

# **INTERIM FINANCIAL STATEMENTS FOR FIRST HALF OF FISCAL YEAR 2019**

**- from April 1, 2019 to September 30, 2019 -**

## **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 107.93 yen = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 2019.  
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	<b>2019</b>	2018	<b>2019</b>
Net sales	<b>69,256</b>	73,202	<b>641,680</b>
Profit (loss) attributable to owners of parent	<b>(999)</b>	2,824	<b>(9,258)</b>
Basic earning per share (Yen/U.S.Dollars)	<b>(7.40)</b>	20.91	<b>(0.068)</b>
Cash dividends per share (Yen/U.S. Dollars)	<b>12.5</b>	12.5	<b>0.115</b>
Total assets	<b>199,482</b>	184,810	<b>1,848,259</b>
Net assets	<b>136,268</b>	141,645	<b>1,262,562</b>
Net sales by product category			
IC Lead Frames	<b>14,688</b>	17,897	<b>136,095</b>
IC Packages	<b>43,286</b>	40,592	<b>401,057</b>
Hermetic Seal Parts	<b>10,686</b>	14,180	<b>99,014</b>
Others	<b>595</b>	532	<b>5,513</b>
Total	<b>69,256</b>	73,202	<b>641,680</b>

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2019	As of Mar. 31, 2019	As of Sep. 30, 2019
<b>Assets</b>			
Current assets	<b>105,186</b>	103,961	<b>974,581</b>
Fixed assets:			
Property, plant and equipment	<b>87,683</b>	70,397	<b>812,411</b>
Intangible assets	<b>1,180</b>	1,234	<b>10,934</b>
Investments and other assets	<b>5,432</b>	5,199	<b>50,332</b>
Total fixed assets	<b>94,296</b>	76,831	<b>873,678</b>
Total assets	<b>199,482</b>	180,793	<b>1,848,259</b>
	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2019	As of Mar. 31, 2019	As of Sep. 30, 2019
<b>Liabilities</b>			
Current liabilities	<b>58,821</b>	36,477	<b>544,997</b>
Long-term liabilities	<b>4,392</b>	5,115	<b>40,699</b>
Total liabilities	<b>63,214</b>	41,592	<b>585,697</b>
<b>Net assets</b>			
Shareholders' equity:			
Common stock	<b>24,223</b>	24,223	<b>224,432</b>
Capital surplus	<b>24,129</b>	24,129	<b>223,566</b>
Retained earnings	<b>92,311</b>	94,999	<b>855,289</b>
Treasury stock	<b>(92)</b>	(92)	<b>(855)</b>
Total shareholders' equity	<b>140,571</b>	143,259	<b>1,302,433</b>
Accumulated other comprehensive income	<b>(4,303)</b>	(4,058)	<b>(39,871)</b>
Total net assets	<b>136,268</b>	139,200	<b>1,262,562</b>
Total liabilities and net assets	<b>199,482</b>	180,793	<b>1,848,259</b>

## (2) Consolidated Statements of Income

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2019</u>	<u>2018</u>	<u>2019</u>
Net sales	<b>69,256</b>	73,202	<b>641,680</b>
Operating costs and expenses:			
Cost of goods sold	<b>64,165</b>	63,156	<b>594,506</b>
Selling, general and administrative expenses	<b>6,043</b>	6,269	<b>55,994</b>
	<u><b>70,208</b></u>	<u>69,426</u>	<u><b>650,500</b></u>
Operating income (loss)	<b>(951)</b>	3,776	<b>(8,820)</b>
Other income (expenses):			
Interest received	<b>176</b>	188	<b>1,637</b>
Interest charges	<b>(5)</b>	(1)	<b>(47)</b>
Other, net	<b>(391)</b>	142	<b>(3,623)</b>
	<u><b>(219)</b></u>	<u>330</u>	<u><b>(2,033)</b></u>
Income (loss) before income taxes	<b>(1,171)</b>	4,106	<b>(10,853)</b>
Income taxes:			
Current	<b>91</b>	1,813	<b>848</b>
Deferred	<b>(263)</b>	(530)	<b>(2,444)</b>
	<u><b>(172)</b></u>	<u>1,282</u>	<u><b>(1,595)</b></u>
Profit (loss) attributable to owners of parent	<u><b>(999)</b></u>	<u>2,824</u>	<u><b>(9,258)</b></u>

### (3) Consolidated Statements of Cash Flows

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2019</u>	<u>2018</u>	<u>2019</u>
Cash flows from operating activities	<b>7,150</b>	11,495	<b>66,248</b>
Cash flows from investing activities	<b>(16,360)</b>	(7,737)	<b>(151,584)</b>
Cash flows from financing activities	<b>12,670</b>	(1,720)	<b>117,392</b>
Effect of exchange rate changes on cash and cash equivalents	<b>(367)</b>	1,181	<b>(3,405)</b>
Net increase (decrease) in cash and cash equivalents	<b>3,092</b>	3,219	<b>28,650</b>
Cash and cash equivalents at beginning of year	<b>46,315</b>	45,666	<b>429,121</b>
Cash and cash equivalents at end of the half year	<b>49,407</b>	48,885	<b>457,771</b>

# Corporate Outline

## 1. Corporate Data (As of September 30, 2019)

**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, etc.

IC assembly

**Number of Employees:** 4,115 (Consolidated: 4,919)

### **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. (Malaysia)

KOREA SHINKO MICROELECTRONICS CO., LTD. (Korea)

SHINKO ELECTRIC INDUSTRIES (WUXI) CO., LTD. (China)

**Sales Companies:**

SHINKO ELECTRIC AMERICA, INC. (U.S.A.)

KOREA SHINKO TRADING CO., LTD. (Korea)

TAIWAN SHINKO ELECTRONICS CO., LTD. (Taiwan)

SHANGHAI SHINKO TRADING LTD. (China)

SHINKO ELECTRONICS (SINGAPORE) PTE. LTD. (Singapore)

**Affiliated Company:**

SHINKO MICROELECTRONICS (THAILAND) CO., LTD. (Thailand)

**2. Shareholders' Data** (As of September 30, 2019)

**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:** 12,626

**Principal Shareholders:**

Name	Number of shares held (thousands)	Percentage of shares held (%)
Fujitsu Limited	67,587	50.03
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,279	3.91
Japan Trustee Services Bank, Ltd. (Trust Account)	4,480	3.32
GOLDMAN SACHS INTERNATIONAL	3,439	2.55
The Nomura Trust and Banking Co., Ltd. (Trust Account)	2,640	1.95
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	2,565	1.90
Northern Trust Co. (AVFC) RE HCR00	2,303	1.70
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,121	1.57
DFA INTL SMALL CAP VALUE PORTFOLIO	1,842	1.36
The Hachijuni Bank, Ltd.	1,836	1.36

**Note :** The investment ratio is calculated after exclusion of treasury stock holdings.

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



### **3. Board of Directors** (As of September 30, 2019)

President and Representative Director	Masami Fujita
Representative Director and Executive Managing Corporate Officer	Hiroshi Hasebe
Directors and Managing Corporate Officers	Tadashi Kodaira Takashi Ozawa
Director, Standing Audit and Supervisory Committee Member	Akihiko Ito
Directors, Audit and Supervisory Committee Members	Koji Kitazawa Namiko Araki