

Financial Results of FY2021 Third-Quarter

From April 1, 2021 to December 31, 2021



**Brightening the Future
Since 1946**

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Financial Results Overview of FY2021 Third-Quarter SHINKO (consolidated)

Financial Results

(Billions of yen)

	FY2020 3rd-Quarter* ¹ (Result)	FY2021 3rd-Quarter* ¹ (Result)	YoY	
			Amount	Ratio of Change
Net Sales	135.5	200.8	+65.3	+48%
Operating Profit (Ratio against Net Sales)	14.9 (11%)	52.5 (26%)	+37.6	+253%
Ordinary Profit (Ratio against Net Sales)	16.1 (12%)	54.8 (27%)	+38.7	+240%
Profit* ² (Ratio against Net Sales)	10.9 (8%)	37.9 (19%)	+26.9	+246%

*1 From April 1, 2021 to December 31, 2021

*2 Profit attributable to owners of parent

Earnings per Share	80.97 _{yen}	280.24 _{yen}
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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 48% 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 continuation of yen depreciation trend in the exchange rate.

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

Financial Results Overview of FY2021 Third-Quarter SHINKO (consolidated)

Net sales and ordinary profit by business segment

(Billions of yen)

		FY2020 3rd-Quarter*1 (Result)		FY2021 3rd-Quarter*1 (Result)		Ratio of change (YoY)	FY2020	
Net Sales *2			Represent % of Net Sales		Represent % of Net Sales			Represent % of Net Sales
	Plastic Packages	82.3	[61%]	126.8	[63%]	+54%	113.3	[60%]
	Metal Packages	47.6	[35%]	67.3	[34%]	+41%	66.4	[35%]
	Others	5.7	[4%]	6.7	[3%]	+19%	8.3	[5%]
Total		135.5	[100%]	200.8	[100%]	+48%	188.1	[100%]
Ordinary Profit *3			Ratio against Net Sales		Ratio against Net Sales			Ratio against Net Sales
	Plastic Packages	10.4	(13%)	38.5	(30%)	+271%	17.0	(15%)
	Metal Packages	5.7	(12%)	15.8	(23%)	+178%	9.1	(14%)
	Others/Adjustment	0.1		0.6			0.4	
Total		16.1	(12%)	54.8	(27%)	+240%	26.5	(14%)

*1 From April 1, 2021 to December 31, 2021

*2 Sales to external customers

*3 Before inter-segment transaction adjustment

Financial Results Overview of FY2021 Third-Quarter SHINKO (consolidated)

Financial Status

(Billions of yen)

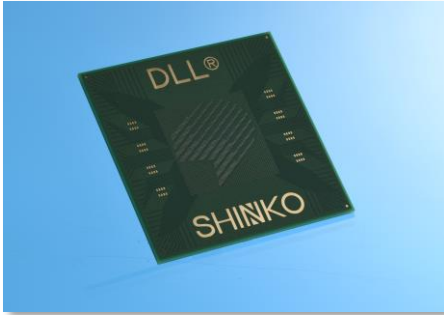
	FY2020 3rd-Quarter* ¹	FY2021 3rd-Quarter* ¹	FY2020
Total Assets	224.8	291.8	241.0
Net Assets	145.4	186.8	153.4
Equity Ratio	65%	64%	64%

Capital Expenditure* ²	26.0	45.9	30.1
Depreciation* ²	11.7	20.2	17.4
Research and Development	2.2	2.6	3.0
Exchange Rates (Yen/US dollar)	104	110	105

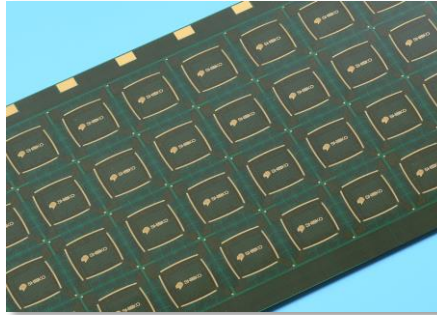
*¹ From April 1, 2021 to December 31, 2021

*² Except intangible assets

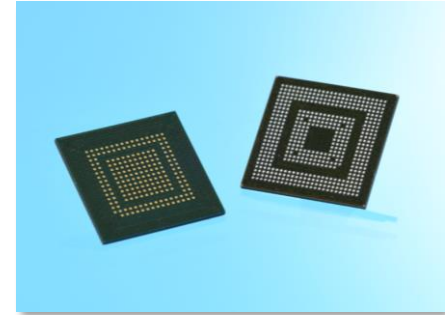
Plastic Packages



**Flip-Chip Type
Package**



**Plastic BGA
Substrates**



IC Assemblies

【Applications】

PCs, Servers, Smartphones, Consumer Products, etc.

Financial Results Overview of FY2021 Third-Quarter (consolidated)

Plastic Packages

(Billions of yen)

	FY2020 3rd-Quarter* ¹ (Result)	FY2021 3rd-Quarter* ¹ (Result)	YoY	
			Amount	Ratio of Change
Net Sales	82.3 [61%]* ²	126.8 [63%]* ²	+ 44.5	+ 54%
Ordinary Profit	10.4 (13%)* ³	38.5 (30%)* ³	+ 28.1	+ 271%

*¹ From April 1, 2021 to December 31, 2021 *² Represent % of Net Sales *³ Ratio against Net Sales

<Net Sales>

● Flip-Chip Type Packages:

Sales increased significantly thanks to expanding demand for PCs and servers.

● IC Assemblies:

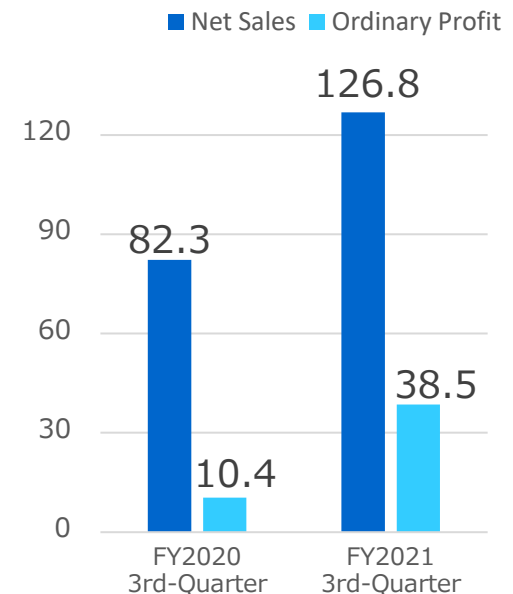
Orders increased greatly for high-end smartphones.

● Plastic BGA Substrates:

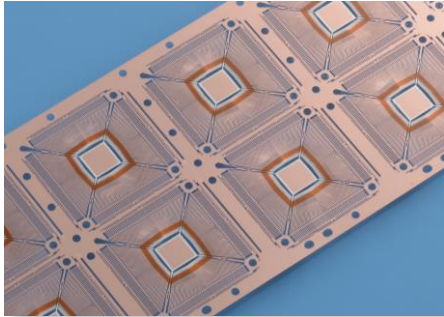
Orders for advanced memories and automobiles expanded.

<Ordinary Profit>

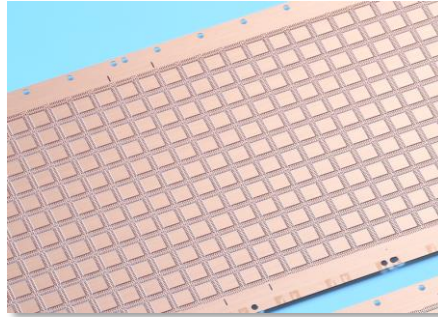
As net sales of flip-chip type packages, such as high-value added products, increased significantly and yen depreciation trend continued in the exchange rate, profit increased significantly.



Metal Packages



Stamped Leadframes



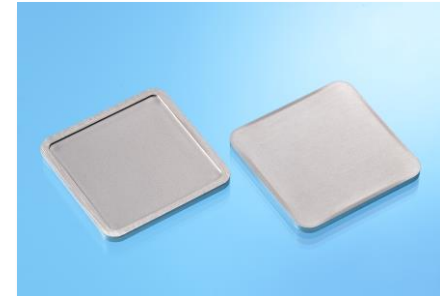
**Etched Leadframes
(QFN-Type)**



**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 Third-Quarter SHINKO (consolidated)

Metal Packages

(Billions of yen)

	FY2020 3rd-Quarter* ¹ (Result)	FY2021 3rd-Quarter* ¹ (Result)	YoY	
			Amount	Ratio of Change
Net Sales	47.6 [35%]* ¹	67.3 [34%]* ¹	+19.7	+41%
Ordinary Profit	5.7 (12%)* ²	15.8 (23%)* ²	+10.1	+178%

*¹ From April 1, 2021 to December 31, 2021 *² Represent % of Net Sales *³ Ratio against Net Sales

<Net Sales>

● Leadframes:

Revenue increased significantly because the automobile market maintained at high level and demand increased for a wide range of applications.

● Ceramic Electrostatic Chucks:

Sales increased greatly supported by continued strong demand in semiconductor manufacturing equipment market.

● Glass-to-Metal Seals:

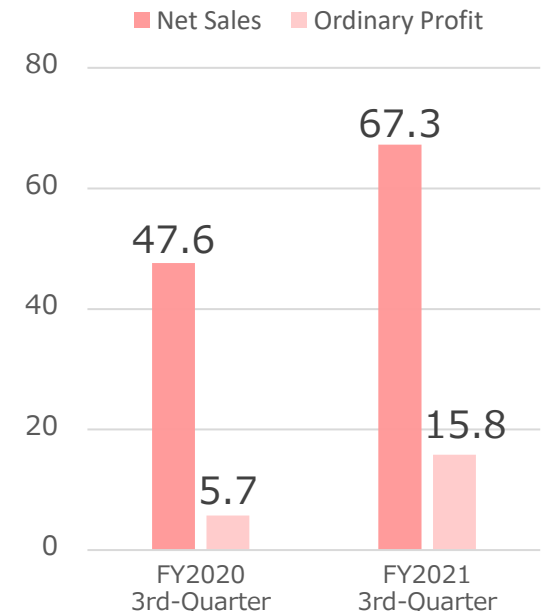
Orders increased for optical devices.

● Heat Spreaders for CPUs:

Sales increased.

<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 Third-Quarter (consolidated)

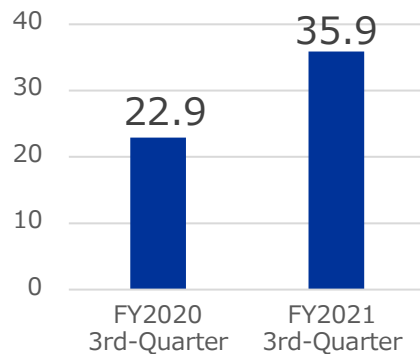
Net sales by product category

(Billions of yen)

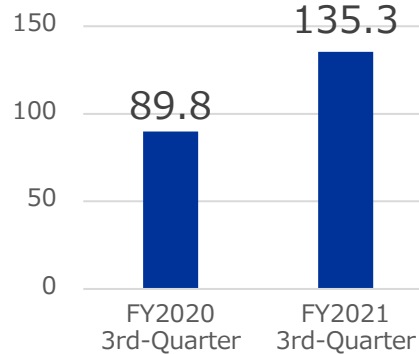
	FY2020 3rd-Quarter* ¹ (Result)	FY2021 3rd-Quarter* ¹ (Result)	YoY		FY2020 (Result)
			Amount	Ratio of Change	
IC Leadframes	22.9 [17%]* ²	35.9 [18%]* ²	+13.0	+57%	33.4 [18%]* ²
IC Packages	89.8 [66%]* ²	135.3 [67%]* ²	+45.4	+51%	123.1 [65%]* ²
Hermetic Seal Parts	22.6 [17%]* ²	29.6 [15%]* ²	+7.0	+31%	31.4 [17%]* ²

*¹ From April 1, 2021 to December 31, 2021 *² Represent % of Net Sales

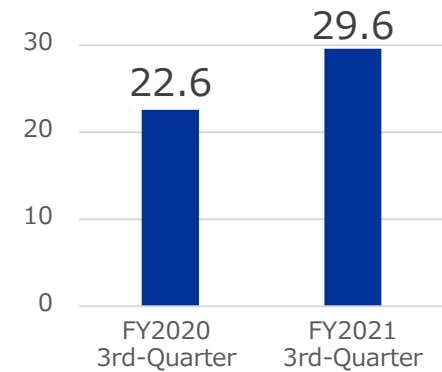
**Net Sales of
IC Leadframes**



**Net Sales of
IC Packages**



**Net Sales of
Hermetic Seal Parts**



Revised Forecast of FY2021 (Announcement on January 27, 2022)

(Billions of yen)

	FY2021			
	Previous Forecast (10/26/2021)	Current Forecast (1/27/2022)	vs. Previous Forecast	
			Amount	Ratio of Change
Net Sales	264.2	270.0	+5.8	+2%
Operating Profit	59.4	68.0	+8.6	+14%
Ordinary Profit	61.4	70.0	+8.6	+14%
Profit*	42.4	49.0	+6.6	+16%
Earnings per Share	313.86yen	362.72yen	—	—

* Profit attributable to owners of parent

Reasons for the revision (Summary)

- Regarding the semiconductor industry, demand continued to expand, on the back of the rapid advance of digitalization of society and economy.
- In the third quarter, demand for flip-chip type packages for PCs and servers exceeded the forecast, and orders for leadframes for automobiles and other applications further increased. Revenue especially has overtaken our expectations due to the increase in sales contributed to profitability, and increased productivity and others, in addition to the exchange rate remained at the yen depreciation against our assumption.
- With these situations, we revised the forecast of FY2021 released on October 26, 2021.
- We have revised the exchange rate of FY2021 fourth-quarter which is the prerequisites for the forecast of FY2021 from 108yen per dollar to 110yen per dollar.

Net Sales/Profit

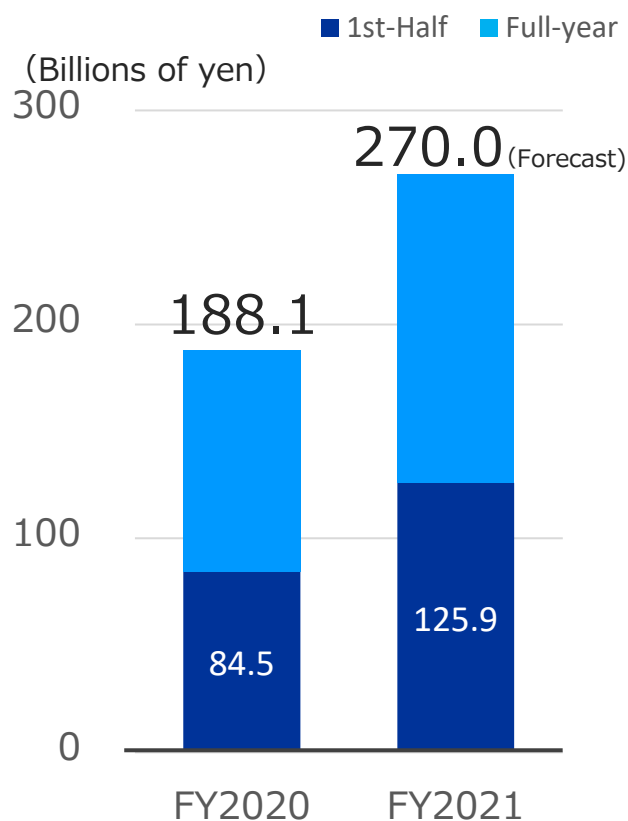
(Billions of yen)

	FY2020 (Result)			FY2021 (1 st -Half Result • 2 nd -Half Forecast)			YoY (Upper : Amount/Lower : Ratio of Change)		
	1 st Half	2 nd Half	FY 2020	1 st Half	2 nd Half	FY 2021	1 st Half	2 nd Half	Full Year
Net Sales	84.5	103.6	188.1	125.9	144.1	270.0	41.5 (+49%)	40.5 (+39%)	81.9 (+44%)
Operating Profit (Ratio against Net Sales)	7.2 (9%)	16.1 (16%)	23.3 (12%)	30.1 (24%)	37.9 (26%)	68.0 (25%)	22.8 (+315%)	21.9 (+136%)	44.7 (+191%)
Ordinary Profit (Ratio against Net Sales)	8.3 (10%)	18.2 (18%)	26.5 (14%)	31.6 (25%)	38.4 (27%)	70.0 (26%)	23.2 (+278%)	20.3 (+112%)	43.5 (+164%)
Profit* (Ratio against Net Sales)	5.6 (7%)	12.4 (12%)	18.0 (10%)	21.7 (17%)	27.3 (19%)	49.0 (18%)	16.1 (+290%)	14.8 (+119%)	31.0 (+172%)
Exchange Rates (Yen/US dollar)	105			FY2021 1Q-3Q (Result) 110		FY2021 4Q (Assumption) 110			

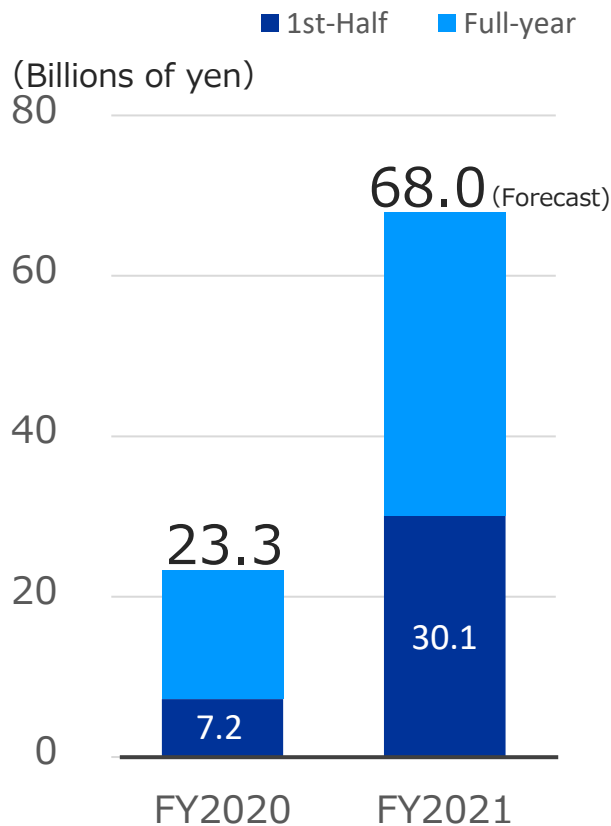
* Profit attributable to owners of parent

Forecast of FY2021 (consolidated)

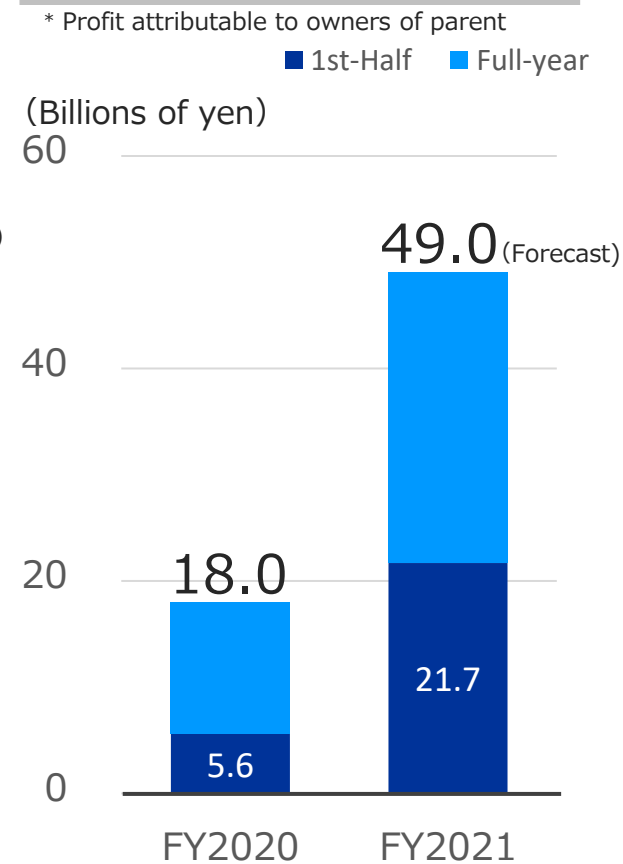
Net Sales



Operating Profit

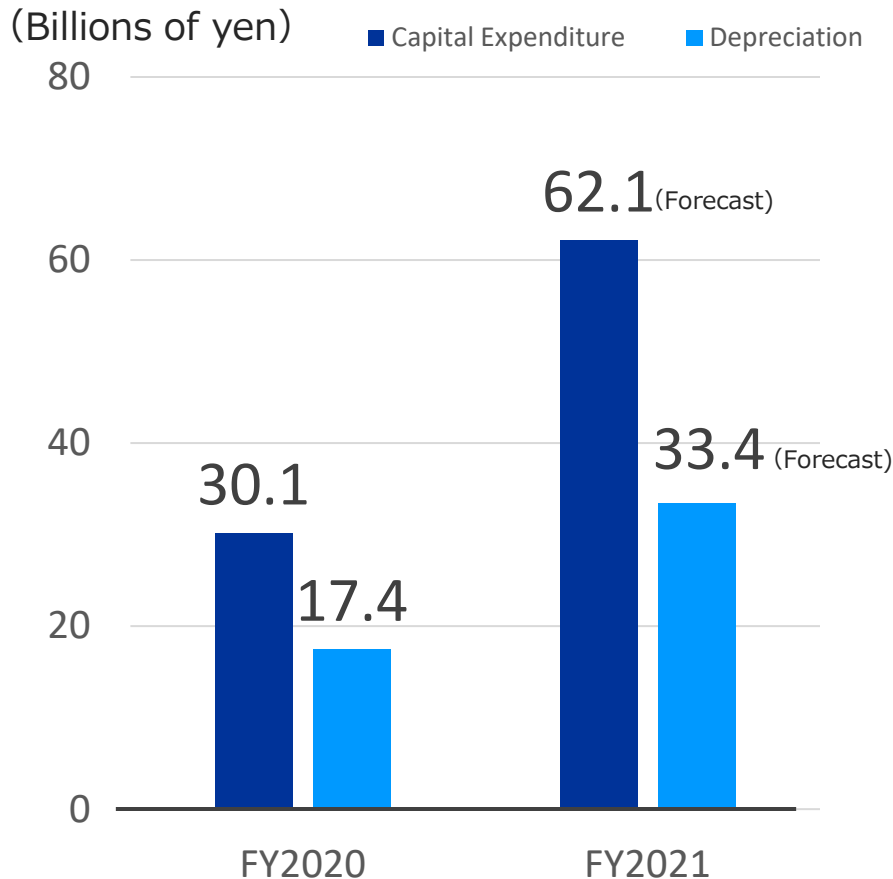


Profit*

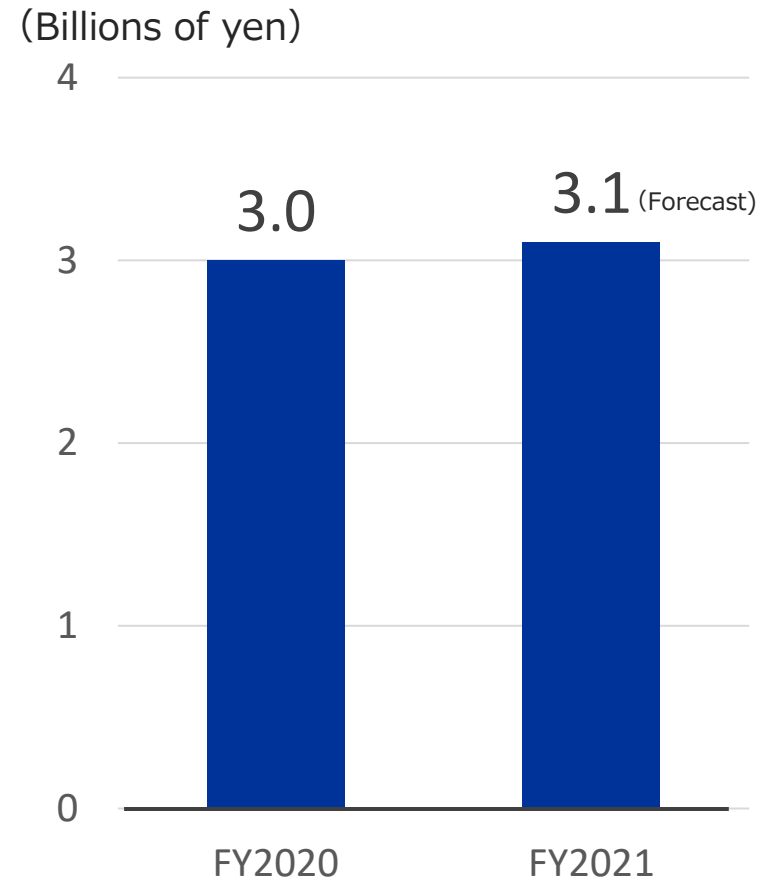


Capital Expenditure, Depreciation and R&D of FY2021 (consolidated)

Capital Expenditure/ Depreciation



Research and Development



Revised Cash Dividend Forecast

Announcement on January 27, 2022

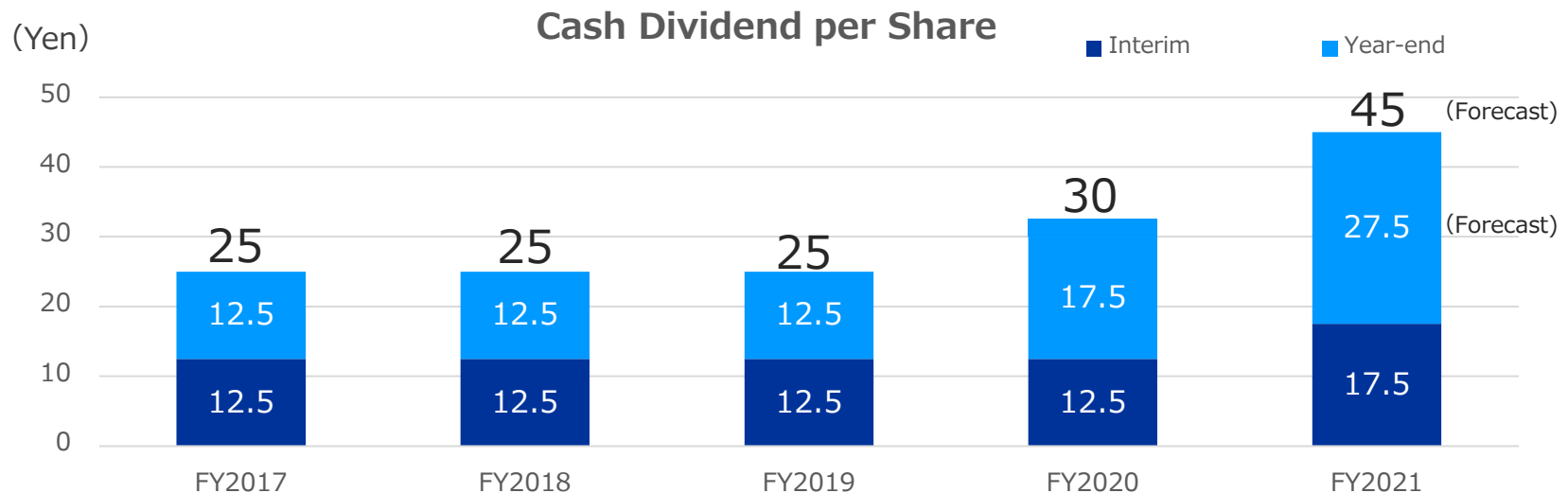
Details of Revision

(Yen)

	Cash Dividend per Share		
	Interim	Year-end	Annual
Previous Forecast (4/27/2021)	17.5	17.5	35.0
Current Forecast (1/27/2022)		27.5	45.0
Result	17.5		
Reference: FY2020 Result	12.5	17.5	30.0

Reasons for the revision of FY2021 (Summary)

Based on our basic policy on dividends, we have revised our year-end dividend forecast in light of our consolidated earnings forecast for the FY2021 and our recently announced capital expenditure plan for growth markets, etc.



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.