

INTERIM FINANCIAL STATEMENTS FOR FIRST HALF OF FISCAL YEAR 2008

- from April 1, 2008 to September 30, 2008 -

SHINKO ELECTRIC INDUSTRIES CO., LTD.

80, OSHIMADA-MACHI, NAGANO-SHI, 381-2287 JAPAN

Phone: (81-26)283-1000

Facsimile: (81-26)284-8861

<http://www.shinko.co.jp>



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Interim Financial Statements

The Financial Statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

- Notes: 1. U.S. dollar amounts in this report are converted from yen, for convenience only, at the rate of 103.57 yen = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 2008.
2. The Company's fiscal year runs from April 1 through March 31.

1. Consolidated Financial Highlights

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	2008	2007	2008
Net sales	95,070	106,061	917,930
Net income	3,255	7,244	31,434
Per share (Yen/U.S. Dollars)	24.10	53.62	0.232
Cash dividends per share (Yen/U.S. Dollars)	4.0	9.0	0.038
Total assets	192,801	200,202	1,861,552
Net assets	143,607	140,607	1,386,572
Sales by product category			
IC Lead Frames	13,605	13,954	131,366
IC Packages	72,338	81,916	698,449
Hermetic Seal Parts	9,124	10,184	88,100
Others	1	5	14
Total	95,070	106,061	917,930

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2008	As of Mar. 31, 2008	As of Sep. 30, 2008
Assets			
Current assets:			
Cash and time deposits	13,094	20,754	126,430
Marketable securities	8,575	1,122	82,801
Notes and accounts receivable-trade	57,506	66,252	555,247
Allowance for doubtful accounts	(4)	(16)	(47)
Finished goods	1,597	1,146	15,423
Raw materials	1,150	1,072	11,104
Work in process	4,407	5,627	42,557
Other current assets	33,328	25,410	321,799
Total current assets	<u>119,656</u>	<u>121,369</u>	<u>1,155,316</u>
Noncurrent assets			
Property, plant and equipment	66,883	71,530	645,776
Intangible assets	1,435	1,547	13,858
Investments and other assets	4,826	4,027	46,602
Total noncurrent assets	<u>73,144</u>	<u>77,106</u>	<u>706,236</u>
Total assets	<u><u>192,801</u></u>	<u><u>198,475</u></u>	<u><u>1,861,552</u></u>

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2008	As of Mar. 31, 2008	As of Sep. 30, 2008
Liabilities			
Current liabilities:			
Accounts payable-trade	29,037	33,281	280,361
Short-term borrowings, including current portion of long-term debt	600	1,000	5,793
Other current liabilities	15,227	16,676	147,024
Total current liabilities	44,864	50,958	433,179
Long-term liabilities	4,329	4,323	41,801
Total liabilities	49,193	55,282	474,980
Net assets			
Shareholders' equity:			
Common stock	24,223	24,223	233,880
Capital surplus	24,129	24,129	232,978
Retained earnings	97,279	96,455	939,267
Treasury stock	(91)	(91)	(884)
Total shareholders' equity	145,540	144,716	1,405,242
Valuation and translation adjustments:			
Unrealized gains on securities	141	150	1,361
Foreign currency translation adjustments	(2,074)	(1,673)	(20,031)
Total valuation and translation adjustments	(1,933)	(1,523)	(18,670)
Total net assets	143,607	143,193	1,386,572
Total liabilities and net assets	192,801	198,475	1,861,552

(2) Consolidated Statements of Income

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2008</u>	<u>2007</u>	<u>2008</u>
Net sales	95,070	106,061	917,930
Operating costs and expenses:			
Cost of goods sold	81,775	84,992	789,563
Selling, general and administrative expenses	7,344	7,236	70,910
	<u>89,119</u>	<u>92,229</u>	<u>860,473</u>
Operating income	5,950	13,832	57,456
Other income (expenses):			
Interest received	249	345	2,411
Interest charges	(3)	(5)	(37)
Other, net	(646)	(1,283)	(6,241)
	<u>(400)</u>	<u>(943)</u>	<u>(3,868)</u>
Income before income taxes and minority interests	5,550	12,889	53,588
Income taxes:			
Current	3,273	5,184	31,605
Deferred	(978)	401	(9,450)
	<u>2,294</u>	<u>5,586</u>	<u>22,154</u>
Minority interests in income of consolidated subsidiaries	-	58	-
Net income	<u>3,255</u>	<u>7,244</u>	<u>31,434</u>

(3) Consolidated Statements of Cash Flows

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2008</u>	<u>2007</u>	<u>2008</u>
Cash flows from operating activities	21,758	16,841	210,085
Cash flows from investing activities	(12,252)	(14,222)	(118,299)
Cash flows from financing activities	(2,951)	(2,242)	(28,495)
Effect of exchange rate changes on cash and cash equivalents	453	(109)	4,377
Net increase (decrease) in cash and cash equivalents	7,008	266	67,668
Cash and cash equivalents at beginning of year	41,885	32,990	404,413
Cash and cash equivalents at end of the half year	48,893	33,257	472,081

Corporate Outline

1. Outline (as of September 30, 2008)

Name: SHINKO ELECTRIC INDUSTRIES CO., LTD.

Date of Establishment: September 12, 1946

Head Office: 80, Oshimada-machi, Nagano-shi, 381-2287 Japan

Phone: (81-26)283-1000 Facsimile: (81-26)284-8861

Major Business Lines:

Manufacturing and sales of Lead Frames, Plastic Laminated Packages (PLPs),
Glass-to-Metal Seals, Surge Arrester and Precision Contact Parts
IC Assembly

Number of Employees: 4,095 (Consolidated: 4,970)

Plants & Facilities:

Kohoku Plant
Wakaho Plant
Takaoka Plant
Arai Plant
Kyogase Plant
SHINKO R&D Center
Kurita Sogo Center

Sales Office Network:

(Japan)

Tokyo, Osaka, Sendai, Nagano, Nagoya, Oita, Fukuoka

(Overseas)

Frankfurt

Pittlerstrasse 47, 63225 Langen, Germany

Phone: (49-6103)690145 Facsimile: (49-6103)690165

Shanghai

Room 2310, Shanghai Ruijin Building, 205 Maoming South Road,
Shanghai, 200020, China

Phone: (86-21)6445-0898 Facsimile: (86-21)6445-1228

Chengdu

Room 507, 5/F, Sheraton Chengdu Lido Hotel No. 15, Section 1,
Ren Min Zhong Road, Chengdu, Sichuan 610015, China
Phone: (86-28)8676-8288 Facsimile: (86-28)8676-8766

Manila

9th Floor, Unit No.905, Tower One, Ayala Triangle, Ayala Avenue,
Makati-city, Philippines
Phone: (63-2)848-5169 Facsimile: (63-2)848-5145

Subsidiaries:

(Japan)

SHINKO PARTS CO., LTD.
SHINKO TECHNOSERVE CO., LTD.

(Overseas)

SHINKO ELECTRONICS (MALAYSIA) SDN. BHD.
Lot PT717A, Jalan Serendah 26/17, Seksyen 26, 40400 Shah Alam,
Selangor Darul Ehsan, Malaysia
Phone: (60-3)5191-3897 Facsimile: (60-3)5192-3896

KOREA SHINKO MICROELECTRONICS CO., LTD.
35 Sunpyung-ri, Seo-myun, Suncheon-city, Jollanam-do,
540-813 Republic of Korea
Phone: (82-61)753-8801 Facsimile: (82-61)753-8804

SHINKO ELECTRIC INDUSTRIES (WUXI) CO., LTD.
28-9, Changjiang South Road, Wuxi National Hi-tech Industrial Development Zone,
Wuxi, Jiangsu, 214028, China
Phone: (86-510)8534-3008 Facsimile: (86-510)8534-3180

SHINKO ELECTRIC AMERICA, INC.
2880 Zanker Road, Suite 204, San Jose, CA 95134 U.S.A.
Phone: (1-408)232-0499 Facsimile: (1-408)955-0368

KOREA SHINKO TRADING CO., LTD.
Hyundai Venture Building 1223, 713 Suseo-dong, Kangnam-ku,
Seoul, 135-884 Republic of Korea
Phone: (82-2)538-2851 Facsimile: (82-2)451-6714

TAIWAN SHINKO ELECTRONICS CO., LTD.

5F-H, Hung Tai Center, 168 Tun Hua North Road, Taipei, Taiwan

Phone: (886-2)2719-5655 Facsimile: (886-2)2719-5650

SHINKO ELECTRONICS (SINGAPORE) PTE. LTD.

78 Shenton Way #32-00 Singapore 079120

Phone: (65)6-225-3411 Facsimile: (65)6-225-8984

Affiliates:

SHINKO MICROELECTRONICS (THAILAND) CO., LTD.

252/98 19th Floor, Muang Thai Phatra Office Tower 2,

Ratchadapisek Road, Huaykwang, Bangkok 10320, Thailand

Phone: (66-2)693-3300 Facsimile: (66-2)693-3301

2. Shareholders' Data (as of September 30, 2008)

Total Number of Authorized Shares: 540,000,000 shares

Total Number of Shares Issued: 135,171,942 shares

Paid-in Capital: ¥ 24,223,020,480

Number of Shareholders: 12,203

Principal Shareholders:

Name	Number of shares held (thousands)	Ownership ratio (%)
Fujitsu Limited	67,587	50.00
Japan Trustee Services Bank, Ltd. (Trust Accounts)	8,793	6.51
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,742	6.47
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	2,320	1.72
Designated Separately Managed Account, Trustee: Chuo Mitsui Asset Trust and Banking Company, Limited (Trust Account 1)	2,316	1.71
The Hachijuni Bank, Ltd.	1,836	1.36
Deutsche Bank AG London 610	1,657	1.23
UBS AG London Account IPB Segregated Client Account	1,596	1.18
Nippon Life Insurance Company (Special Pension Account)	1,507	1.12
National Mutual Insurance Federation of Agricultural Cooperatives	1,336	0.99

Stock Exchange Listing: The First Section of The Tokyo Stock Exchange

3. Board of Directors and Auditors (as of September 30, 2008)

President Mamoru Kuroiwa

Directors and Executive Managing Corporate Officers
Fumio Kuraishi
Akira Fujimoto

Directors and Managing Corporate Officers
Fumio Yanagihara
Akihiko Murata

Standing Auditor Masaji Yokoyama

Auditors Junichi Murashima
Koichi Ishizaka

4. Corporate Officers (as of October 15, 2008)

Managing Corporate Officers Yoshihiko Ogawa

Kunihiko Imai

Senior Corporate Officers Kazuharu Iguchi

Seizo Mitsui

Yoshihiro Asano

Toshihiko Ogiwara

Corporate Officers Takahiro Kiyono

Hiroshi Hasebe

Takato Kikuchi

Haruo Aizu

Mitsuharu Shimizu

Haruo Sorimachi

Toshihisa Yoda

Tadashi Kodaira

Masashi Obinata

Masayuki Sunohara