

INTERIM FINANCIAL STATEMENTS FOR FIRST HALF OF FISCAL YEAR 2020

- from April 1, 2020 to September 30, 2020 -

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 105.77 yen = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 2020.
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	2020	2019	2020
Net sales	84,465	69,256	798,576
Profit (loss) attributable to owners of parent	5,572	(999)	52,681
Earning per share (Yen/U.S.Dollars)	41.25	(7.40)	0.389
Cash dividends per share (Yen/U.S. Dollars)	12.5	12.5	0.118
Total assets	221,667	199,482	2,095,754
Net assets	141,626	136,268	1,339,005
Net sales by product category			
IC Lead Frames	14,062	14,688	132,949
IC Packages	56,461	43,286	533,816
Hermetic Seal Parts	13,840	10,686	130,850
Others	101	595	959
Total	84,465	69,256	798,576

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2020	As of Mar. 31, 2020	As of Sep. 30, 2020
Assets			
Current assets	113,175	104,656	1,070,016
Non-current assets:			
Property, plant and equipment	102,361	93,365	967,775
Intangible assets	1,128	1,167	10,671
Investments and other assets	5,002	4,789	47,291
Total non-current assets	108,492	99,322	1,025,738
Total assets	221,667	203,979	2,095,754

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2020	As of Mar. 31, 2020	As of Sep. 30, 2020
Liabilities			
Current liabilities	76,032	61,774	718,850
Non-current liabilities	4,008	4,546	37,898
Total liabilities	80,041	66,320	756,749
Net assets			
Shareholders' equity:			
Share capital	24,223	24,223	229,015
Capital surplus	24,129	24,129	228,132
Retained earnings	98,195	94,312	928,390
Treasury shares	(92)	(92)	(873)
Total shareholders' equity	146,456	142,572	1,384,665
Accumulated other comprehensive income	(4,829)	(4,914)	(45,660)
Total net assets	141,626	137,658	1,339,005
Total liabilities and net assets	221,667	203,979	2,095,754

(2) Consolidated Statements of Income

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2020</u>	<u>2019</u>	<u>2020</u>
Net sales	84,465	69,256	798,576
Operating costs and expenses:			
Cost of sales	71,129	64,165	672,495
Selling, general and administrative expenses	6,086	6,043	57,547
	<u>77,216</u>	<u>70,208</u>	<u>730,043</u>
Operating profit (loss)	7,248	(951)	68,533
Other income (expenses):			
Interest income	50	176	478
Interest expenses	(25)	(5)	(238)
Other, net	689	(391)	6,518
	<u>714</u>	<u>(219)</u>	<u>6,758</u>
Profit (loss) before income taxes	7,963	(1,171)	75,291
Income taxes:			
Current	2,603	91	24,615
Deferred	(212)	(263)	(2,005)
	<u>2,391</u>	<u>(172)</u>	<u>22,610</u>
Profit (loss) attributable to owners of parent	<u>5,572</u>	<u>(999)</u>	<u>52,681</u>

(3) Consolidated Statements of Cash Flows

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2020</u>	<u>2019</u>	<u>2020</u>
Cash flows from operating activities	18,724	7,150	177,026
Cash flows from investing activities	(11,931)	(16,360)	(112,808)
Cash flows from financing activities	2,270	12,670	21,470
Effect of exchange rate change on cash and cash equivalents	(241)	(367)	(2,279)
Net increase (decrease) in cash and cash equivalents	8,822	3,092	83,407
Cash and cash equivalents at beginning of period	40,046	46,315	378,614
Cash and cash equivalents at end of period	48,868	49,407	462,022

Corporate Outline

1. Corporate Data (As of September 30, 2020)

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 plastic laminated packages (PLPs), lead frames, glass-to-metal seals, heat spreaders, and ceramic electro static chucks
IC assembly

Number of Employees: 4,234 (Consolidated: 5,045)

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, 2020)

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: 15,790

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)	7,058	5.23
Custody Bank of Japan, Ltd. (Trust Account)	6,766	5.01
J.P. MORGAN BANK LUXEMBOURG S.A. 1300000	1,879	1.39
The Hachijuni Bank, Ltd.	1,836	1.36
Morgan Stanley MUFG Securities Co., Ltd.	1,825	1.35
CGML PB CLIENT ACCOUNT/COLLATERAL	1,701	1.26
GOLDMAN SACHS & CO. REG	1,592	1.18
J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SETT ACCT	1,414	1.05
Custody Bank of Japan, Ltd. (Trust Account 5)	1,400	1.04

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, 2020)

President and Representative Director	Masami Fujita
Representative Director and Executive Managing Corporate Officer	Hiroshi Hasebe
Director and Executive Managing Corporate Officer	Tadashi Kodaira
Director and Managing Corporate Officer	Takashi Ozawa
Outside Director	Jun Niimi
Director, Standing Audit and Supervisory Committee Member	Akihiko Ito
Outside Directors, Audit and Supervisory Committee Members	Namiko Araki Kunikazu Kobayashi