

# Financial Results of FY2021 First-Half

From April 1, 2021 to September 30, 2021



**Brightening the Future  
Since 1946**

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# Financial Results Overview of FY2021 First-Half (consolidated)



## Financial Results

(Billions of yen)

	FY2020 1st-Half (Result)	FY2021 1st-Half (Result)	YoY		vs. Previous Forecast	
			Amount	Ratio of Change	Previous Forecast (7/29/2021)	Amount
Net Sales	84.5	125.9	+41.5	+49%	121.6	+4.3
Operating Profit (Ratio against Net Sales)	7.2 (+9%)	30.1 (+24%)	+22.8	+315%	26.8	+3.3
Ordinary Profit (Ratio against Net Sales)	8.3 (+10%)	31.6 (+25%)	+23.2	+278%	27.6	+4.0
Profit* (Ratio against Net Sales)	5.6 (+7%)	21.7 (+17%)	+16.1	+290%	18.8	+2.9

\* Profit attributable to owners of parent

Earnings per Share	41.25yen	160.71yen
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© From the beginning of FY2021, Accounting Standard for Revenue Recognition and other standards are applied.

## Net sales :

- Regarding the semiconductor industry, demand increased greatly for PCs, servers and a wide range of fields, on the back of the rapid advance of digitalization of society and economy. Moreover, due to emergence of tight demand and supply of semiconductors in the automobile and other markets, vigorous demand conditions continued.

Net sales increased greatly 49% year on year as the sales of flip-chip type packages, leadframes, ceramic electrostatic chucks and other products increased significantly.

## Profit :

- Profit increased significantly year on year by increased profitability thanks to the expansion of net sales of each product on the back of buoyant demand and yen depreciation trend in the exchange rate.

 **Net sales and each profit reached record highs.**

# Financial Results Overview of FY2021 First-Half (consolidated)



## Net sales and ordinary profit by business segment

(Billions of yen)

		FY2020 1st-Half (Result)		FY2021 1st-Half (Result)		Ratio of change (YoY)	FY2020	
Net Sales *1	Plastic Packages	51.3	Represent % of Net Sales [61%]	79.3	Represent % of Net Sales [63%]	+55%	113.3	Represent % of Net Sales [60%]
	Metal Packages	29.4	[35%]	42.4	[34%]	+44%	66.4	[35%]
	Others	3.8	[4%]	4.3	[3%]	+13%	8.3	[5%]
	<b>Total</b>	<b>84.5</b>	<b>[100%]</b>	<b>125.9</b>	<b>[100%]</b>	<b>+49%</b>	<b>188.1</b>	<b>[100%]</b>
Ordinary Profit *2	Plastic Packages	5.4	Ratio against Net Sales (+11%)	22.8	Ratio against Net Sales (+29%)	+323%	17.0	Ratio against Net Sales (+15%)
	Metal Packages	3.1	(+10%)	8.8	(+21%)	+187%	9.1	(+14%)
	Others/Adjustment	-0.1		-0.1			0.4	
	<b>Total</b>	<b>8.3</b>	<b>(+10%)</b>	<b>31.6</b>	<b>(+25%)</b>	<b>+278%</b>	<b>26.5</b>	<b>(+14%)</b>

\*1 Sales to external customers

\*2 Before inter-segment transaction adjustment

# Financial Results Overview of FY2021 First-Half (consolidated)



## Financial Status

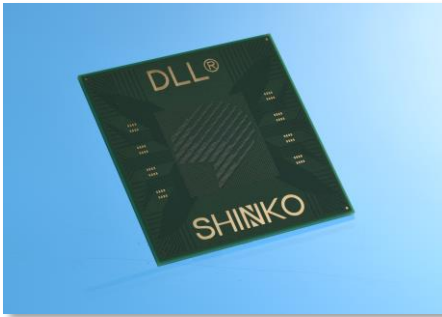
(Billions of yen)

	FY2020 1st-Half	FY2021 1st-Half	FY2020
Total Assets	221.7	269.6	241.0
Net Assets	141.6	172.6	153.4
Equity Ratio	64%	64%	64%

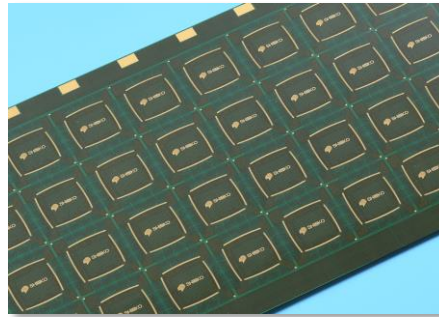
Capital Expenditure*	10.3	37.1	30.1
Depreciation*	6.5	11.5	17.4
Research and Development	1.4	1.7	3.0
Exchange Rates (Yen/US dollar)	105	108	105

\*Except intangible assets

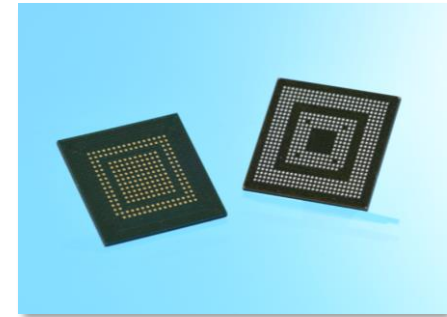
## Plastic Packages



**Flip-Chip Type  
Package**



**Plastic BGA  
Substrates**



**IC Assemblies**

### **【Applications】**

**PCs, Servers, Smartphones, Consumer Products, etc.**

# Financial Results Overview of FY2021 First-Half (consolidated)



## Plastic Packages

(Billions of yen)

	FY2020 1st-Half (Result)	FY2021 1st-Half (Result)	YoY	
			Amount	Ratio of Change
Net Sales	51.3 [61%]*1	79.3 [63%]*1	+28.0	+55%
Ordinary Profit	5.4 (+11%)*2	22.8 (+29%)*2	+17.4	+323%

\*1 Represent % of Net Sales \*2 Ratio against Net Sales

### <Net Sales>

#### ● Flip-Chip Type Packages:

Sales increased significantly thanks to demand which continues to expand for PCs and servers.

#### ● IC Assemblies:

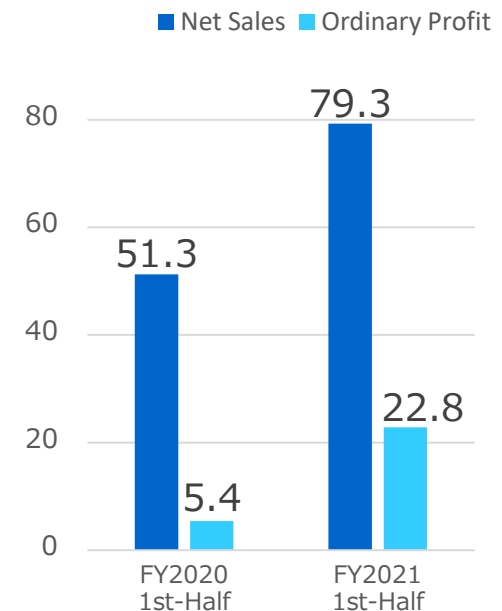
Orders increased for high-end smartphones.

#### ● Plastic BGA Substrates:

Orders for advanced memories and automobiles maintained at a high level.

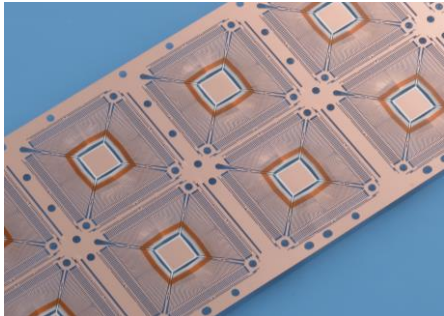
### <Ordinary Profit>

As net sales of flip-chip type packages, such as high-value added products, increased significantly and yen depreciation trend continued in the exchange rate, profit increased significantly.

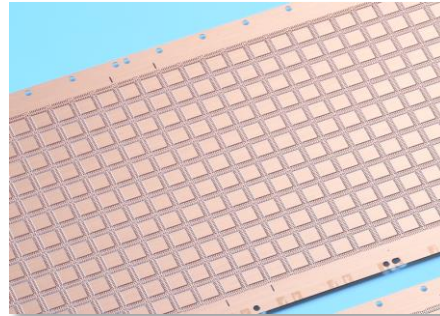




## Metal Packages



Stamped Leadframes



Etched Leadframes  
(QFN-Type)



Ceramic Electrostatic  
Chuck



Glass-to-Metal Seals



Heat Spreaders

### 【Applications】

**Automobiles, Smartphones, Consumer Products, Semiconductor Manufacturing Equipment, Communications Equipment etc.**

# Financial Results Overview of FY2021 First-Half (consolidated)



## Metal Packages

(Billions of yen)

	FY2020 1st-Half (Result)	FY2021 1st-Half (Result)	YoY	
			Amount	Ratio of Change
Net Sales	29.4 [35%]*1	42.4 [34%]*1	+13.0	+44%
Ordinary Profit	3.1 (+10%)*2	8.8 (+21%)*2	+5.7	+187%

\*1 Represent % of Net Sales \*2 Ratio against Net Sales

<Net Sales>

### ● Leadframes:

Revenue increased significantly due to the recovery of automobile market which was impacted by the infection spread of COVID-19 last year and increasing demand for a wide range of applications.

### ● Ceramic Electrostatic Chucks:

Sales increased greatly thanks to buoyant demand in semiconductor manufacturing equipment market.

### ● Glass-to-Metal Seals:

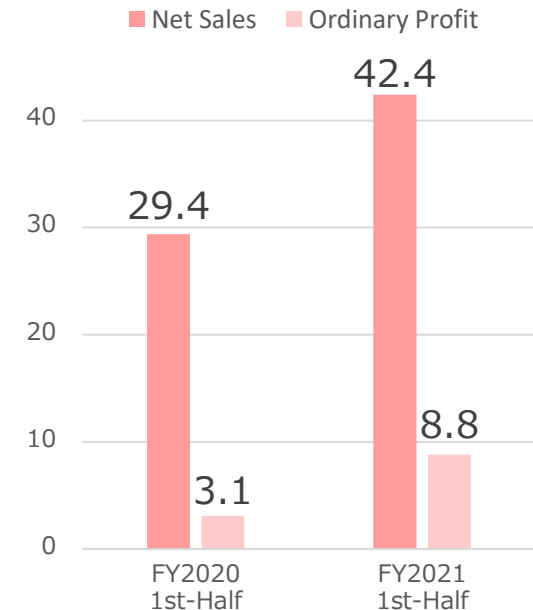
Orders recovered for optical devices.

### ● Heat Spreaders for CPUs:

Consistent with the same period of previous year.

<Ordinary Profit>

Profit increased significantly as sales from leadframes and ceramic electrostatic chucks increased and yen depreciation trend continued in the exchange rate.



# Financial Results Overview of FY2021 First-Half (consolidated)



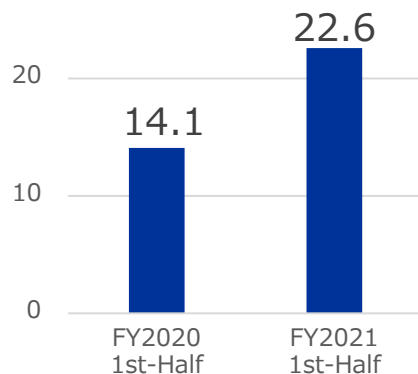
## Net sales by product category

(Billions of yen)

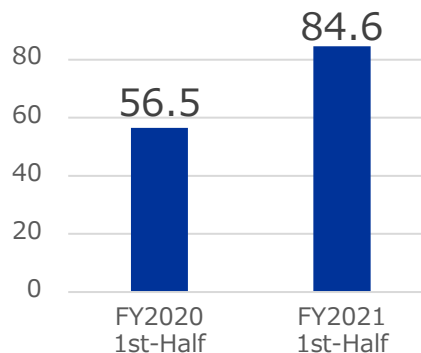
	FY2020 1st-Half (Result)	FY2021 1st-Half (Result)	YoY		FY2020 (Result)
			Amount	Ratio of Change	
IC Leadframes	14.1 [17%]*	22.6 [18%]*	+8.5	+61%	33.4 [18%]*
IC Packages	56.5 [67%]*	84.6 [67%]*	+28.1	+50%	123.1 [65%]*
Hermetic Seal Parts	13.8 [16%]*	18.8 [15%]*	+4.9	+36%	31.4 [17%]*

\* Represent % of Net Sales

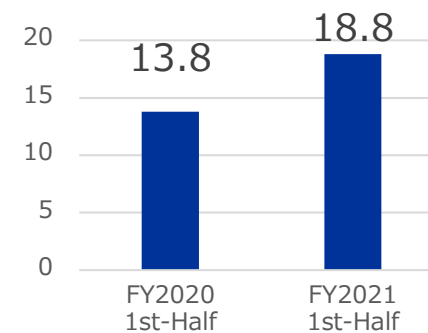
**Net Sales of  
IC Leadframes**



**Net Sales of  
IC Packages**



**Net Sales of  
Hermetic Seal Parts**



## Revised Forecast of FY2021 (Announcement on October 26, 2021)

(Billions of yen)

	FY2021			
	Previous Forecast (7/29/2021)	Current Forecast (10/26/2021)	vs. Previous Forecast	
			Amount	Ratio of Change
Net Sales	242.0	264.2	+22.2	+9%
Operating Profit	40.6	59.4	+18.8	+46%
Ordinary Profit	39.5	61.4	+21.9	+55%
Profit*	26.9	42.4	+15.5	+58%
Earnings per Share	199.13yen	313.86yen	—	—

### Reasons for the revision of FY2021 (Summary)

\* Profit attributable to owners of parent

- In the semiconductor market, it is anticipated to expand demand and remain favorable market condition.
- In the first-half of the fiscal year under review, both sales and profit exceeded the forecast since net sales of flip-chip type packages and other products maintained at a high level.
- Although it was expected to decrease in sales of flip-chip type packages on the back of changing product mix after the third-quarter of FY2021, sales are anticipated to exceed the forecast due to the continuous buoyant demand.
- Net sales of each product are expected to increase, including further increase in demand for ceramic electrostatic chucks on the back of expanding the semiconductor market and order increase in IC assemblies for high-end smartphones.
- With these reasons, both sales and profit are anticipated to exceed the forecast. Especially, profit is expected to exceed it significantly because of increased profitability by expanding sales such as high-value added products and yen depreciation trend in the exchange rate. Therefore, we revised the forecast of FY2021 released on July 29, 2021.
- We have revised the exchange rate after the third-quarter of FY2021 which is the prerequisites for the forecast of FY2021 from 105yen per dollar to 108yen per dollar.

## Net Sales/Profit/Cash Dividend

(Billions of yen)

	FY2020 (Result)			FY2021 (1 <sup>st</sup> -Half Result · 2 <sup>nd</sup> -Half Forecast)			YoY (Upper : Amount/Lower : Ratio of Change)		
	1 <sup>st</sup> Half	2 <sup>nd</sup> Half	FY 2020	1 <sup>st</sup> Half	2 <sup>nd</sup> Half	FY 2021	1 <sup>st</sup> Half	2 <sup>nd</sup> Half	Full Year
Net Sales	84.5	103.6	188.1	125.9	138.3	264.2	41.5 (+49%)	34.7 (+33%)	76.1 (+40%)
Operating Profit (Ratio against Net Sales)	7.2 (+9%)	16.1 (+16%)	23.3 (+12%)	30.1 (+24%)	29.3 (+21%)	59.4 (+22%)	22.8 (+315%)	13.3 (+82%)	36.1 (+155%)
Ordinary Profit (Ratio against Net Sales)	8.3 (+10%)	18.2 (+18%)	26.5 (+14%)	31.6 (+25%)	29.8 (+22%)	61.4 (+23%)	23.2 (+278%)	11.7 (+64%)	34.9 (+132%)
Profit* (Ratio against Net Sales)	5.6 (+7%)	12.4 (+12%)	18.0 (+10%)	21.7 (+17%)	20.7 (+15%)	42.4 (+16%)	16.1 (+290%)	8.2 (+66%)	24.4 (+135%)
Exchange Rates (Yen/US dollar)	105			108	108				

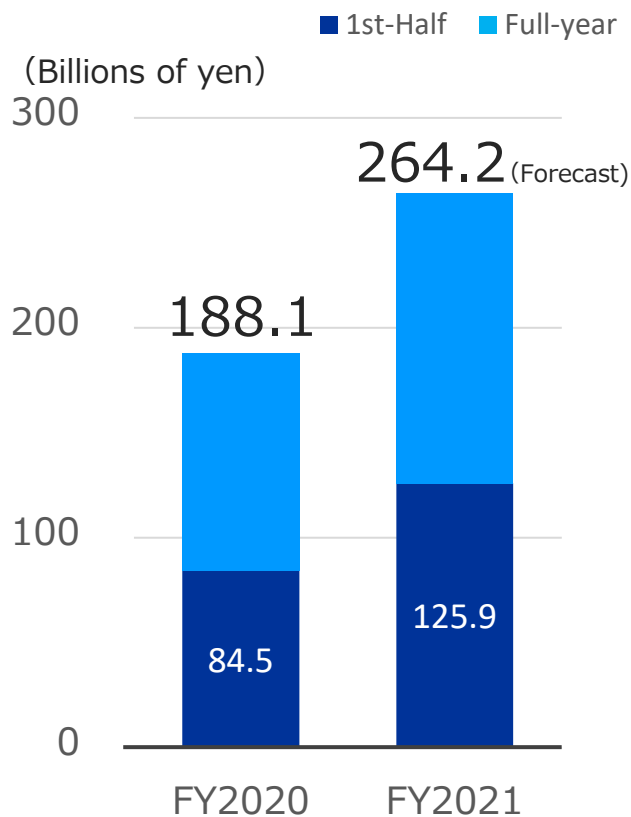
\* Profit attributable to owners of parent

(Yen)

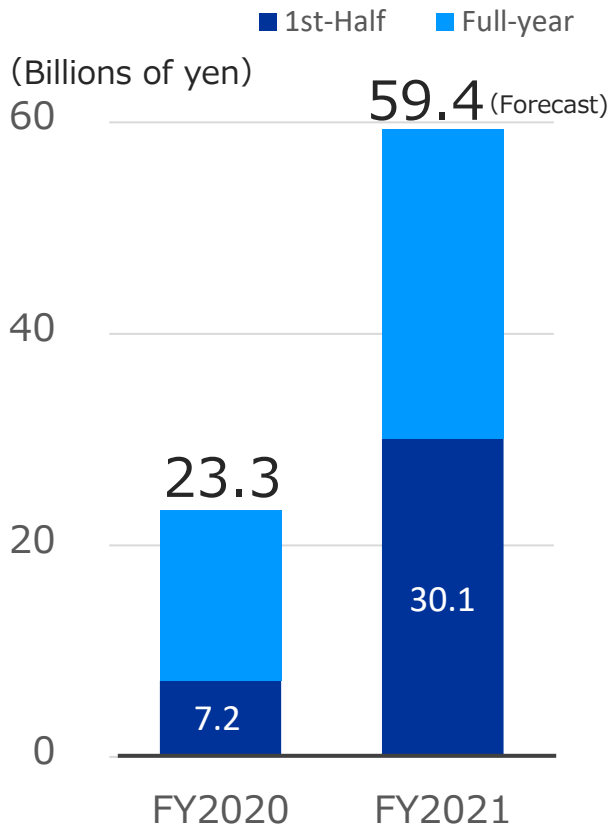
Cash Dividend per Share (Payout Ratio)	12.5 [Interim]	17.5 [Year-end]	30.0 (+22%)	17.5 [Interim]	17.5 [Year-end]	35.0 (+11%)
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# Forecast of FY2021 (consolidated)

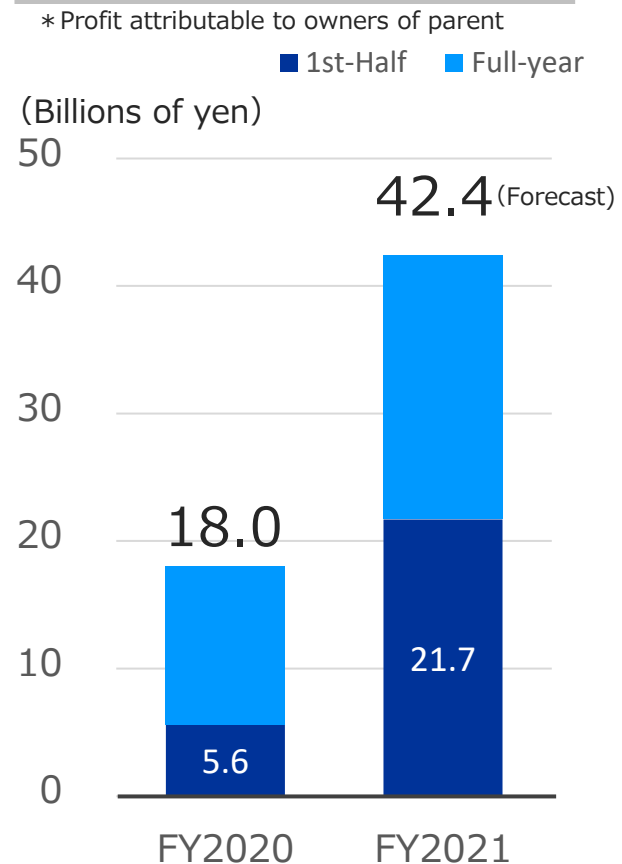
## Net Sales



## Operating Profit

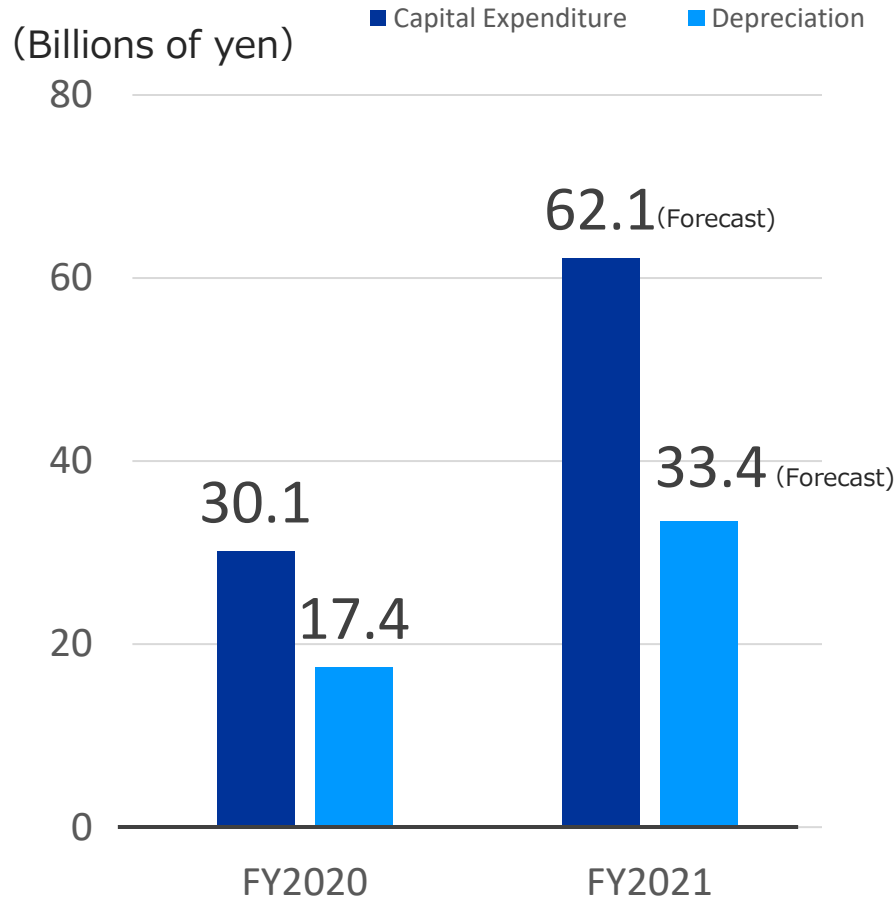


## Profit\*

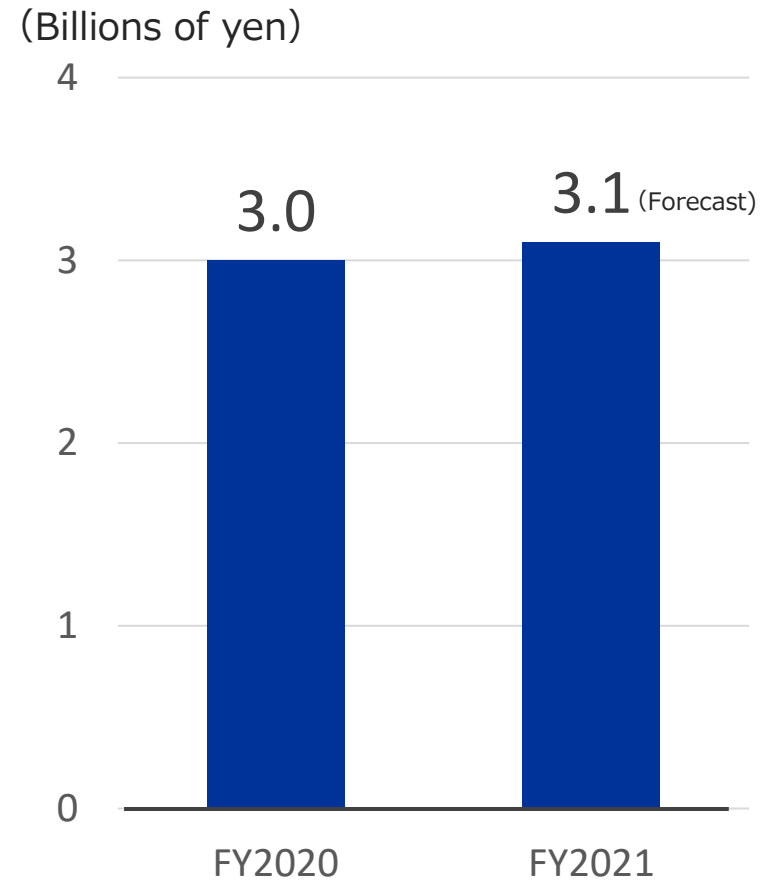


# Capital Expenditure, Depreciation and R&D of FY2021 (consolidated)

## Capital Expenditure/ Depreciation



## Research and Development



To meet the anticipated increase in demand in semiconductor markets, we will make the capital investments, including establishment of a new production site to reinforce our production system of flip-chip type packages for high-performance semiconductors, such as CPUs used in PCs and servers. We are also planning to construct a new facility at our Takaoka Plant in Nakano City, Nagano Prefecture to increase the production capacity of ceramic electrostatic chucks for semiconductor manufacturing equipment.

## 1. Reinforcing the production system for flip-chip type packages

### (1) Investment content

Establishment of a new production site  
Expansion of production capacity at Kohoku Plant and Wakaho Plant

### (2) Investment amount

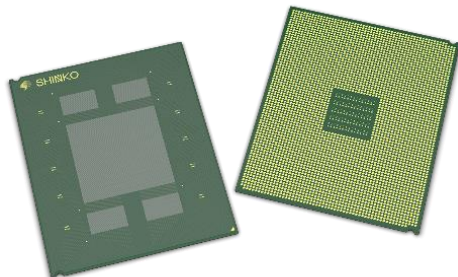
Total investment from FY2022 to FY2025: 140 billion yen

### (3) Production capacity

Increase the production capacity by approximately 50%, compared with the current level

### (4) Overview of the new site, as planned

- ① Location: Chikuma City, Nagano Prefecture
- ② Schedule: Construction period: FY2022 to FY2023  
Start of operations: From FY2024 (Sequentially)



Flip-Chip Type Packages



## 2. Increasing the production capacity for ceramic electrostatic chucks

### (1) Investment content

Construction of a new facility (At Takaoka Plant)

### (2) Investment amount

Total investment from FY2021 to FY2023: 18 billion yen

### (3) Production capacity

Increase the production capacity approximately 2-fold, compared with the current level, including the contribution from the capital investment that has already started in the existing facilities.

### (4) Overview of the new facility, as planned

- ① Location: Takaoka Plant (Nakano City, Nagano Prefecture)
- ② Building structure: Five-story steel frame structure, total floor area 28,000 m<sup>2</sup>
- ③ Schedule: Start of construction: December 2021  
Completion of construction: March 2023  
Start of operations: Second half of FY2023



Ceramic Electrostatic Chuck

\*1 The impact of the above capital investment plan on consolidated financial results for the fiscal year ended March 31, 2022 will be negligible, since we are planning for the aforementioned capital investments to start going into operation sequentially from fiscal year 2023.

\*2 Please see our news release, "SHINKO ELECTRIC INDUSTRIES CO., LTD. to Make Capital Investments for Growth Markets" announced on October 4, 2021 for details of these capital investments.

[https://www.shinko.co.jp/english/news/docs/20211004\\_01\\_e.pdf](https://www.shinko.co.jp/english/news/docs/20211004_01_e.pdf)

Notes to projected financial results:

The above projections were prepared based on estimates using information currently available. Actual results may differ from the projections. Also, many numerical values are shown in units of a billion yen as a general outline of business performance in this material. Because original values, which are managed in units of a million yen, are round off, the totals, difference, etc. shown in these materials may appear inaccurate. For assumptions and the other information regarding the projections, please refer to “the Financial Results” on IR library of our corporate website.