

INTERIM FINANCIAL STATEMENTS FOR FIRST HALF OF FISCAL YEAR 2013

- from April 1, 2013 to September 30, 2013 -

SHINKO ELECTRIC INDUSTRIES CO., LTD.

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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 97.75 yen = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 2013.
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	2013	2012	2013
Net sales	74,591	65,114	763,081
Net income	6,915	2,340	70,747
Per share (Yen/U.S.Dollars)	51.19	17.32	0.523
Cash dividends per share (Yen/U.S. Dollars)	10.0	10.0	0.102
Total assets	179,233	169,189	1,833,593
Net assets	136,994	130,687	1,401,482
Net sales by product category			
IC Lead Frames	12,696	12,247	129,888
IC Packages	51,752	45,019	529,436
Hermetic Seal Parts	10,014	7,847	102,448
Others	127	—	1,307
Total	74,591	65,114	763,081

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Yen (millions)		U.S. Dollars (thousands)
	<u>As of Sep. 30, 2013</u>	<u>As of Mar. 31, 2013</u>	<u>As of Sep. 30, 2013</u>
Assets			
Current assets:			
Cash and time deposits	14,860	11,467	152,028
Receivables, trade: notes and accounts	36,055	35,751	368,856
Marketable securities	530	970	5,421
Merchandise and finished goods	2,030	2,354	20,772
Work in process	3,974	3,677	40,661
Raw materials and supplies	1,434	1,384	14,679
Money deposited	40,870	38,500	418,107
Other current assets	4,632	4,837	47,389
Allowance for doubtful receivables	(9)	(9)	(101)
Total current assets	<u>104,379</u>	<u>98,933</u>	<u>1,067,816</u>
Fixed assets			
Property, plant and equipment	68,694	66,124	702,754
Intangible assets	961	915	9,836
Investments and other assets	5,198	4,994	53,186
Total fixed assets	<u>74,854</u>	<u>72,033</u>	<u>765,777</u>
Total assets	<u><u>179,233</u></u>	<u><u>170,966</u></u>	<u><u>1,833,593</u></u>

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2013	As of Mar. 31, 2013	As of Sep. 30, 2013
Liabilities			
Current liabilities:			
Payables, trade	20,298	18,486	207,658
Short-term borrowings	600	600	6,138
Other current liabilities	16,522	15,957	169,029
Total current liabilities	37,421	35,043	382,825
Long-term liabilities	4,817	4,716	49,286
Total liabilities	42,238	39,760	432,111
Net assets			
Shareholders' equity:			
Common stock	24,223	24,223	247,805
Capital surplus	24,129	24,129	246,849
Retained earnings	90,584	85,020	926,697
Treasury stock	(92)	(92)	(943)
Total shareholders' equity	138,845	133,280	1,420,409
Accumulated other comprehensive income:			
Unrealized gains on securities	48	27	492
Foreign currency translation adjustments	(1,898)	(2,101)	(19,420)
Total accumulated other comprehensive income	(1,850)	(2,074)	(18,927)
Total net assets	136,994	131,206	1,401,482
Total liabilities and net assets	179,233	170,966	1,833,593

(2) Consolidated Statements of Income

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2013</u>	<u>2012</u>	<u>2013</u>
Net sales	74,591	65,114	763,081
Operating costs and expenses:			
Cost of goods sold	59,845	56,441	612,234
Selling, general and administrative expenses	6,150	5,950	62,923
	<u>65,996</u>	<u>62,392</u>	<u>675,157</u>
Operating income	8,594	2,722	87,923
Other income (expenses):			
Interest received	87	69	894
Interest charges	(5)	(1)	(60)
Other, net	1,889	944	19,333
	<u>1,971</u>	<u>1,012</u>	<u>20,167</u>
Income before income taxes	10,565	3,735	108,091
Income taxes:			
Current	2,504	355	25,626
Deferred	1,145	1,040	11,716
	<u>3,650</u>	<u>1,395</u>	<u>37,343</u>
Net income	<u>6,915</u>	<u>2,340</u>	<u>70,747</u>

(3) Consolidated Statements of Cash Flows

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2013</u>	<u>2012</u>	<u>2013</u>
Cash flows from operating activities	17,593	13,307	179,983
Cash flows from investing activities	(11,396)	(7,294)	(116,584)
Cash flows from financing activities	(1,370)	(1,367)	(14,015)
Effect of exchange rate changes on cash and cash equivalents	202	(337)	2,072
Net increase (decrease) in cash and cash equivalents	5,029	4,307	51,456
Cash and cash equivalents at beginning of year	50,213	50,496	513,688
Cash and cash equivalents at end of the half year	55,242	54,803	565,144

Corporate Outline

1. Outline (as of September 30, 2013)

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)
and glass-to-metal seals
IC assembly

Number of Employees: 4,214 (Consolidated: 5,011)

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

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)5191-4902 Facsimile: (60-3)5191-4912

KOREA SHINKO MICROELECTRONICS CO., LTD.

32 Sandan1-gil, Seo-myeon, Suncheon-si, Jeollanam-do, 540-813 Republic of
Korea

Phone: (82-61)753-8801 Facsimile: (82-61)753-8804

SHINKO ELECTRIC INDUSTRIES (WUXI) CO., LTD.

No. 105, Xixian Road, Mei Cun Industrial Park, Wuxi, Jiangsu, 214112, China

Phone: (86-510)8534-3006 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.

4th Floor Area C1, Hung Kuo Building, 167 Tun Hua North Road,
Taipei, 10512 Taiwan

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

SHANGHAI SHINKO TRADING LTD.

Room 2309, Shanghai Ruijin Building, 205 Maoming South Road,
Shanghai, 200020, China

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

SHINKO ELECTRONICS (SINGAPORE) PTE. LTD.

133 New Bridge Road, #23-01/02, Chinatown Point Singapore 059413

Phone: (65)6225-3411

Facsimile: (65)6225-8984

Affiliated company:

SHINKO MICROELECTRONICS (THAILAND) CO., LTD.

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

Ratchadapisek Road, Huaykwang, Bangkok 10310, Thailand

Phone: (66-2)693-3300

Facsimile: (66-2)693-3301

2. Shareholders' Data (as of September 30, 2013)

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: 13,952

Principal Shareholders:

Name	Number of shares held (thousands)	Ownership ratio (%)
Fujitsu Limited	67,587	50.00
The Bank of New York-JASDEC Treaty Account	6,329	4.68
Japan Trustee Services Bank, Ltd. (Trust Accounts)	4,783	3.54
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,617	1.94
Goldman Sachs International	2,156	1.60
Evergreen	2,057	1.52
The Hachijuni Bank, Ltd.	1,836	1.36
Asahi Mutual Life Insurance Company	1,239	0.92
BNY GCM Client Account JPRD AC ISG (FE-AC)	1,081	0.80
Shinko Electric Industries Employee Shareholding Association	1,032	0.76

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

3. Board of Directors and Auditors (as of September 30, 2013)

Chairman and Representative Director	Mamoru Kuroiwa
Vice Chairman and Director	Akira Fujimoto
President and Representative Director	Fumio Kuraishi
Directors and Managing Corporate Officers	Yoshihiro Asano Mitsuharu Shimizu
Directors and Senior Corporate Officers	Toshihisa Yoda Hiroshi Hasebe
Standing Auditors	Yoshihiko Ogawa Yuichi Sakai
Auditor	Koji Kitazawa

4. Corporate Officers (as of September 30, 2013)

Managing Corporate Officer	Kunihiko Imai
Senior Corporate Officers	Kazuharu Iguchi Seizo Mitsui Toshihiko Ogiwara Takahiro Kiyono Takato Kikuchi
Corporate Officers	Junichi Kobayashi Toshiyasu Hirabayashi Katsuo Minamisawa Hidenori Takayanagi Masashi Obinata Tadashi Kodaira Akihiko Ito Haruo Sorimachi Susumu Kurashima