

# **INTERIM FINANCIAL STATEMENTS FOR FIRST HALF OF FISCAL YEAR 2017**

**- from April 1, 2017 to September 30, 2017 -**

## **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 112.68 yen = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 2017.  
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	2017	2016	2017
Net sales	<b>70,532</b>	69,800	<b>625,950</b>
Profit attributable to owners of parent	<b>1,666</b>	237	<b>14,793</b>
Basic earning per share (Yen/U.S.Dollars)	<b>12.34</b>	1.76	<b>0.109</b>
Cash dividends per share (Yen/U.S. Dollars)	<b>12.5</b>	12.5	<b>0.110</b>
Total assets	<b>182,032</b>	178,277	<b>1,615,485</b>
Net assets	<b>133,944</b>	129,713	<b>1,188,713</b>
Net sales by product category			
IC Lead Frames	<b>17,283</b>	13,619	<b>153,386</b>
IC Packages	<b>40,759</b>	44,313	<b>361,724</b>
Hermetic Seal Parts	<b>12,091</b>	10,857	<b>107,308</b>
Others	<b>397</b>	1,009	<b>3,531</b>
Total	<b>70,532</b>	69,800	<b>625,950</b>

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2017	As of Mar. 31, 2017	As of Sep. 30, 2017
<b>Assets</b>			
Current assets	<b>102,063</b>	101,273	<b>905,780</b>
Fixed assets:			
Property, plant and equipment	<b>73,724</b>	72,633	<b>654,282</b>
Intangible assets	<b>1,247</b>	1,197	<b>11,072</b>
Investments and other assets	<b>4,997</b>	5,235	<b>44,349</b>
Total fixed assets	<b>79,969</b>	79,066	<b>709,705</b>
Total assets	<b>182,032</b>	180,339	<b>1,615,485</b>
	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2017	As of Mar. 31, 2017	As of Sep. 30, 2017
<b>Liabilities</b>			
Current liabilities	<b>35,558</b>	34,154	<b>315,567</b>
Long-term liabilities	<b>12,530</b>	12,749	<b>111,205</b>
Total liabilities	<b>48,088</b>	46,904	<b>426,772</b>
<b>Net assets</b>			
Shareholders' equity:			
Common stock	<b>24,223</b>	24,223	<b>214,971</b>
Capital surplus	<b>24,129</b>	24,129	<b>214,142</b>
Retained earnings	<b>95,540</b>	95,562	<b>847,895</b>
Treasury stock	<b>(92)</b>	(92)	<b>(819)</b>
Total shareholders' equity	<b>143,801</b>	143,822	<b>1,276,190</b>
Accumulated other comprehensive income	<b>(9,856)</b>	(10,387)	<b>(87,476)</b>
Total net assets	<b>133,944</b>	133,435	<b>1,188,713</b>
Total liabilities and net assets	<b>182,032</b>	180,339	<b>1,615,485</b>

## (2) Consolidated Statements of Income

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2017</u>	<u>2016</u>	<u>2017</u>
Net sales	<b>70,532</b>	69,800	<b>625,950</b>
Operating costs and expenses:			
Cost of goods sold	<b>62,656</b>	62,462	<b>556,059</b>
Selling, general and administrative expenses	<b>6,155</b>	6,065	<b>54,627</b>
	<u><b>68,812</b></u>	<u>68,528</u>	<u><b>610,687</b></u>
Operating income	<b>1,719</b>	1,272	<b>15,263</b>
Other income (expenses):			
Interest received	<b>139</b>	137	<b>1,239</b>
Interest charges	<b>(1)</b>	(1)	<b>(10)</b>
Other, net	<b>476</b>	(2,326)	<b>4,230</b>
	<u><b>615</b></u>	<u>(2,190)</u>	<u><b>5,458</b></u>
Income (loss) before income taxes	<b>2,334</b>	(918)	<b>20,722</b>
Income taxes:			
Current	<b>794</b>	196	<b>7,051</b>
Deferred	<b>(126)</b>	(1,351)	<b>(1,123)</b>
	<u><b>668</b></u>	<u>(1,155)</u>	<u><b>5,928</b></u>
Profit attributable to owners of parent	<u><b>1,666</b></u>	<u>237</u>	<u><b>14,793</b></u>

### (3) Consolidated Statements of Cash Flows

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2017</u>	<u>2016</u>	<u>2017</u>
Cash flows from operating activities	<b>10,324</b>	10,096	<b>91,625</b>
Cash flows from investing activities	<b>(10,158)</b>	(7,757)	<b>(90,156)</b>
Cash flows from financing activities	<b>(1,722)</b>	(1,721)	<b>(15,282)</b>
Effect of exchange rate changes on cash and cash equivalents	<b>82</b>	(4,026)	<b>727</b>
Net increase (decrease) in cash and cash equivalents	<b>(1,474)</b>	(3,410)	<b>(13,085)</b>
Cash and cash equivalents at beginning of year	<b>47,248</b>	48,355	<b>419,316</b>
Cash and cash equivalents at end of the half year	<b>45,774</b>	44,945	<b>406,230</b>

# Corporate Outline

## 1. Corporate Data (As of September 30, 2017)

**Corporate Name:** SHINKO ELECTRIC INDUSTRIES CO., LTD.

**Established:** 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:** 4,030 (Consolidated: 4,838)

### **Plants & Facilities:**

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

### **Sales Offices:**

#### **(Japan)**

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

### **Representative Office:**

#### **(Overseas)**

Manila

### **Subsidiaries:**

#### **(Japan)**

SHINKO PARTS CO., LTD.

SHINKO TECHNOSERVE CO., LTD.

**(Overseas)**

**Manufacturing Companies:**

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, 57927 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

**Sales Companies:**

SHINKO ELECTRIC AMERICA, INC.

1280 East Arques Avenue, MS 275, Sunnyvale, CA 94085 U.S.A.

Phone: +1-408-232-0499      Facsimile: +1-408-955-0368

KOREA SHINKO TRADING CO., LTD.

#1223, Hyundai Venture Bldg, 10, Bamgogae-ro 1-gil, Gangnam-gu, Seoul,  
06349 Republic of Korea

Phone: +82-2-538-2851      Facsimile: +82-2-451-6714

TAIWAN SHINKO ELECTRONICS CO., LTD.

14th Floor Area A1, Hung Kuo Building, 167 Dunhua North Road, Songshan  
District, Taipei, 10549 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.

No.1 Maritime Square #09-67 Harbourfront Centre Singapore 099253

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, 2017)**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 yen**Number of Shareholders:** 15,938**Principal Shareholders:**

Name	Number of shares held (thousands)	Ownership ratio (%)
Fujitsu Limited	67,587	50.00
Japan Trustee Services Bank, Ltd. (Trust Account)	3,228	2.39
STATE STREET BANK AND TRUST COMPANY	2,810	2.08
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,715	2.01
DFA INTL SMALL CAP VALUE PORTFOLIO	2,058	1.52
The Hachijuni Bank, Ltd.	1,836	1.36
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,824	1.35
JPMC GOLDMAN SACHS TRUST JASDEC LENDING ACCOUNT	1,662	1.23
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	1,478	1.09
GOVERNMENT OF NORWAY	1,472	1.09

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

### **3. Board of Directors** (As of September 30, 2017)

Chairman, President and Representative Director	Noriyuki Toyoki
Representative Director and Executive Managing Corporate Officer	Hiroshi Hasebe
Director and Executive Managing Corporate Officer	Toshihisa Yoda
Directors and Managing Corporate Officers	Tadashi Kodaira Takashi Ozawa
Director, Standing Audit and Supervisory Committee Member	Yoshihiko Ogawa
Directors, Audit and Supervisory Committee Members	Koji Kitazawa Rika Saeki