

# Consolidated Financial Result of 1H, FY2024

August 2024

SIIX Corporation





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# Consolidated Financial Result of 1H, FY2024

## • Profit and Loss

	1H, FY2023		1H, FY2024		1H, FY2023 vs. 1H, FY2024		Impact of change in FX	1H, FY2023 vs. 1H, FY2024, net		
	(JPY in millions)	amount	%	amount	%	diff.		%	diff.(net)	%
Sales		150,612	100.0	149,357	100.0	-1,255	-0.8	11,524	-12,779	-8.5
Gross Profit		14,551	9.7	13,456	9.0	-1,095	-7.5	839	-1,935	-13.3
SGA		8,840	5.9	9,811	6.6	971	11.0	701	269	3.0
Operating Income		5,711	3.8	3,645	2.4	-2,066	-36.2	137	-2,204	-38.6
Ordinary Income		5,855	3.9	3,804	2.5	-2,050	-35.0	Exchange rate 1H, FY20231H, FY2024		
Extraordinary Income & Loss		3	0.0	0	0.0	-2	-86.4			
Corporate tax		1,915	1.3	1,937	1.3	21	1.1	USD	134.95	151.99
Profit attributable to owners of parent		3,941	2.6	1,891	1.3	-2,049	-52.0	EUR	145.87	164.48
	HKD							17.21	19.44	
	THB							3.94	4.21	
								RMB	19.44	21.03

## • Scope of Consolidation

	End of 1H, FY2023	Changes		End of 1H, FY2024
		Increase	Decrease	
Consolidated Subsidiary	21	1	-	<b>22</b>
Equity Method Affiliate	3	-	-	<b>3</b>

\* The scope of consolidation was changed as follows from the first quarter of 2024.

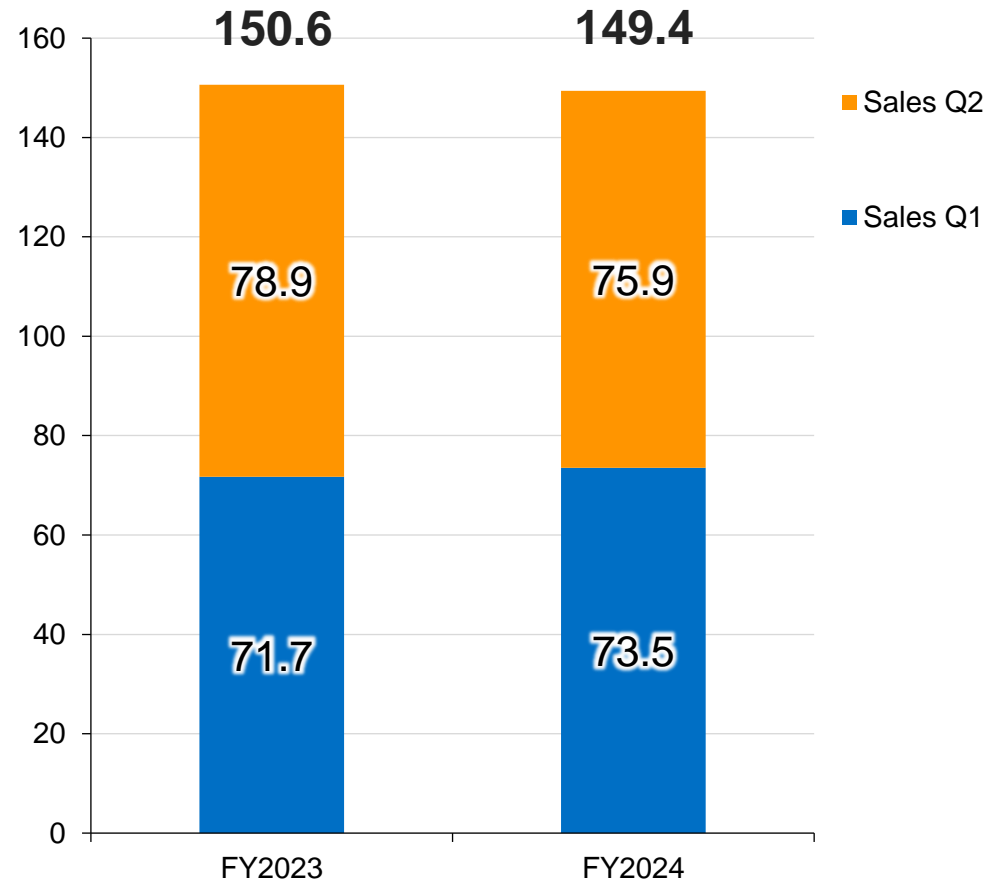
Consolidated subsidiaries +1 (Newly consolidated: Renzoku Biologics Inc.)



# Consolidated Financial Result of 1H, FY2024

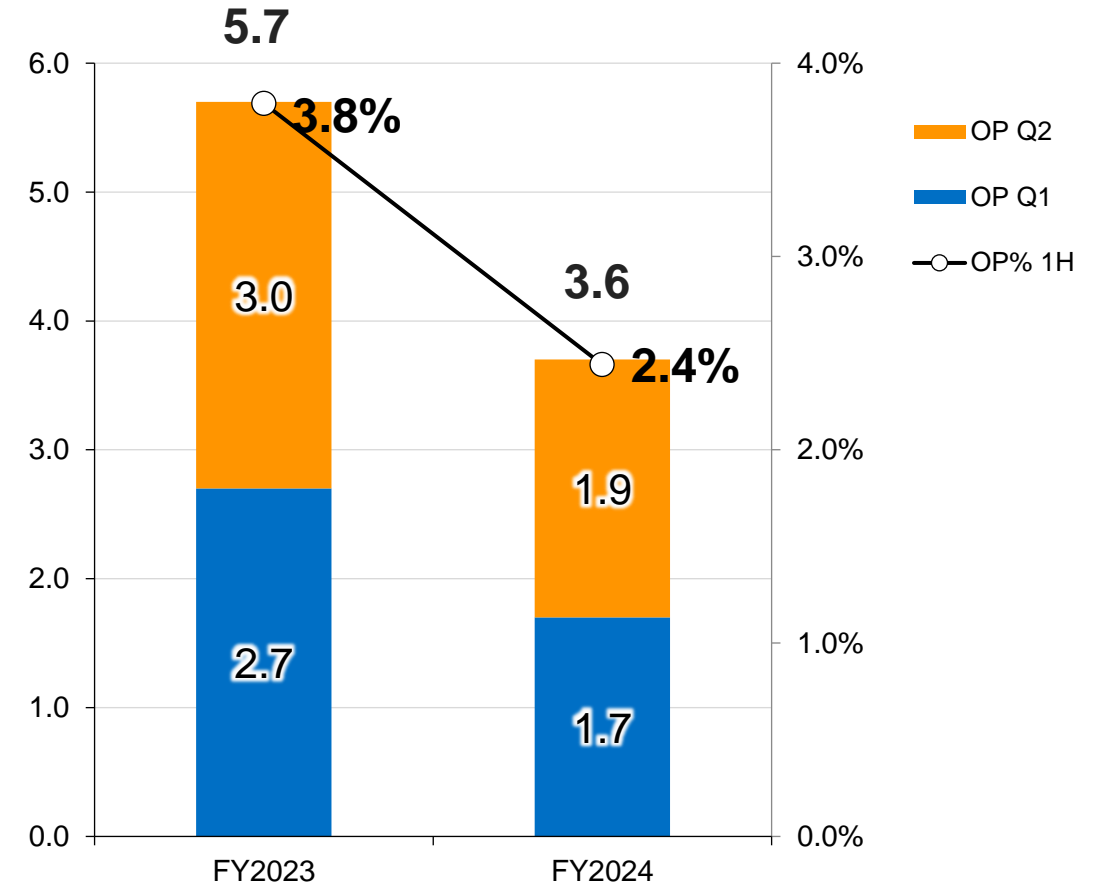
## • Sales

(JPY in billions, %)



## • Operating Profit

(JPY in billions, %)

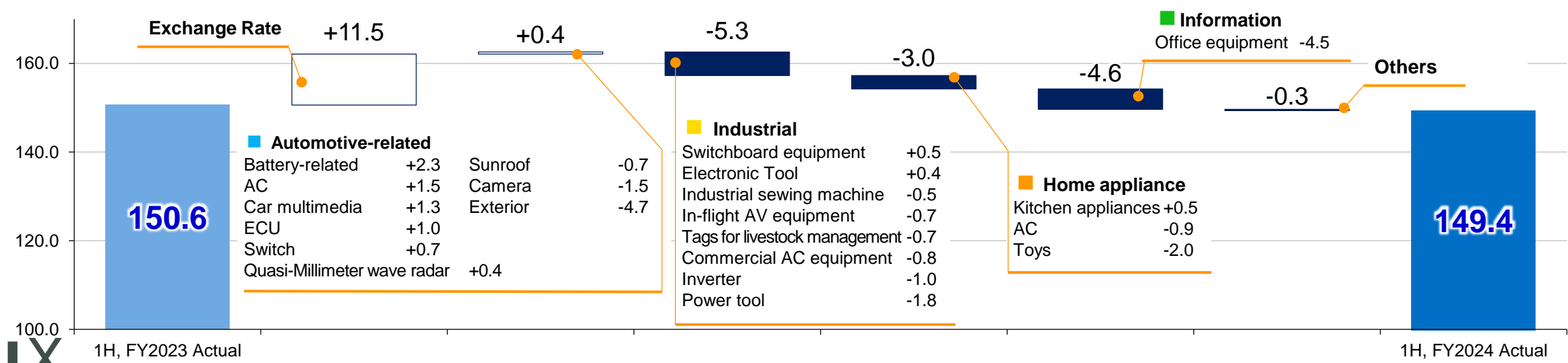
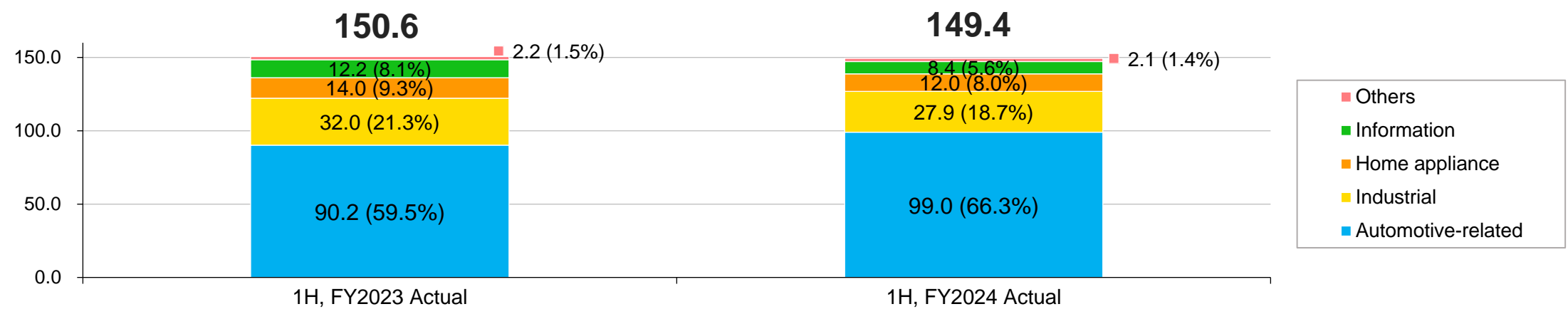




# Consolidated Financial Result of 1H, FY2024

## Sales by Market Sector (1H, FY2023 vs. 1H, FY2024)

(JPY in billions, %)

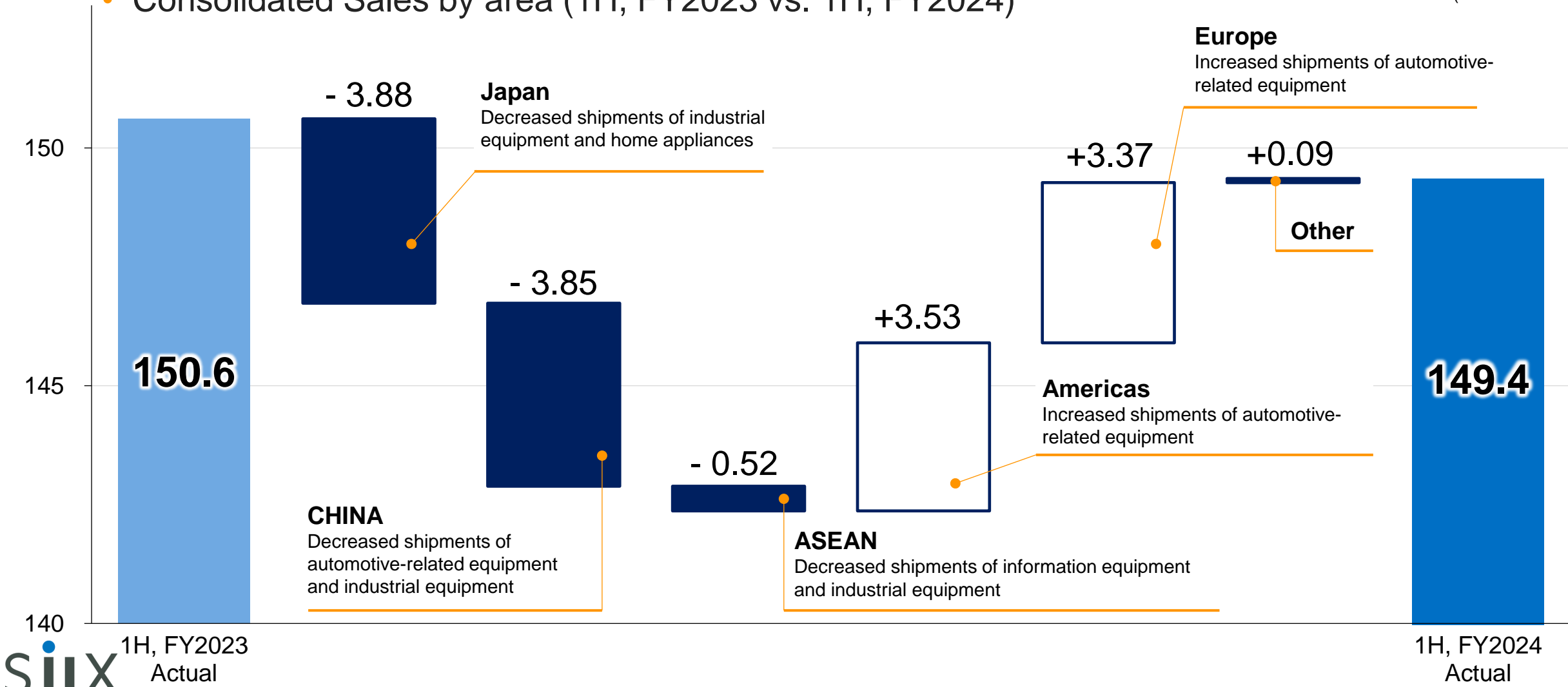




# Consolidated Financial Result of 1H, FY2024

- Consolidated Sales by area (1H, FY2023 vs. 1H, FY2024)

(JPY in billions)

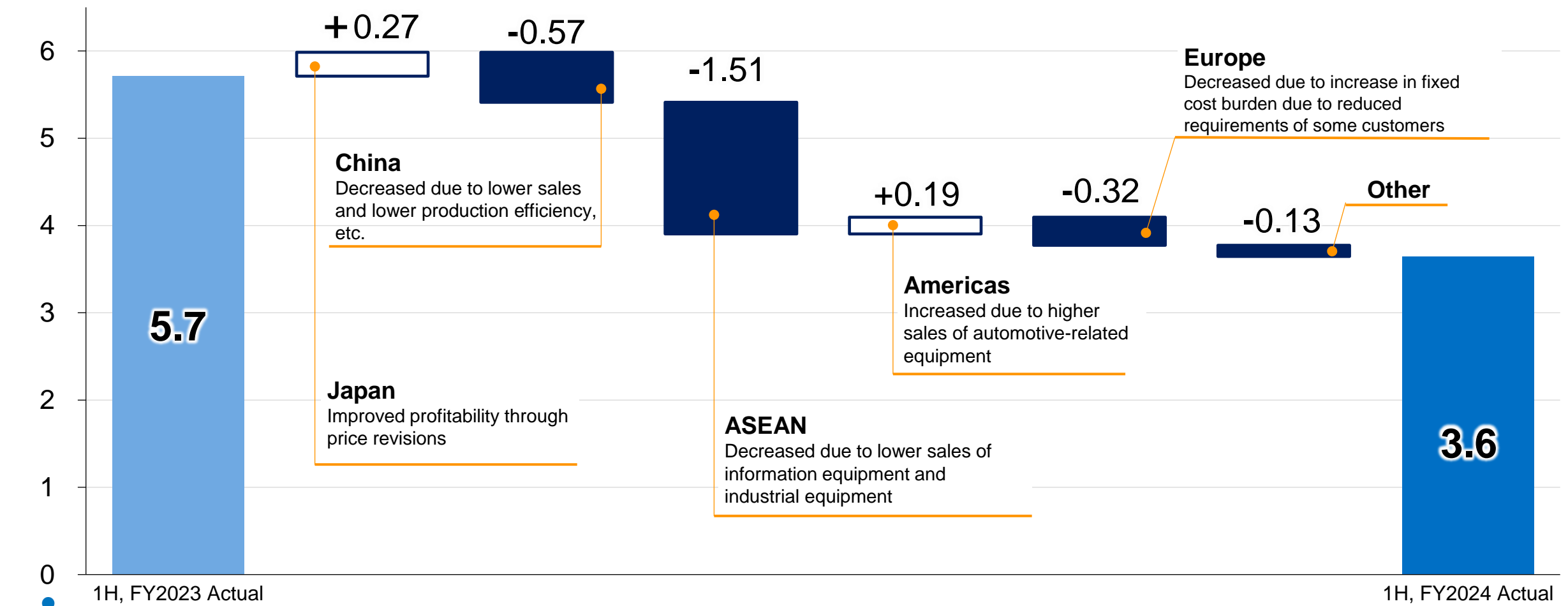




# Consolidated Financial Result of 1H, FY2024

- Consolidated Operating Profit by area (1H, FY2023 vs. 1H, FY2024)

(JPY in billions)





# Consolidated Financial Result of 1H, FY2024

- SGA

(JPY in millions)	1H, FY2023		1H, FY2024		Changes	
	amount	%	amount	%	amount	%
Personnel expenses *	4,213	2.8	<b>4,721</b>	<b>3.2</b>	508	12.1
Traveling and communication expenses	237	0.2	<b>241</b>	<b>0.2</b>	4	1.9
Freightage and packing expenses	1,511	1.0	<b>1,451</b>	<b>1.0</b>	-59	-3.9
Commission fee	509	0.3	<b>667</b>	<b>0.4</b>	158	31.1
Rent expenses on real estates	130	0.1	<b>146</b>	<b>0.1</b>	16	12.5
Depreciation	838	0.6	<b>941</b>	<b>0.6</b>	102	12.2
Other expense *	1,399	0.9	<b>1,639</b>	<b>1.1</b>	240	17.2
Total	8,840	5.9	<b>9,811</b>	<b>6.6</b>	971	11.0

\* In personnel expenses and other expenses, items have been reclassified, and the figures for the first half of 2023 have been retroactively adjusted.





# Consolidated Financial Result of 1H, FY2024

- Non-Operating Profit and Loss

(JPY in millions)	1H, FY2023	1H, FY2024
Interest income	94	<b>391</b>
Dividends income	116	<b>40</b>
Share of gain of entities accounted for using equity method	11	<b>19</b>
Foreign exchange gains	61	<b>137</b>
Subsidy Income	74	<b>92</b>
Gain on sales of goods	153	<b>129</b>
Gain on sales of scraps	86	<b>97</b>
Other	283	<b>331</b>
Non-operating income	880	<b>1,241</b>
Interest expenses	591	<b>842</b>
Purchase of goods	56	<b>65</b>
Other	88	<b>174</b>
Non-operating expenses	736	<b>1,081</b>
Non-operating income/loss	143	<b>159</b>



# Consolidated Financial Result of 1H, FY2024

## • Balance Sheet

(JPY in millions)	End of 1H, FY2023	End of FY2023	End of 1H, FY2024	Changes (1H, FY2023 vs. 1H, FY2024)		Changes (FY2023 vs. 1H, FY2024)			
				amount	%	amount	%	Impact of exchange rate	net
Current assets	161,064	157,621	<b>171,960</b>	10,895	6.8	14,338	9.1	13,132	1,205
<i>Notes and accounts receivable-trade</i>	64,677	60,432	<b>62,298</b>	-2,379	-3.7	1,865	3.1	4,293	-2,428
<i>Inventories</i>	75,341	71,909	<b>74,729</b>	-611	-0.8	2,820	3.9	6,263	-3,444
Noncurrent assets	59,255	59,216	<b>64,752</b>	5,496	9.3	5,536	9.3	5,416	119
Total asset	220,320	216,838	<b>236,712</b>	16,392	7.4	19,874	9.2	18,549	1,324
Current liabilities	97,738	88,653	<b>92,909</b>	-4,828	-4.9	4,255	4.8	6,997	-2,741
<i>Accounts payable-trade</i>	43,982	43,262	<b>40,742</b>	-3,239	-7.4	-2,519	-5.8	3,307	-5,827
<i>Short-term loans payable</i>	35,318	28,103	<b>30,277</b>	-5,041	-14.3	2,173	7.7	2,391	-217
<i>Current portion of bonds payable</i>	—	—	<b>5,000</b>	5,000	—	5,000	—	—	5,000
Noncurrent liabilities	35,466	38,638	<b>42,842</b>	7,375	20.8	4,204	10.9	1,412	2,791
<i>Corporate bonds</i>	10,000	10,000	<b>15,000</b>	5,000	50.0	5,000	50.0	—	5,000
<i>Long-term loans payable</i>	19,290	22,139	<b>20,643</b>	1,353	7.0	-1,495	-6.8	781	-2,276
Total liability	133,205	127,292	<b>135,752</b>	2,546	1.9	8,460	6.6	8,410	49
Net assets	87,114	89,545	<b>100,959</b>	13,845	15.9	11,414	12.7	10,139	1,274
Minority interests	453	446	<b>563</b>	110	24.5	117	26.3	45	72
Total asset and liability	220,320	216,838	<b>236,712</b>	16,392	7.4	19,874	9.2	18,549	1,324



# Consolidated Financial Result of 1H, FY2024

- Cash Flow

(JPY in millions)	1H, FY2022	1H, FY2023	1H, FY2024	FY2022	FY2023
Net cash from operating activities	-3,435	5,210	<b>6,165</b>	5,567	19,796
Net cash from investing activities	-4,073	-5,805	<b>-4,916</b>	-8,892	-10,392
Net cash from financing activities	5,768	-887	<b>5,883</b>	6,676	-5,989
Cash and cash equivalents	8,894	13,334	<b>27,416</b>	13,652	18,059
Debt to annual cash flow ratio (years)	-	-	-	10.3	3.2
Interest coverage ratio (X)	-	9.0	<b>7.7</b>	7.6	13.2



# Consolidated Financial Forecast of FY2024

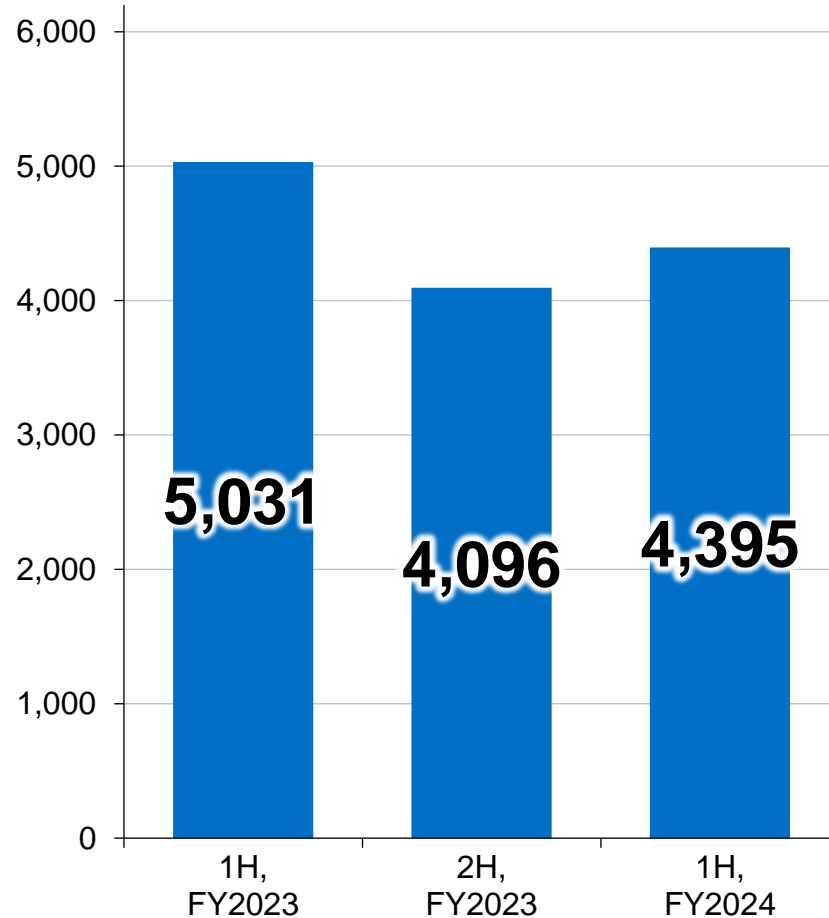
(JPY in millions)	FY2022 Actual		FY2023 Actual		FY2024 Forecast		FY2023 vs. FY2024	
		%		%		%	diff.	%
Sales	277,031		309,768		<b>320,000</b>		10,232	3.3
Operating income	8,929	3.2	12,254	4.0	<b>8,500</b>	<b>2.7</b>	-3,755	-30.6
Ordinary income	8,337	3.0	11,849	3.8	<b>8,100</b>	<b>2.5</b>	-3,749	-31.6
Profit attributable to owners of parent	4,733	1.7	8,185	2.6	<b>4,600</b>	<b>1.4</b>	-3,586	-43.8
Net income per share (JPY)	100.11		173.56		<b>97.72</b>		-75.84	-43.7
Assumption rate(USD)	¥131.22		¥140.40		¥149.00			



# Consolidated Financial Result of 1H, FY2024

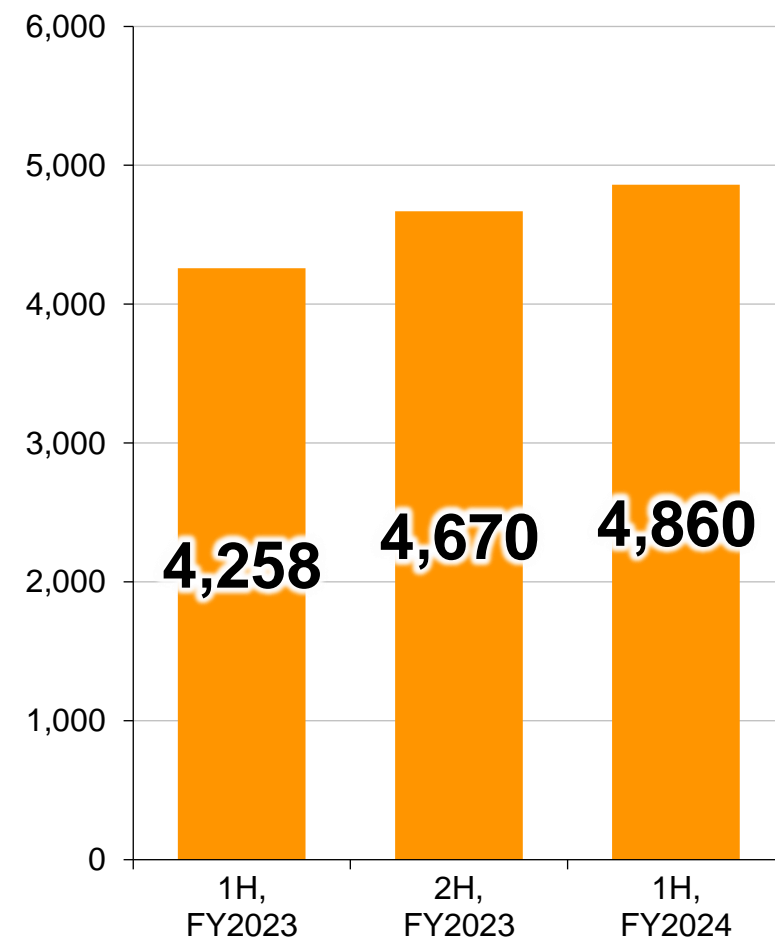
## • CAPEX

(JPY in millions)



## • Depreciation

(JPY in millions)



# Topics

- Investment in Renzoku Biologics → Entry into CDMO business for bio-antibody drugs
- Establishment of SIIX India → Establishment of joint venture with technology partner Innominds, strengthening JDM business
- Establishment of a third joint venture with MIDEA, conclusion of agreement on creation of new business with them
- Expansion of Thailand factory (scheduled to be completed in December 2024, increasing production capacity by approximately 1.5 times compared to the space before the expansion)
- Investment in Electroninks Incorporated, a U.S. conductive ink manufacturer → Challenge in the field of “Chemitronics”
- Acquisition of a license for recruitment service in Japan
- Strengthening overseas sales of products from Japan, such as nursing care products for an aging society
- Concluding contracts with multiple Chinese automotive T1 companies in the Thai market
- Development of sensor-related business



New building in Thailand

# Established sales subsidiary and JV with Innominds in India

## • Outline of India Sales subsidiary

- Trade Name: SIIX India Pvt. Ltd. (tentative)
- Location: Bengaluru, Karnataka, Republic of India
- Capital: SIIX Singapore 100%
- Major business: Sales and distribution of electronic components, electronic equipment, etc., management of JVs
- Start of the operation: November 2024 (plan)



Established JV

## • Outline of JV with Innominds

- Trade name: SIIX Innominds Pvt. Ltd. (tentative)
- Location: Bengaluru, Karnataka, Republic of India
- Capital: SIIX India 50%, Innominds 50%
- Major business: Design, development, sales and marketing of IoT devices
- Start of the operation: January 2025 (plan)

## • Outline of Innominds **Innominds**

Our technology partner with experience in IoT design and development business in India

- Trade name: Innominds Software Pvt. Ltd.
- Location: California, United States
- Major business: Providing DX and IoT equipment engineering services using AI platform. Handling QUALCOMM chips. Owning 2,500 design and development human resources in India.

### Target

- Collaboration with them enables a one-stop approach from development to manufacturing for customers of both companies.
- Aiming to develop ODM/JDM business worldwide in collaboration with partners with business experience in India



# Basic Policy and Activities of the SIIX's Manufacturing Plant

## Promotion of Manufacturing DX (Digital transformation)

### Strengthen core competence

- Implementation of manufacturing subcommittee, MD Forum
- Utilization of human capital in the Philippines
  - Dispatch engineers
- SIIX Academy Technical Edition

### Human Capital Development

- Standardization of equipment
- SIIX Academy Education Edition

### Management Transformation

ESG  
Responsiveness

Real-time  
Management

Optimization of  
the value chain

### Smart Factory

- Visualization Management (Dashboard)
- Installation of automated warehouses (Introduction of parts towers)
- Installation of automated equipment and robots (Battery pack production)

### Manufacturing Site Transformation

Optimization of  
equipment efficiency

Optimization of  
Production Process  
Quality & Productivity

Skill Transfer  
Human Capital  
Development

## SIIX Manufacturing DX

### IT/ Operations Transformation

Visualization

Automation

OT-IT interoperation

OT : Operational Technology  
Data available from facilities, etc.

### Strengthen production sites

- High quality assurance (Expansion of SMAPS)
- Introduction of new APQP
- Promotion of SIIX Principles



# Strengthen core competence

- SIIX Academy: Start to provide technical training for all factories

## Purpose:

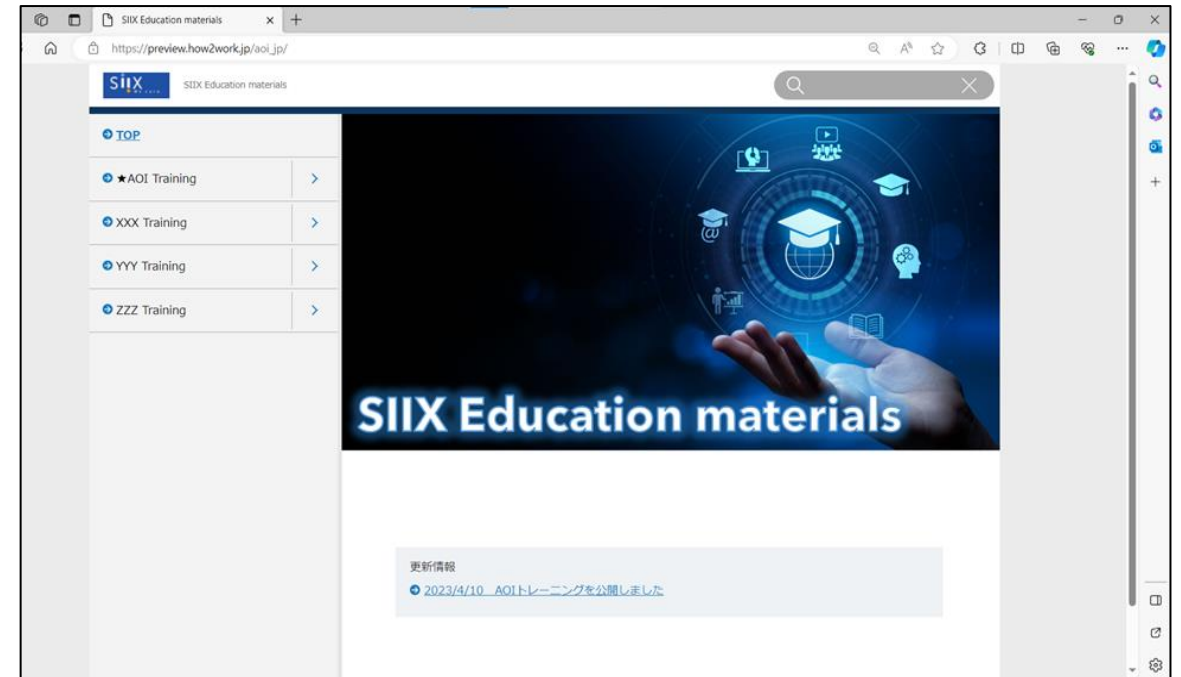
Aiming to develop human capital necessary for manufacturing, establish "SIIX Manufacturing Academy" to improve technical capabilities and skills that form the basis of manufacturing, and horizontally expand the academy to each site. Establish a system that enables continuous training.

For: All SIIX employees

(Accessible on the web from all over the world)

Subject: Process technology, process management, elemental technology (Multilingual support)

Start: 3<sup>rd</sup> quarter 2024





# Initiatives for Smart Factories

## Acceleration of automation through global structure

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

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

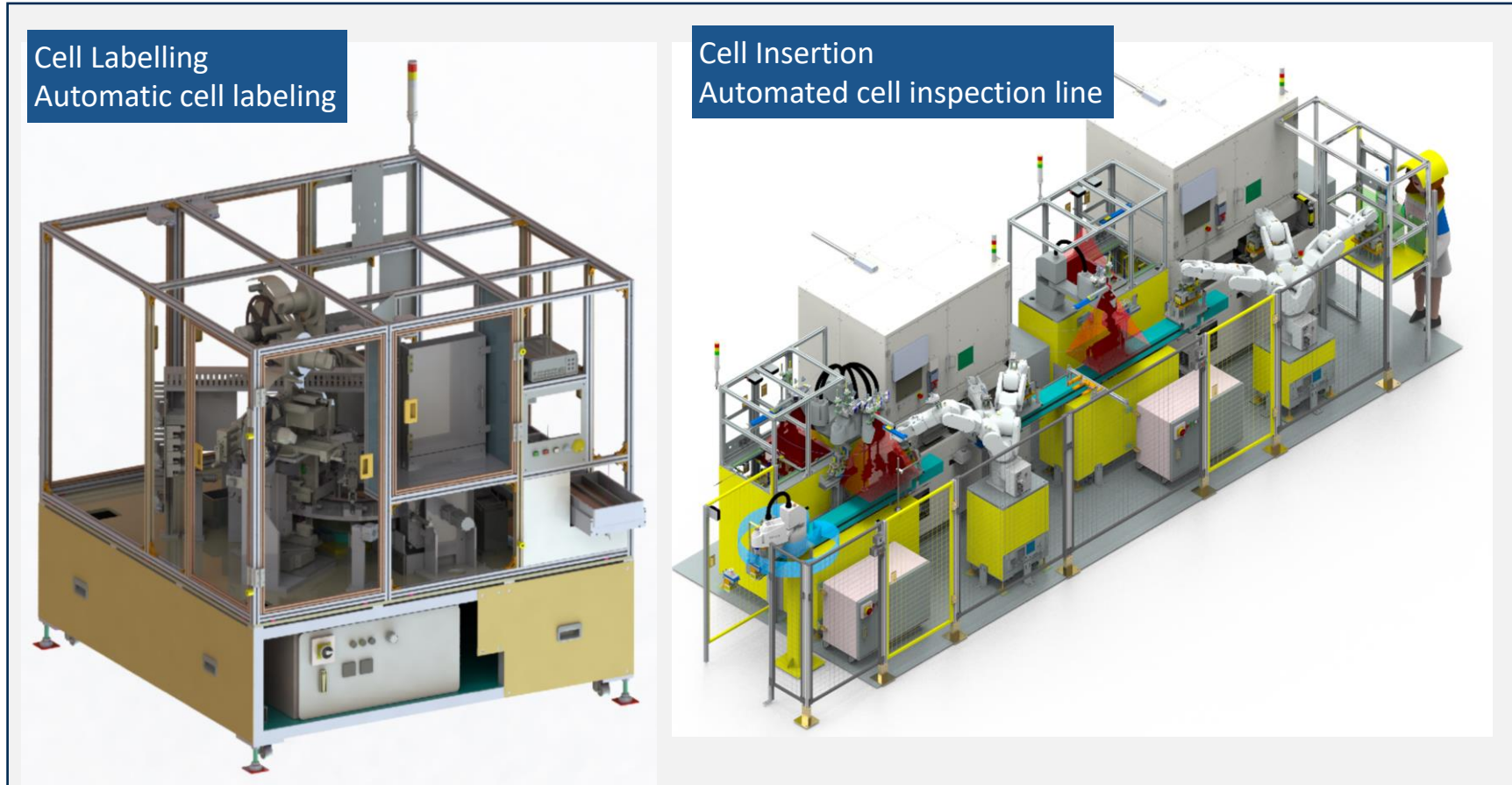
**Design and development of automatic machines to introduction**

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



# Smart Factories

- Construction of automated lines (Automatic machine equipment design ~ Create ~ Install)



# Smart Factories

## Visualization Management (Dashboard)



Example: IT Member Development in Thailand plant

Real-time visualization management

Production Progress, Productivity, Loss Analysis

## Introduction of automated warehouses (introduction of tower warehouses)



Dongguan Plant

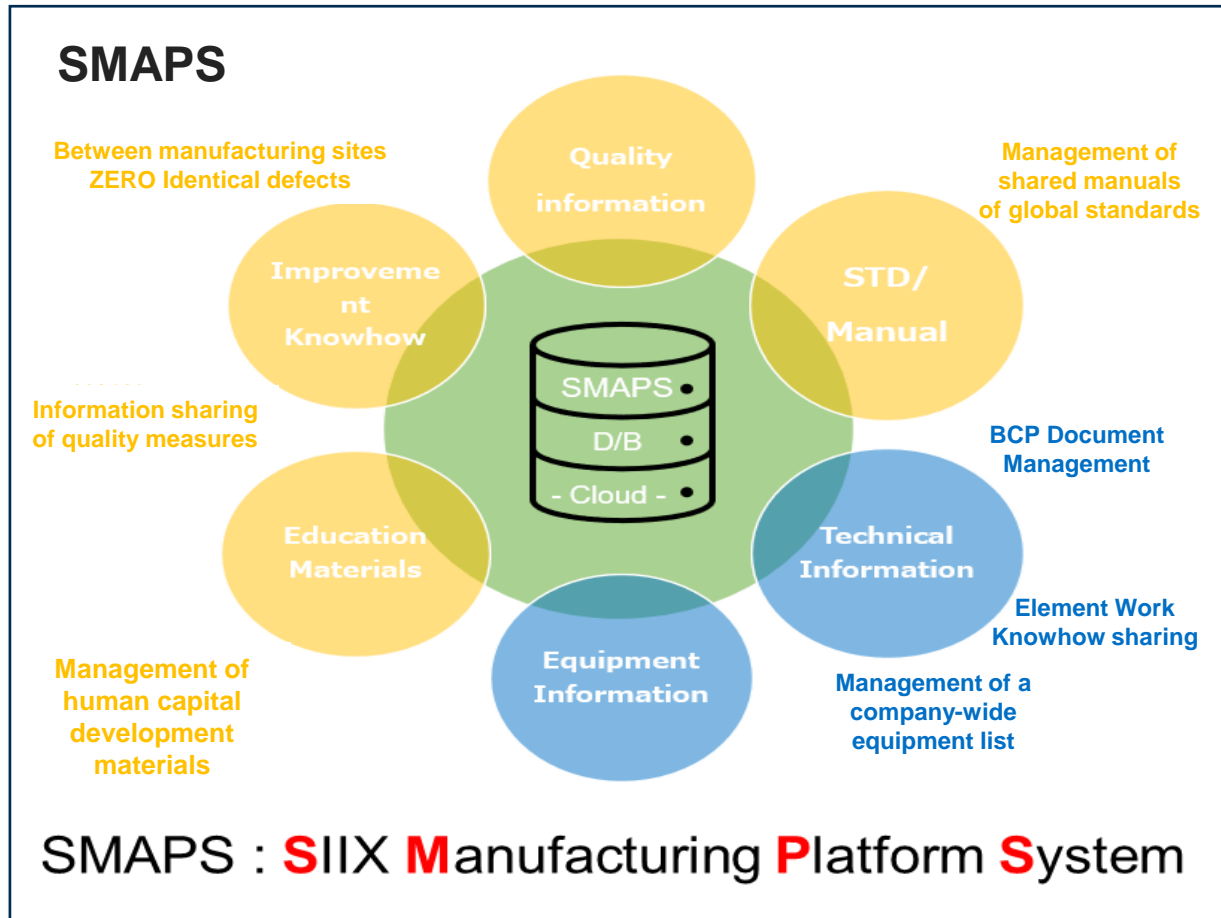


Philippines Plant

Shanghai Plant, Sagami-hara (Japan) Plant already introduced

# Enhancement of production sites

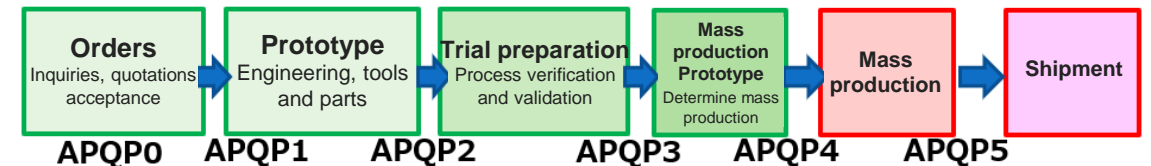
- Quality Governance Functions



## Introduction of APQP and start of operation

### APQP [ADVANCED PRODUCT QUALITY PLANNING]

APQP0	① Inquiries & Orders	Validity of product information/quotation
APQP1	② Prototype	Engineering Design, Tooling, Material Handling
APQP2	③ Trial preparation	Engineering Design, Tooling, Preparation of parts
APQP3	④ Prototype completed	Verification results and validation
APQP4	⑤ Decision to go into mass production	Mass production validation
APQP5	⑥ Shipping decision	Determining the reasonability of shipments to customers



**Deliver products that meet customer requirements  
⇒ Reduction of customer complaints**



# Enhancement of production sites

- Activities to promote SIIX Principles (SIIX Corporate Philosophy) among all employees

## Activities of the three plants in China



## Poster display



## Philippines Plant



## Thailand Plant



## Batam Plant, Indonesia



# CO2 Reduction Activities

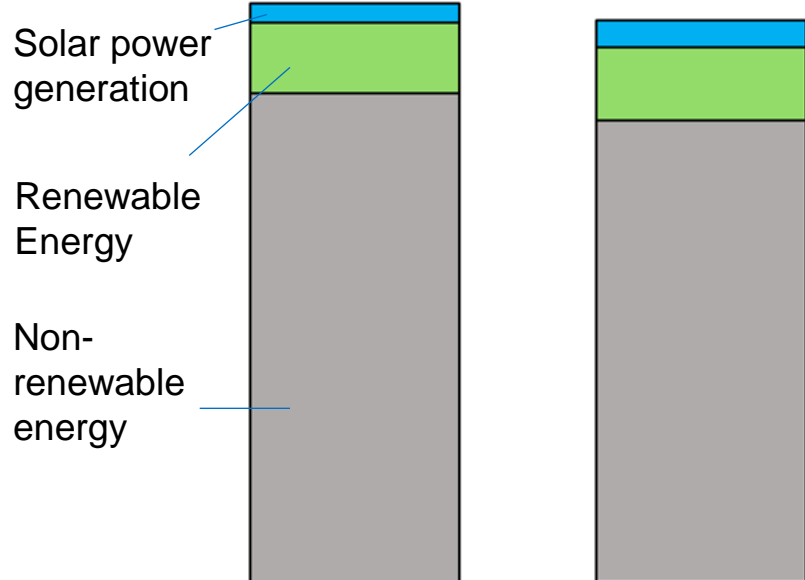
## • Scope-2

**Consumption of electricity: Previous year over 95.6%**

Achievement rate of decarbonization (Renewable energy and solar power)

- Jan-Jun 2023: 14.4%
- Jan-Jun 2024: 17.7%

63,525,350 kWh      60,761,209 kWh



Jan-Jun 2023

Jan-Jun 2024

## • Solar power installation status



## • Usage of Renewable Energy Electricity

Slovakia Plant, Hungary Plant, Sagami-hara Plant (Japan), Philippines Plant, Germany Sales Office, Singapore Sales Office

## • Future Plans

- Solar Power Generation
  - Singapore      December 2024
  - Thailand      March 2025
- Switch to renewable energy
  - Philippines      December 2024



# Initiatives in ESG – Reduction of total CO2 emissions

## Environment

	Target (2030)	2021 (Base year)	2023 Actual	CO2 emissions reduction activities
SCOPE 1		924t	1,405t	Considering effective ways to reduce emissions, such as converting company automobiles to EVs.
SCOPE 2	vs 2021 42% cut	69,484t	18t vs 2021 99.9% cut	<b>Solar panels installed</b> Already installed: 3 plants in China (Shanghai, Dongguan, Hubei), Mexico, Jakarta, Batam To be installed: Thailand, Philippines <b>Switch electricity derived from renewable energy sources</b> 100% at Sagami-hara Plant and Europe area, 45% in the Philippines (expected to be 97% from 2025) <b>Purchase non-fossil certificates</b> <b>Promote energy-saving activities</b> Implement energy saving during downtime of solder hardening furnaces, consider energy-saving effects of centralized air conditioner management. <b>Switch production facilities to energy-saving models</b> Add power consumption as a criterion for capital investment.
SCOPE 3	vs 2021 25% cut	583,026t	644,692t	Conduct regular interviews with suppliers and work together to improve the accuracy of emissions data and reduce CO2 emissions throughout the supply chain.
TOTAL		653,434t	646,115t	<ul style="list-style-type: none"><li>Obtained third-party guarantee in FY2023 (SCOPE 1,2,3)</li><li>CDP Score: Climate Change A- (FY2023)</li><li><b>Selected as CDP Supplier Engagement Leader (FY2023)</b></li></ul>

**Renewable Energy  
Utilization Rate**  
FY2021 3.6%  
FY2023 14.6%





# Initiatives in ESG

Social

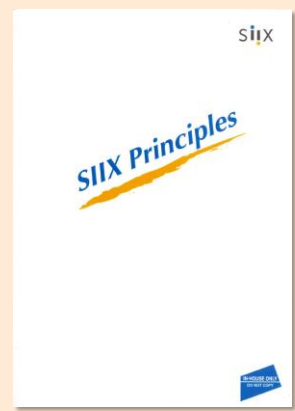
## Promotion of Human Capital Management

- Promotion of SIIX Principles (corporate philosophy)
- Establishment of SIIX Academy and launch of “SIIX Pioneers”
- Obtaining engagement scores and activities to improve scores

## Engagement Score © Link and Motivation Inc.

Target	BBB 55.0pt	As of February 2024	CCC 46.3pt
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## Establishment of Murai SIIX Foundation



▲ SIIX Principles  
Multilingual Translation



Governance

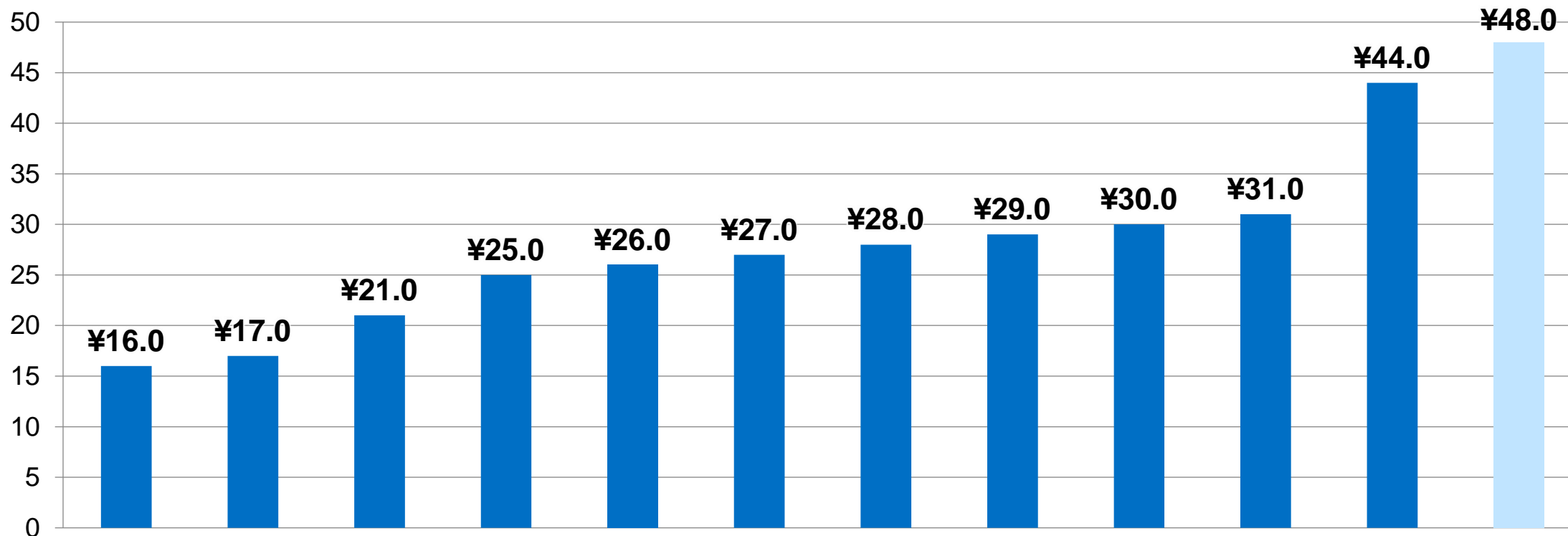
## Progress in Compliance with Revised Companies Act and Corporate Governance Code

Diversity	Appointment of female directors (internal, external) and female corporate auditors (external) at the 2024 General Meeting of Shareholders. 3 out of 18 executive officers (including those concurrently serving as directors) are female.
Disclosure	Deepen and enhance disclosures in <a href="#">Integrated Report 2024</a> .
Risk Management	Establish individual themes on a company-wide basis every half year and manage progress. Further strengthen response to hazard risk and cyber attack.
Shareholder meeting	Promote paperless operations and improve the content of the notice of annual shareholder’s meeting.



# Shareholder Return

Plans to increase dividends for  
18 consecutive fiscal years



	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024 (forecast)
Dividends per share(JPY)	16.0	17.0	21.0	25.0	26.0	27.0	28.0	29.0	30.0	31.0	44.0	48.0
Dividends ratio(%)	22.7	19.4	15.2	18.7	18.1	20.5	35.8	79.5	31.1	31.0	25.4	49.1
# of Treasury Stock Acquisition				508,900		2,035,700					250,000	
Amount of treasury stock acquisition (JPY)	-	-	-	2,000 mil.	-	4,000 mil.	-	-	-	-	400 mil.	-

※includes commemorative dividend 1.00 yen



# Disclaimer

- The information contained in this document is intended to provide financial information and performance indicators of SIIX Corporation (hereinafter referred to as “the Company”), but no representation or warranty is made regarding the content.

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# Consolidated Financial Result of 1H, FY2024 <Appendix>

August 2024  
SIIX Corporation





# Profit and Loss

(JPY in millions)	1H, FY2022	1H, FY2023	1H, FY2024	FY2022	FY2023
Net sales	125,467	150,612	149,357	277,031	309,768
Operating income	3,457	5,711	3,645	8,929	12,254
Operating income ratio (%)	2.8	3.8	2.4	3.2	4.0
Ordinary income	3,639	5,855	3,804	8,337	11,849
Ordinary income ratio (%)	2.9	3.9	2.5	3.0	3.8
Profit attributable to owners of parent	1,579	3,941	1,891	4,733	8,185
Profit attributable to owners of parent ratio(%)	1.3	2.6	1.3	1.7	2.6
# of Consolidated subsidiaries	22	21	22	22	21
# of Equity method affiliates	2	3	3	2	3
# of Employees	12,719	11,394	10,061	12,734	11,052



# Management Indicators

		1H, FY2022	1H, FY2023	1H, FY2024	FY2022	FY2023
ROE	(%)	-	-	-	6.6	9.9
ROA	(%)	-	-	-	4.4	5.6
Total asset turnover		0.7	0.7	0.7	1.5	1.5
Net interest-bearing debts/Net asset	(%)	68.6	61.3	45.1	64.2	49.1
D/E ratio		0.8	0.8	0.7	0.8	0.7
Current ratio	(%)	163.0	164.8	185.1	155.6	177.8
Accounts receivable turnover ratio *	(day)	72.2	72.6	75.0	67.9	68.1
Inventory turnover ratio	(day)	94.8	90.1	89.6	86.7	85.6
PBR	(X)	0.58	0.85	0.60	0.79	0.77
PER	(X)	-	-	-	12.7	8.4

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



# Capital Structure

	FY2019	FY2020	FY2021	FY2022	FY2023	1H, FY2024
(JPY in millions)						
Total asset	143,391	144,436	169,921	205,170	216,838	236,712
Liability	85,141	87,937	103,551	127,780	127,292	135,752
interest-bearing debt	38,667	47,471	51,350	63,150	61,984	72,919
Net asset	58,249	56,498	66,369	77,389	89,545	100,959
Capital-to-asset ratio (%)	40.3	38.8	38.8	37.5	41.1	42.4
Closing stock price (JPY)	1,523	1,543	1,416	1,277	1,463	1,284
Capital-to-asset ratio at market value (%)	50.2	50.5	39.4	29.4	31.8	25.5
Issued stock (thousand)	50,400	50,400	50,400	50,400	50,400	50,400
BPS	1,224.26	1,186.71	1,393.92	1,625.55	1,891.52	2,130.83



# Sales by market sector

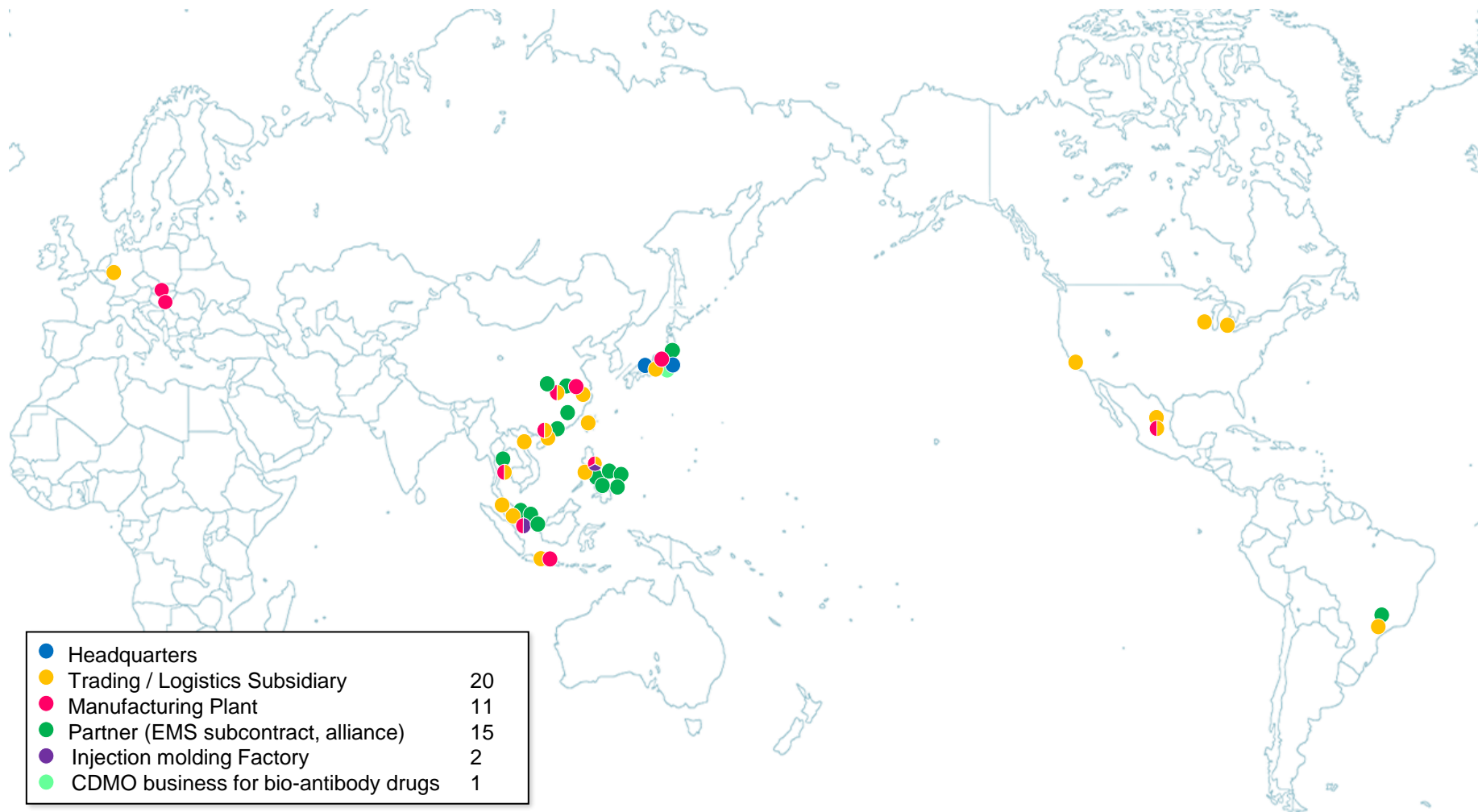
(JPY in millions, %)	1H, FY2022	1H, FY2023	1H, FY2024	FY2022		FY2023	
				full year	%	full year	%
Automotive-related equipments	74,117	90,166	<b>98,998</b>	162,522	58.7	192,673	62.2
Industrial equipments	23,303	32,037	<b>27,915</b>	56,240	20.3	61,601	19.9
Home appliances	12,602	14,007	<b>11,957</b>	27,411	9.9	26,500	8.6
Information equipments	12,963	12,170	<b>8,393</b>	27,018	9.8	24,349	7.9
Others	2,481	2,233	<b>2,095</b>	3,841	1.4	4,646	1.5
Total	125,467	150,612	<b>149,357</b>	277,031	100.0	309,768	100.0





# SIIX GLOBAL NETWORK

(As of end of Jun. 2024)

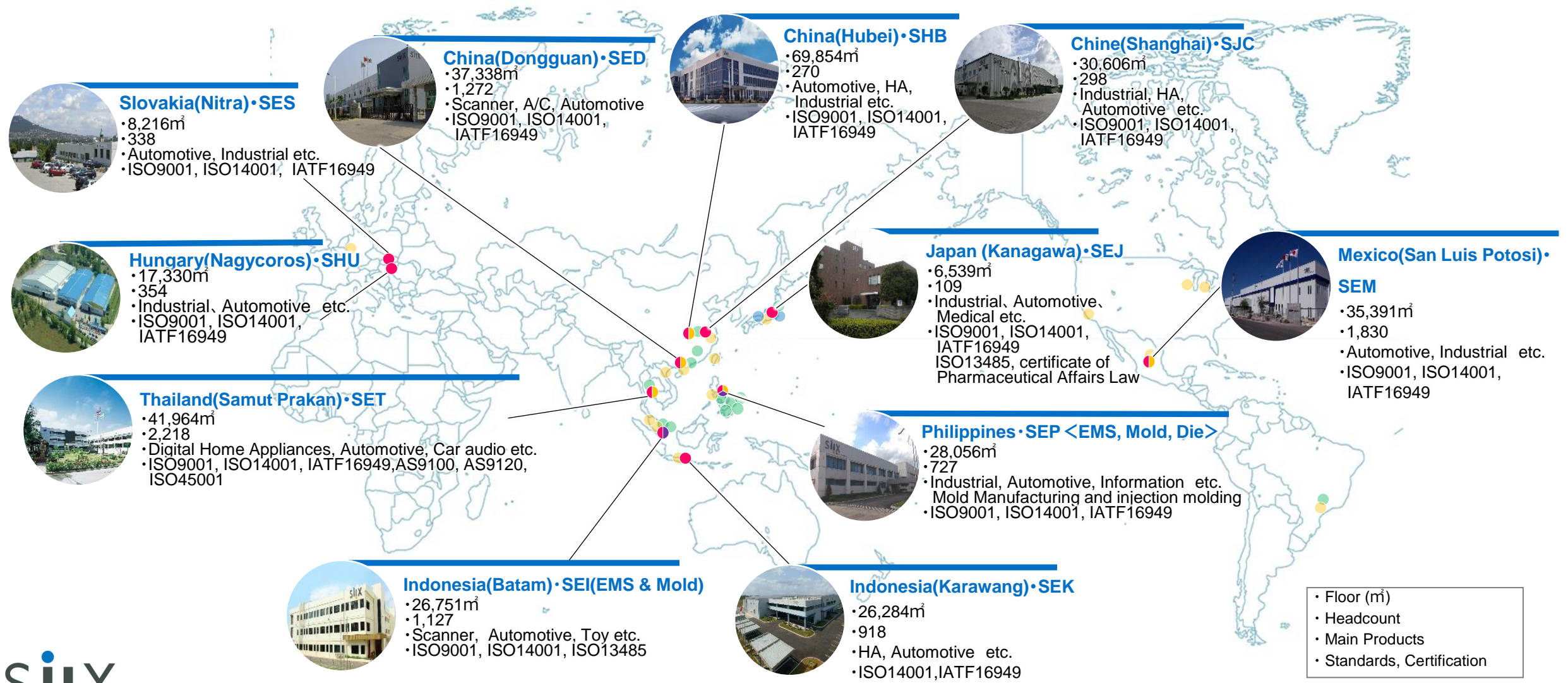


Others: Design and Development 4  
Component Manufacturing 3  
Machinery and Chemical Goods 4  
※Not included in above MAP



# SIIX GLOBAL NETWORK – Manufacturing Factory

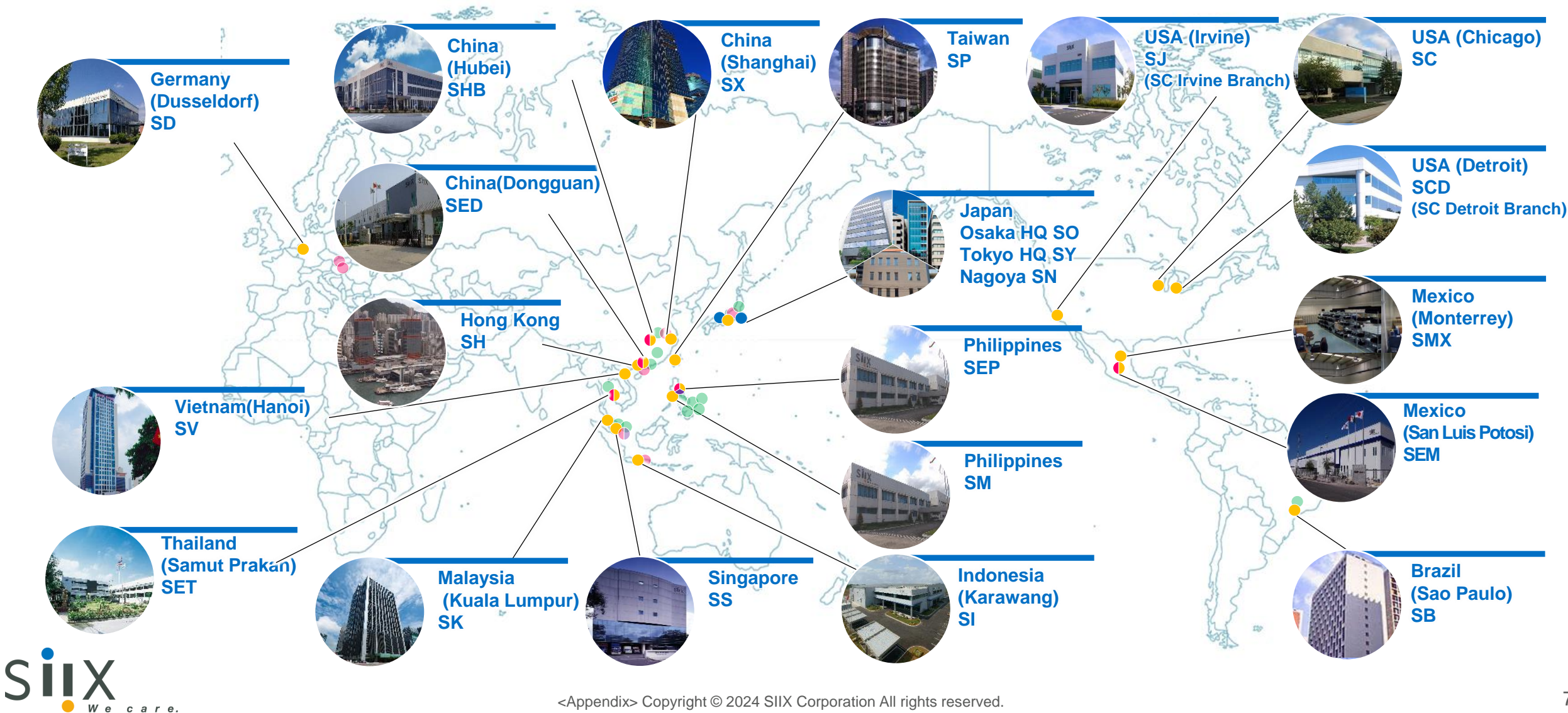
(as of end of Jun. 2024)





# SIIX GLOBAL NETWORK – Sales & Logistics

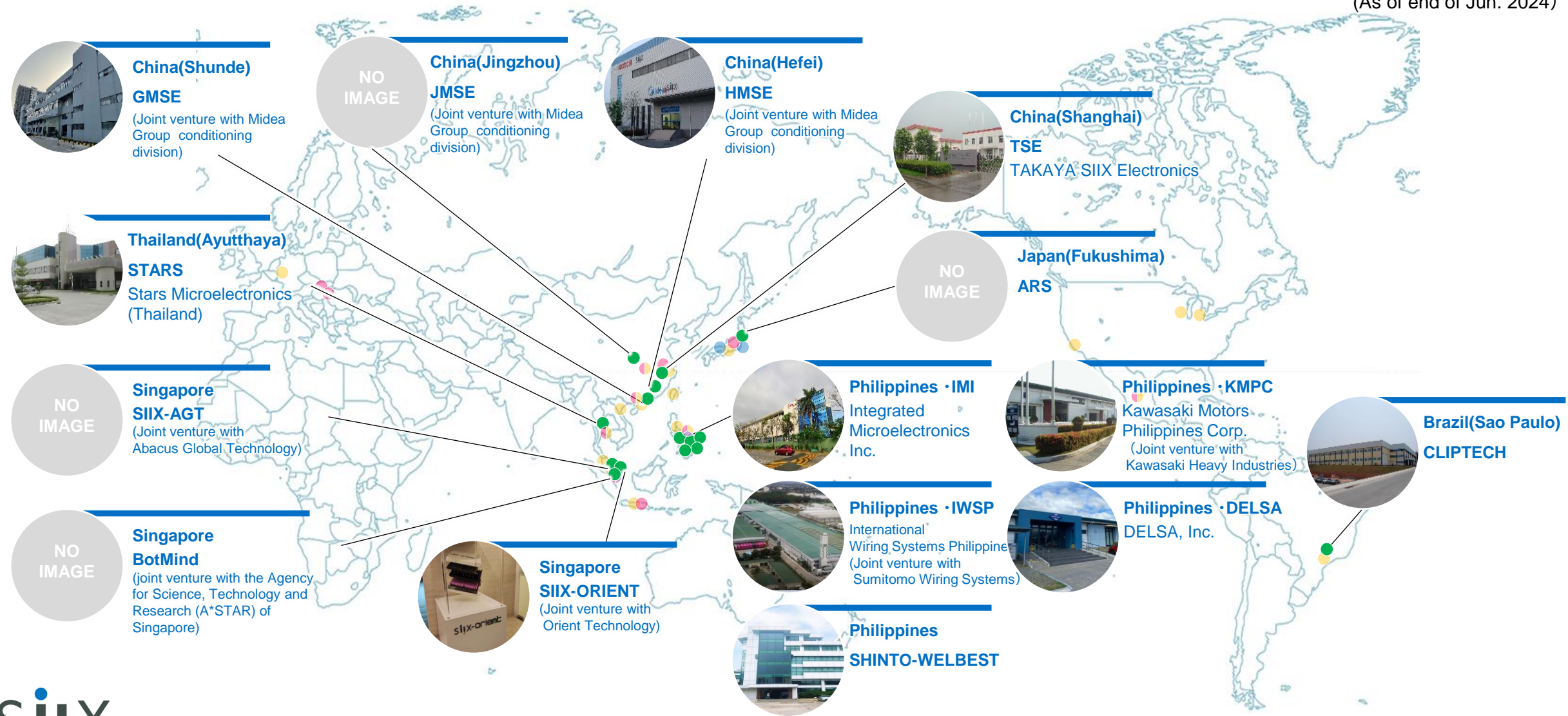
(as of end of Jun. 2024)





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

(As of end of Jun. 2024)





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