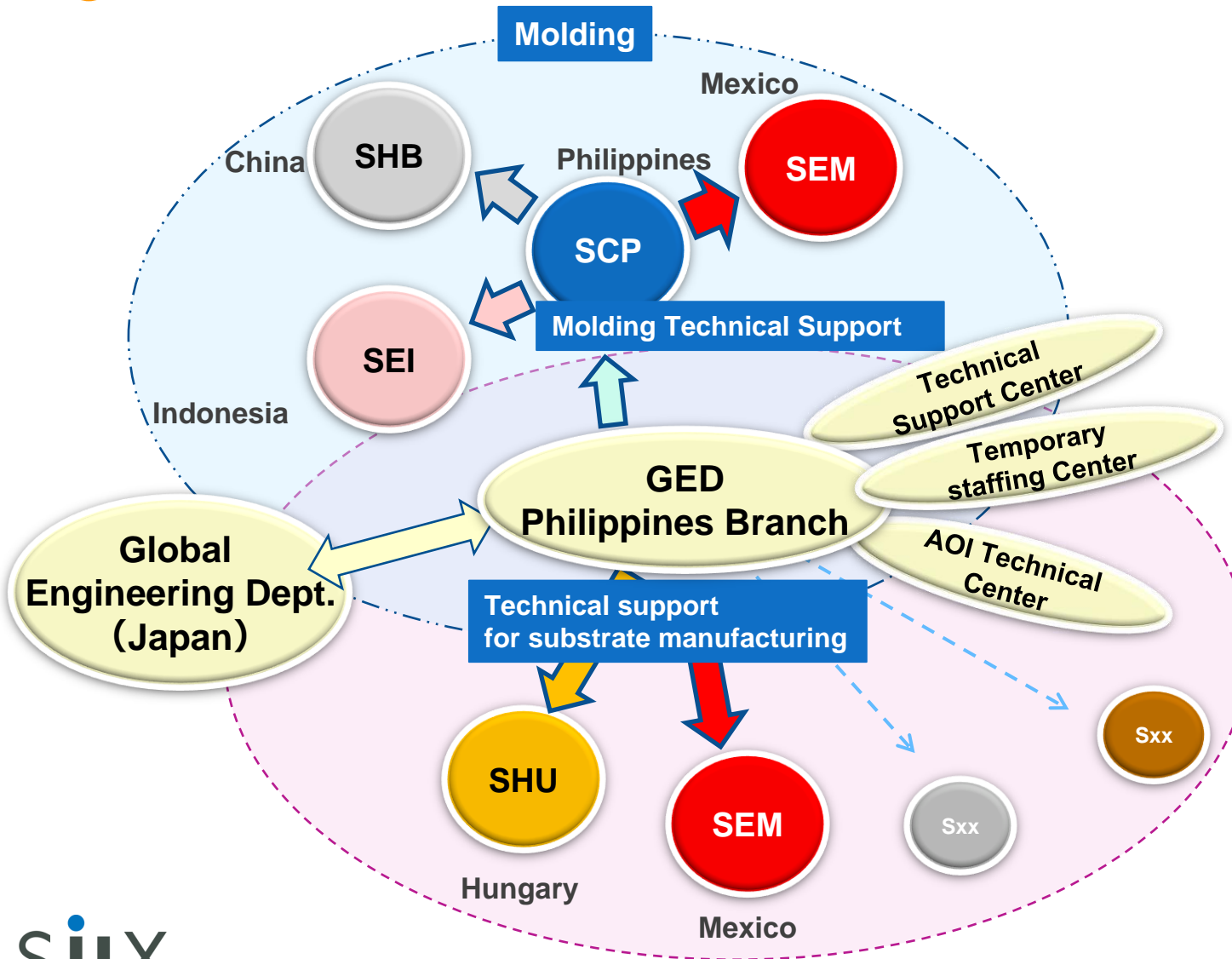
In-house production of automatic machines and global introduction

FADC Structure





Philippines Human Resource Development Center (HRDC) Activities

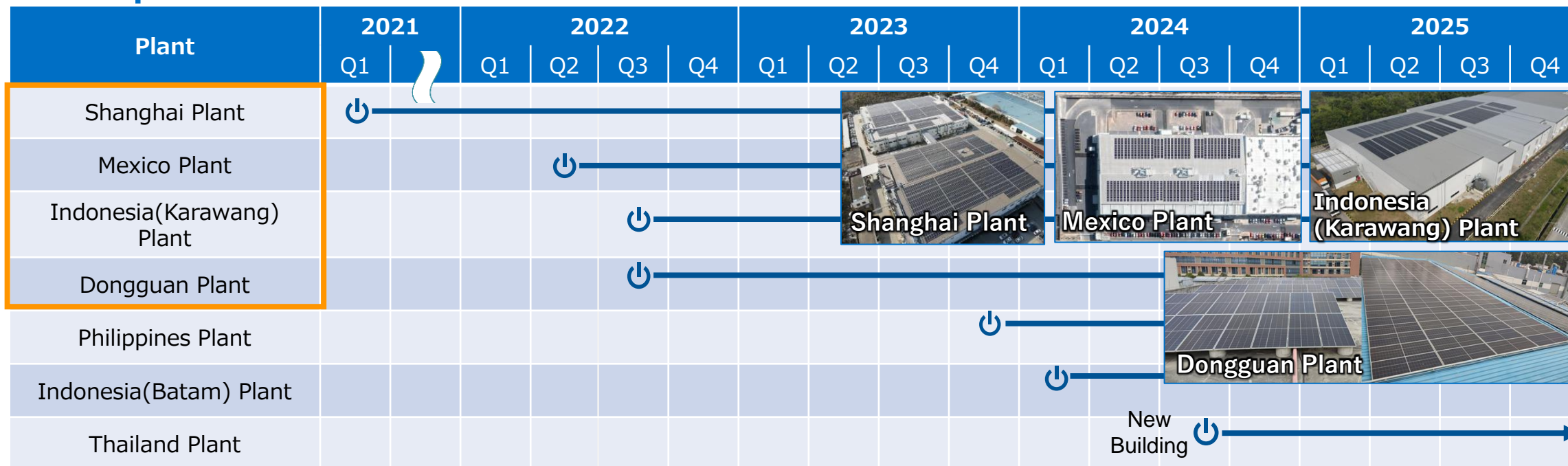


- **Global Support for Filipino Engineers**
Hungary Plant : 11 persons
Mexico Plant : 6 persons
Total of 17 engineers being dispatched
- **Philippines Temporary Staffing**
Started dispatching workers

Already dispatched 24 workers to the Hungary Plant
Plans to dispatch a total of 49 workers
- **AOI Technical Center in the Philippines**
from 3 to 5 staff.
Strengthening the system to support Hungary plant and Mexico plant

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 – Reduction of total CO2 emissions

Environment

	Target (2030)	2021	2022	Total CO2 emissions reduction activities
SCOPE 1	vs 2021 42% cut	924t	1,658t	<ul style="list-style-type: none">Considering effective ways to reduce emissions, such as converting company automobiles to EVs.
SCOPE 2		69,484t	2,553t vs 2021 96.4% cut	<ul style="list-style-type: none">Solar panels installed (Shanghai, Dongguan, Mexico, Indonesia); to be installed in Thailand and the Philippines in the future.Switching to electricity derived from renewable energy sources (100% at Sagamihara Plant and Europe area, 45% in the Philippines) Renewable energy utilization rate: 3.6% in FY2021, 6.6% in FY2022, 14% in the first half of FY2023Purchase non-fossil certificates to offset non-renewable energy power Zero CO2 emissions outside of Europe and Japan.Promote energy-saving activities (implement energy saving during downtime of solder hardening furnaces, consider energy-saving effects of centralized air conditioner management).Switch production facilities to energy-saving models (add power consumption as a criterion for capital investment).
SCOPE 3	vs 2021 25% cut	583,026t	601,690t	<ul style="list-style-type: none">In the future, we will conduct regular interviews with suppliers to improve the accuracy of emissions data and reduce CO2 emissions for the entire supply chain.
TOTAL		653,434t	605,901t	<ul style="list-style-type: none">Obtained third-party assurance (SCOPE 1,2,3)CDP Score: Climate Change B- (FY2021)

Initiatives in ESG

Social

Contributions to Society

Donated through UNHCR for the Turkey-Syria Earthquake
 Hosted an opera performance by the Slovak National Opera in Osaka (fourth time since 2017).
 Announced sponsorship of the "OSAKA Children's Dreams" project in January 2023 and again in 2024.

Human Resource Activity

Local executives ratio

Ratio of local executives in management of all SIIX Group

Target	80%	1H, 2023	77.4%
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Female executives ratio

Ratio of Female executives in management of all SIIX Group

Target	50%	1H, 2023	32.3%
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*Executives: Manager and above

Progress in Compliance with Revised Companies Act and Corporate Governance Code

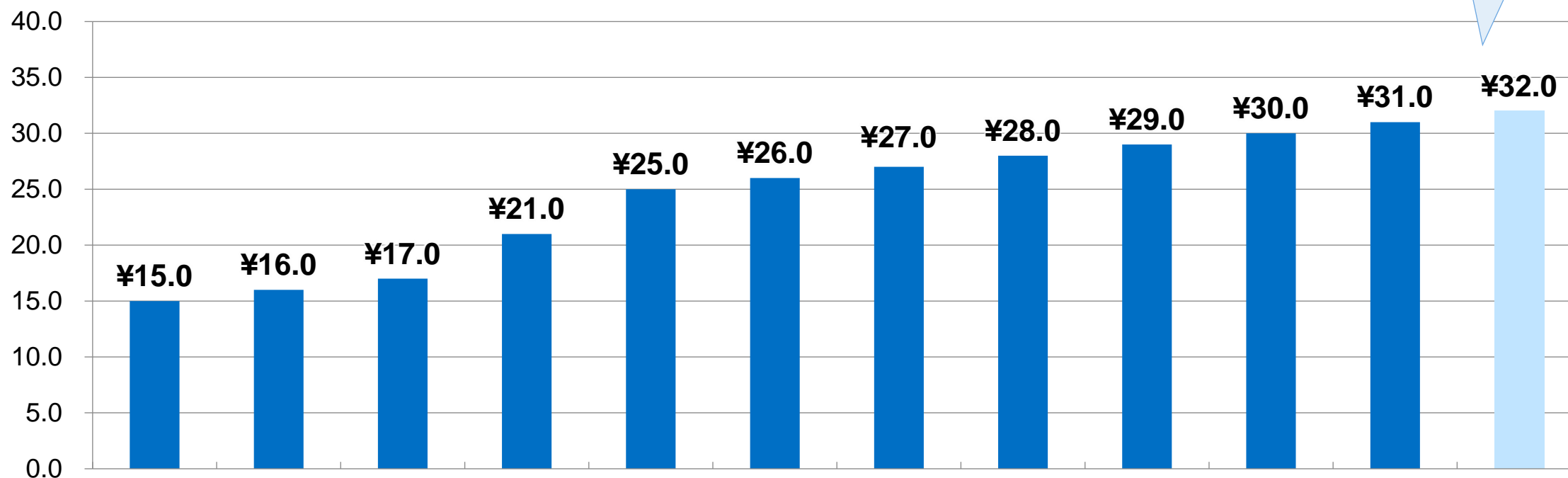
Governance

Diversity	Appointment of female directors (internal) and female corporate auditors (external) at the 2023 General Meeting of Shareholders. 3 out of 18 executive officers (including those concurrently serving as directors) are female.
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 1H, FY2023 <Appendix>

August 2023
SIIX Corporation





Profit and Loss

(JPY in millions)	1H, FY2021	1H, FY2022	1H, FY2023	FY2021	FY2022
Net sales	109,470	125,467	150,612	226,833	277,031
Operating income	2,541	3,457	5,711	4,954	8,929
Operating income ratio (%)	2.3	2.8	3.8	2.2	3.2
Ordinary income	2,917	3,639	5,855	5,934	8,337
Ordinary income ratio (%)	2.7	2.9	3.9	2.6	3.0
Profit attributable to owners of parent	2,452	1,579	3,941	4,561	4,733
Profit attributable to owners of parent ratio(%)	2.2	1.3	2.6	2.0	1.7
# of Consolidated subsidiaries	22	22	21	22	22
# of Equity method affiliates	2	2	3	2	2
# of Employees	11,648	12,719	11,394	12,354	12,734



Management Indicators

		1H, FY2021	1H, FY2022	1H, FY2023	FY2021	FY2022
ROE	(%)	-	-	-	7.5	6.6
ROA	(%)	-	-	-	3.8	4.4
Total asset turnover		0.7	0.7	0.7	1.4	1.5
Net interest-bearing debts/Net asset	(%)	40.3	68.6	61.3	63.6	64.2
D/E ratio		0.6	0.8	0.8	0.8	0.8
Current ratio	(%)	178.7	163.0	164.8	153.8	155.6
Accounts receivable turnover ratio *	(day)	65.1	72.2	72.6	67.9	67.9
Inventory turnover ratio	(day)	67.0	94.8	90.1	76.2	86.7
PBR	(X)	1.1	0.6	0.9	1.0	0.8
PER	(X)	-	-	-	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	1H, FY2023
(JPY in millions)						
Total asset	137,350	143,391	144,436	169,921	205,170	220,320
Liability	81,334	85,141	87,937	103,551	127,780	133,205
interest-bearing debt	32,969	38,667	47,471	51,350	63,150	66,584
Net asset	56,016	58,249	56,498	66,369	77,389	87,114
Capital-to-asset ratio (%)	40.5	40.3	38.8	38.8	37.5	39.3
Closing stock price (JPY)	1,430	1,523	1,543	1,416	1,277	1,565
Capital-to-asset ratio at market value (%)	49.2	50.2	50.5	39.4	29.4	33.4
Issued stock (thousand)	50,400	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	1,839.72



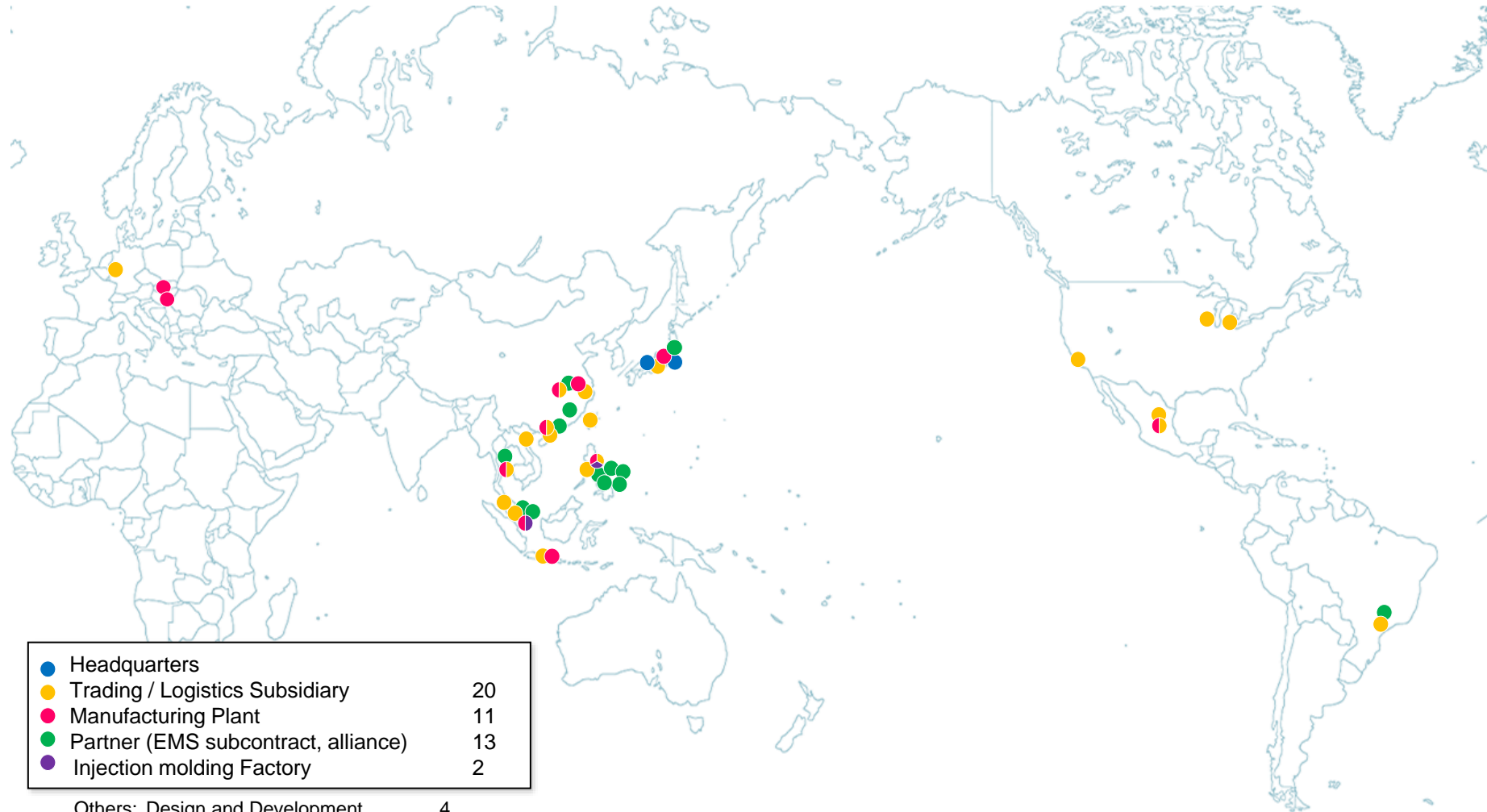
Sales by market sector

(JPY in millions, %)	1H, FY2021	1H, FY2022	1H, FY2023	FY2021		FY2022	
				full year	%	full year	%
Automotive-related equipments	61,962	74,117	90,166	127,317	56.1	162,522	58.7
Industrial equipments	19,674	23,303	32,037	41,850	18.4	56,240	20.3
Home appliances	11,632	12,602	14,007	22,782	10.0	27,411	9.9
Information equipments	10,108	12,963	12,170	20,565	9.1	27,018	9.8
Others	6,094	2,481	2,233	14,320	6.3	3,841	1.4
Total	109,470	125,467	150,612	226,833	100.0	277,031	100.0



SIIX GLOBAL NETWORK

(As of end of Jun. 2023)

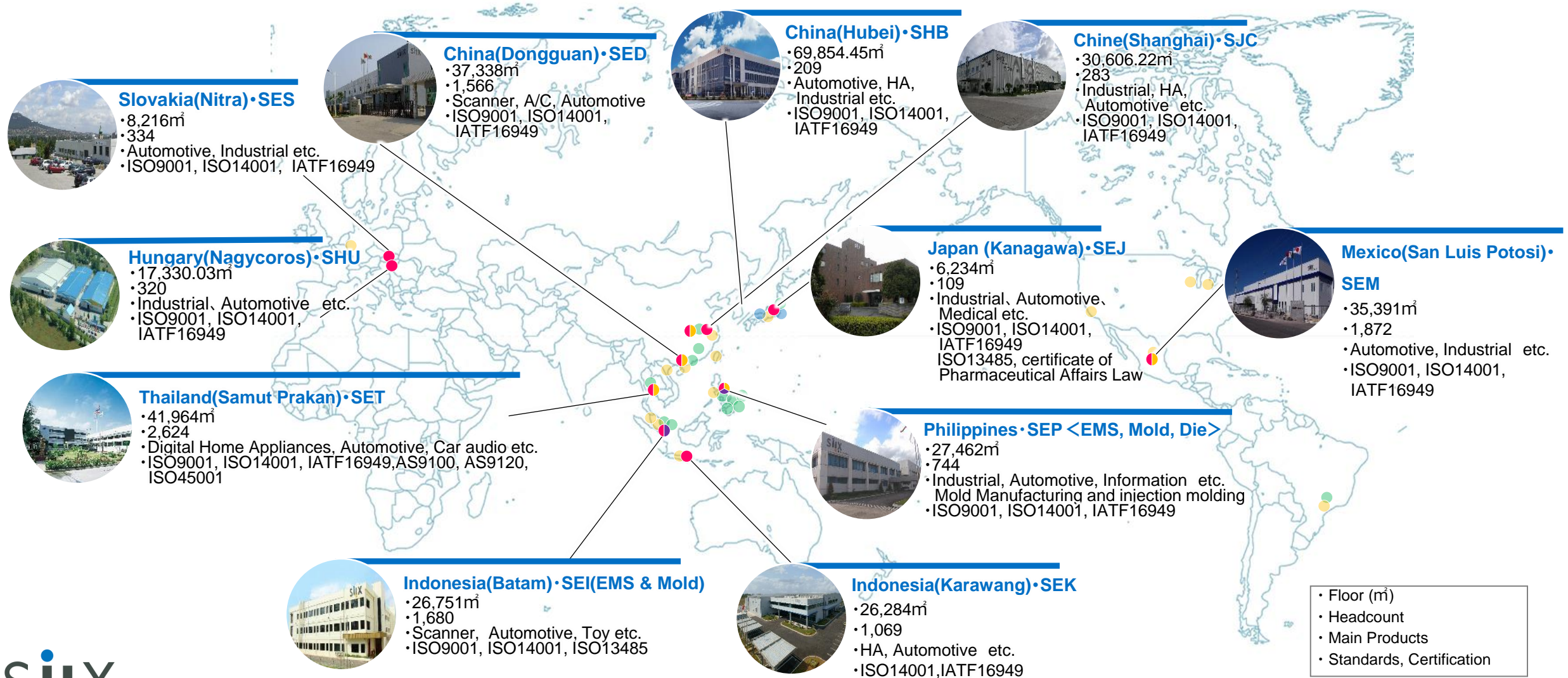


Others: Design and Development 4
Component Manufacturing 3
Machinery and Chemical Goods 4
※Not included in above MAP



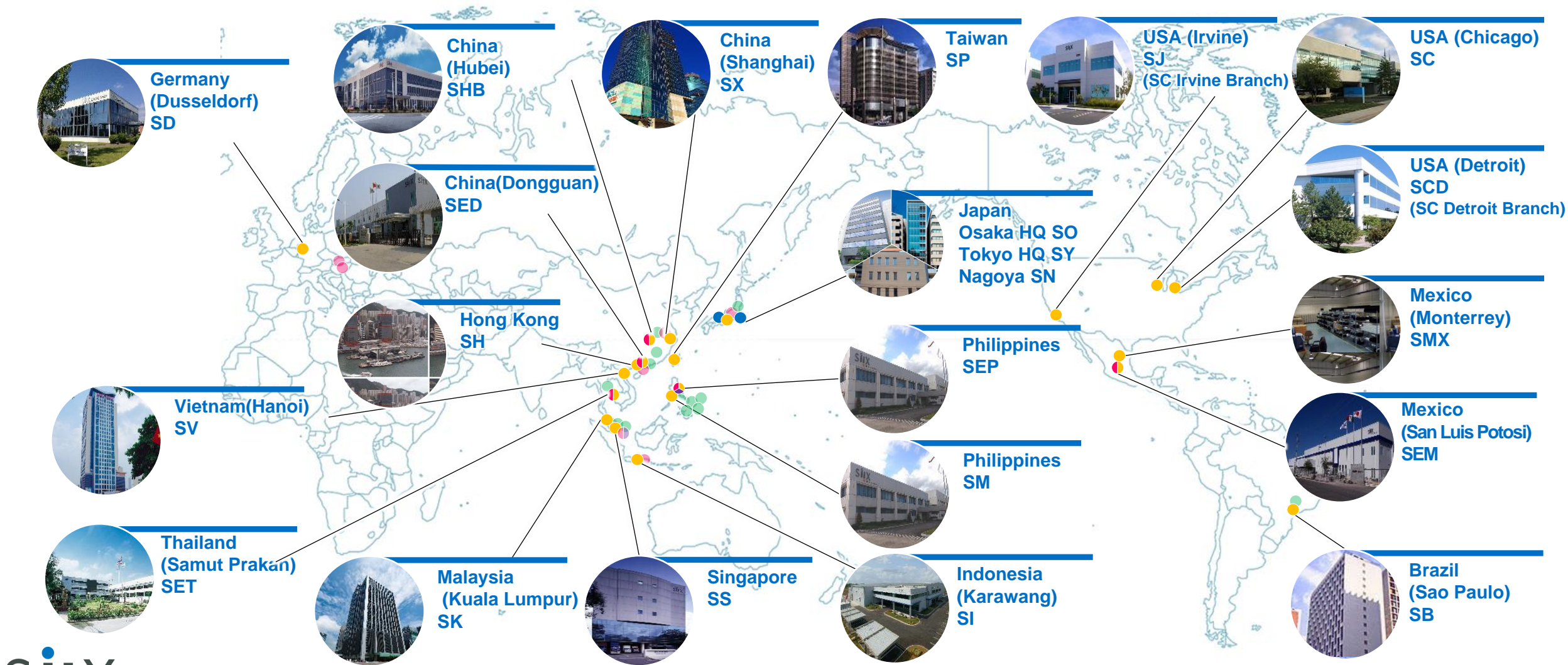
SIIX GLOBAL NETWORK – Manufacturing Factory

(as of end of Jun. 2023)



SIIX GLOBAL NETWORK – Sales & Logistics

(as of end of Jun. 2023)





SIIX GLOBAL NETWORK – Partners (EMS Subcontract, Alliance, etc.)

(As of end of Jun. 2023)





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