



Since 1946
Brightening the Future

Financial Results of FY2022 First-Half

From April 1, 2022 to September 30, 2022

SHINKO ELECTRIC INDUSTRIES CO., LTD.



Index

Financial Results Overview of FY2022 First-Half (consolidated)

Financial Results	2
Plastic Packages	6
Metal Packages	8
Net Sales by Product Category	10

Forecast of FY2022 (consolidated)

Net Sales/Profit/Cash Dividend	11
Capital Expenditure, Depreciation, Research and Development	13

Financial Results Overview of FY2022 First-Half (consolidated)

Financial Results

(Billions of yen)

	FY2021 1st-Half (Result)	FY2022 1st-Half (Result)	YoY		vs. Previous Forecast	
			Amount	Ratio of Change	Previous Forecast (7/29/2022)	Amount
Net Sales	125.9	157.0	+31.1	+25%	159.0	-2.0
Operating Profit (Ratio against Net Sales)	30.1 (+24%)	51.0 (+32%)	+20.9	+69%	49.0	+2.0
Ordinary Profit (Ratio against Net Sales)	31.6 (+25%)	54.6 (+35%)	+23.1	+73%	53.0	+1.6
Profit* (Ratio against Net Sales)	21.7 (+17%)	37.9 (+24%)	+16.2	+74%	37.0	+0.9

* Profit attributable to owners of parent

Earnings per Share	160.71yen	280.34yen
--------------------	-----------	-----------

Financial Results Overview of FY2022 First-Half (consolidated)

Summary of Financial Statements

- In the semiconductor industry, demand remained strong for automobiles and industrial equipment. On the other hand, the impact of the lockdown in China, the Russia-Ukraine conflict, and ongoing global inflation, as well as declining demand for PCs and smartphones, have led to an increasing sense of slowdown in the semiconductor market.
- Although flip-chip type packages were affected by the impact of decreased demand for PCs, the sales increased due to yen depreciation trend in the exchange rate and other factors. Orders for ceramic electrostatic chucks for semiconductor manufacturing equipment were strong and demand for IC assemblies increased largely for high-end smartphones. In addition to these factors, the progress of significant yen depreciation contributed to the increase in these sales.
- **Net sales up 25% and all profits increased year on year.**

Financial Results Overview of FY2022 First-Half (consolidated)

Net Sales and Ordinary Profit by Business Segment

(Billions of yen)

		FY2021 1st-Half (Result)		FY2022 1st-Half (Result)		Ratio of Change (YoY)	FY2021	
			Represent % of Net Sales		Represent % of Net Sales			Represent % of Net Sales
Net Sales *1	Plastic Packages	79.3	[63%]	95.6	[61%]	+21%	169.4	[62%]
	Metal Packages	42.4	[34%]	55.8	[35%]	+32%	92.9	[34%]
	Others	4.3	[3%]	5.6	[4%]	+31%	9.6	[4%]
	Total	125.9	[100%]	157.0	[100%]	+25%	271.9	[100%]
Ordinary Profit *2	Plastic Packages	22.8	Ratio against Net Sales (+29%)	34.3	Ratio against Net Sales (+36%)	+50%	50.9	Ratio against Net Sales (+30%)
	Metal Packages	8.8	(+21%)	20.2	(+36%)	+129%	23.5	(+25%)
	Others/Adjustment	-0.1		0.2			1.4	
	Total	31.6	(+25%)	54.6	(+35%)	+73%	75.8	(+28%)

*1 Sales to external customers

*2 Before inter-segment transaction adjustment

Financial Results Overview of FY2022 First-Half (consolidated)

Financial Status, Capital Expenditure and Depreciation

(Billions of yen)

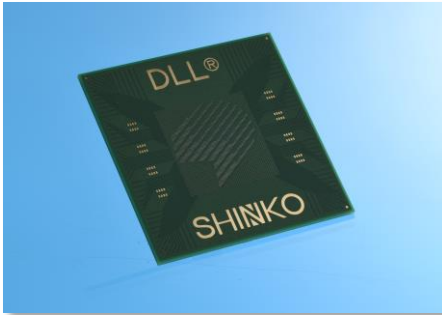
	FY2021 2nd-Quarter	FY2022 2nd-Quarter	FY2021
Total Assets	269.6	376.1	319.5
Net Assets	172.6	237.5	202.0
Equity Ratio	64%	63%	63%

	FY2021 1st-Half	FY2022 1st-Half	FY2021
Capital Expenditure*	37.1	15.8	57.5
Depreciation*	11.5	16.1	30.0
Research and Development	1.7	1.8	3.5
Exchange Rates (Yen/US dollar)	108	132	111

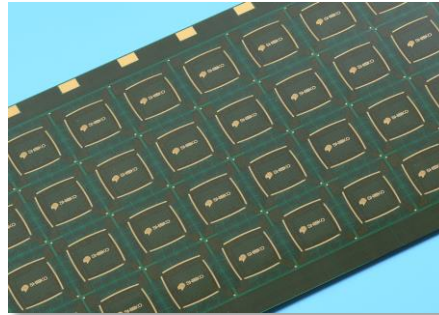
* Except intangible assets

Financial Results Overview of FY2022 First-Half (consolidated)

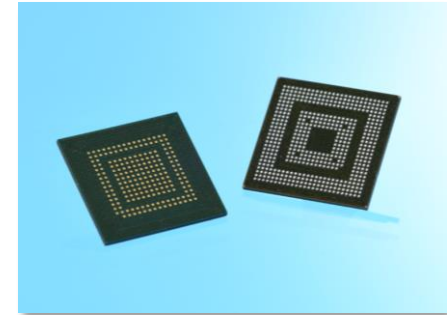
Plastic Packages



**Flip-Chip Type
Package**



**Plastic BGA
Substrates**



IC Assemblies

【Applications】

PCs, Servers, Smartphones, Consumer Products, etc.

Financial Results Overview of FY2022 First-Half (consolidated)

Plastic Packages

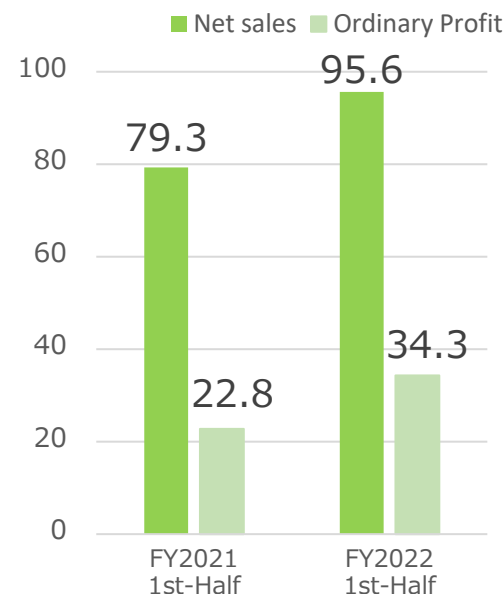
(Billions of yen)

	FY2021 1st-Half (Result)	FY2022 1st-Half (Result)	YoY	
			Amount	Ratio of Change
Net Sales	79.3 [63%]* ¹	95.6 [61%]* ¹	+ 16.3	+ 21%
Ordinary Profit	22.8 (+29%)* ²	34.3 (+36%)* ²	+ 11.5	+ 50%

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

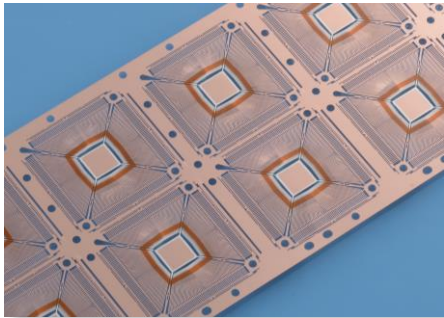
Net sales and ordinary profit both increased year on year due to the increase in demand of IC assemblies, and other products as well as significant yen depreciation.

- Net Sales of flip-chip type packages increased due to yen depreciation trend in the exchange rate and other factors, despite the impact of decrease in demand for PCs in the second quarter.
- Demand for IC assemblies increased largely for high-end smartphones and orders for plastic BGA substrates were strong for advanced memories and automobiles. In addition to these factors, the progress of significant yen depreciation, etc. contributed to the large increase in these sales.

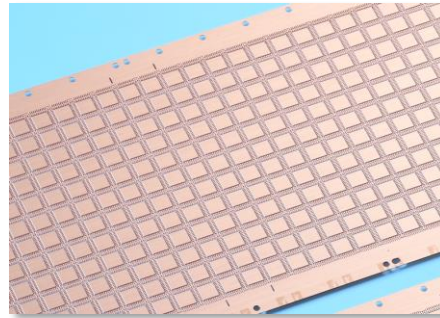


Financial Results Overview of FY2022 First-Half (consolidated)

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 FY2022 First-Half (consolidated)

Metal Packages

(Billions of yen)

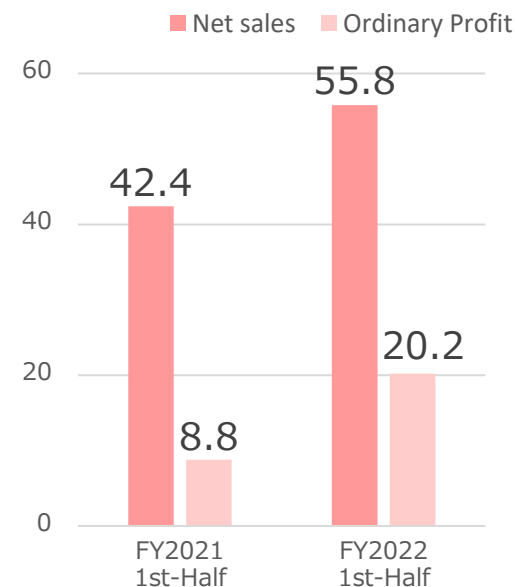
	FY2021 1st-Half (Result)	FY2022 1st-Half (Result)	YoY	
			Amount	Ratio of Change
Net Sales	42.4 [34%]* ¹	55.8 [35%]* ¹	+13.4	+32%
Ordinary Profit	8.8(+21%)* ²	20.2(+36%)* ²	+11.4	+129%

*1 Represent % of Net Sales

*2 Ratio against Net Sales

Net sales and ordinary profit both increased year on year due to increased orders for ceramic electrostatic chucks and other products, as well as significant yen depreciation.

- Demand for leadframes declined from second quarter due to the slowdown in the semiconductor market, but sales for automobiles remained steady.
- Orders for ceramic electrostatic chucks were strong for semiconductor manufacturing equipment market and demand for heat spreaders for CPUs increased for servers. In addition to these factors, the progress of significant yen depreciation contributed to the increase in these revenue.
- Revenue of glass-to-metal-seals decreased due to sluggish sales for optical devices.



Financial Results Overview of FY2022 First-Half (consolidated)

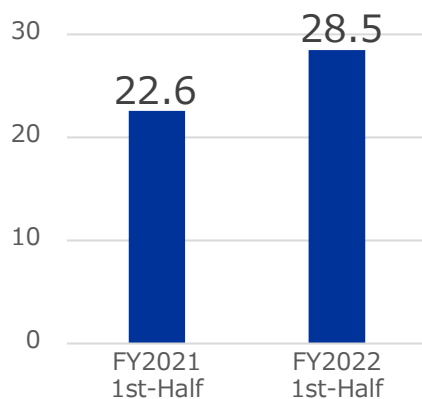
Net Sales by Product Category

(Billions of yen)

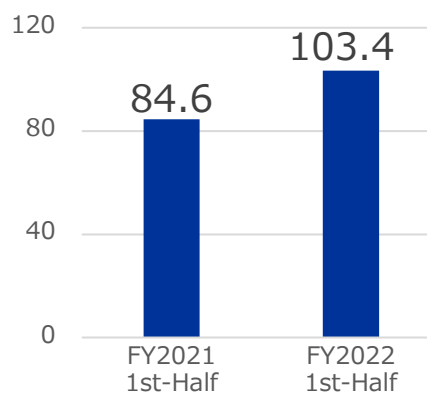
	FY2021 1st-Half (Result)	FY2022 1st-Half (Result)	YoY		FY2021 (Result)
			Amount	Ratio of Change	
IC Leadframes	22.6 [18%]*	28.5 [18%]*	+6.0	+26%	49.9[18%]*
IC Packages	84.6 [67%]*	103.4 [66%]*	+18.8	+22%	180.8[67%]*
Hermetic Seal Parts	18.8 [15%]*	25.1 [16%]*	+6.3	+34%	41.2[15%]*

* Represent % of Net Sales

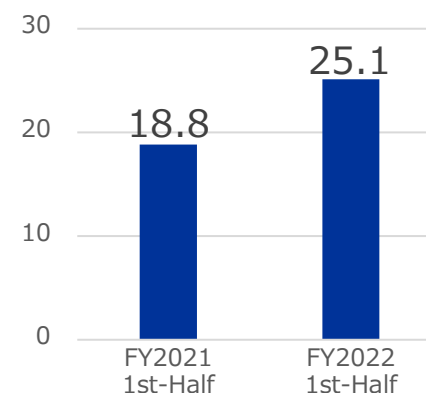
Net Sales of IC Leadframes



Net Sales of IC Packages



Net Sales of Hermetic Seal Parts



Forecast of FY2022 (consolidated)

Net Sales/Profit/Cash Dividend

(Billions of yen)

	FY2021 (Result)			FY2022 (Forecast)			YoY(Upper : Amount/Lower : Ratio of Change)		
	1st Half	2nd Half	FY 2021	1st Half	2nd Half	FY 2022	1st Half	2nd Half	Full Year
Net Sales	125.9	146.0	271.9	157.0	165.0	322.0	31.1 (+25%)	19.0 (+13%)	50.1 (+18%)
Operating Profit (Ratio against Net Sales)	30.1 (+24%)	41.3 (+28%)	71.4 (+26%)	51.0 (+32%)	42.0 (+25%)	93.0 (+29%)	20.9 (+69%)	0.7 (+2%)	21.6 (+30%)
Ordinary Profit (Ratio against Net Sales)	31.6 (+25%)	44.3 (+30%)	75.8 (+28%)	54.6 (+35%)	42.4 (+26%)	97.0 (+30%)	23.1 (+73%)	-1.9 (-4%)	21.2 (+28%)
Profit* 1 (Ratio against Net Sales)	21.7 (+17%)	30.9 (+21%)	52.6 (+19%)	37.9 (+24%)	29.1 (+18%)	67.0 (+21%)	16.2 (+74%)	-1.8 (-6%)	14.4 (+27%)
Exchange Rates (Yen/US dollar)	111			132	125				

* Profit attributable to owners of parent

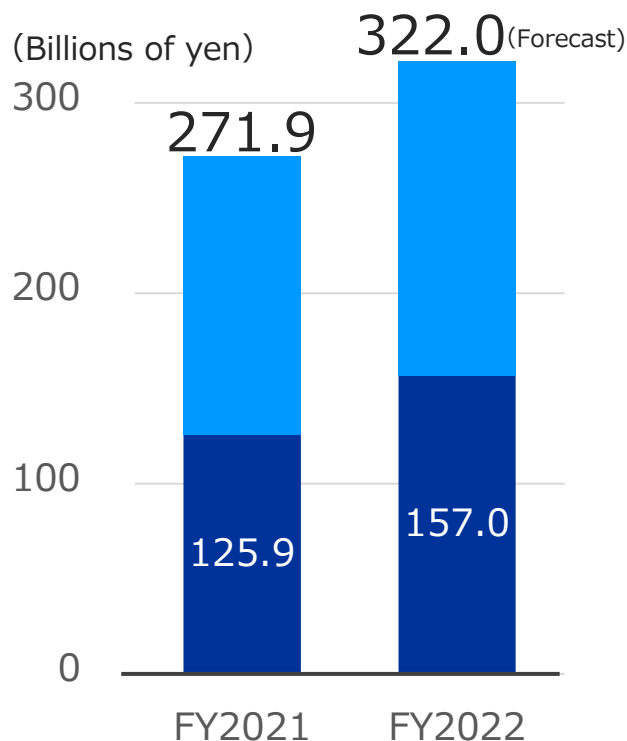
(Yen)

Cash Dividend per Share (Payout Ratio)	17.5 [Interim]	27.5 [Year-end]	45.0 (+11.6%)	25.0 [Interim]	25.0 [Year-end]	50.0 (+10.1%)
--	-------------------	--------------------	------------------	-------------------	--------------------	------------------

Forecast of FY2022 (consolidated)

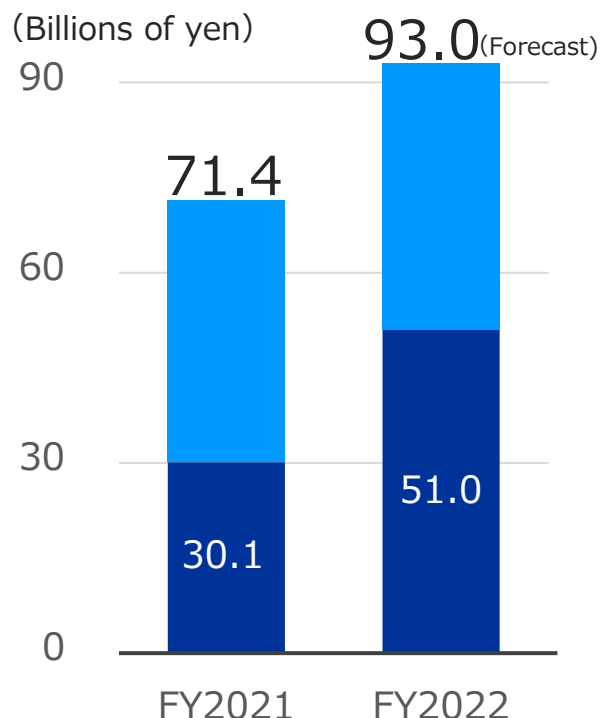
Net Sales

■ 1st-Half ■ Full-year



Operating Profit

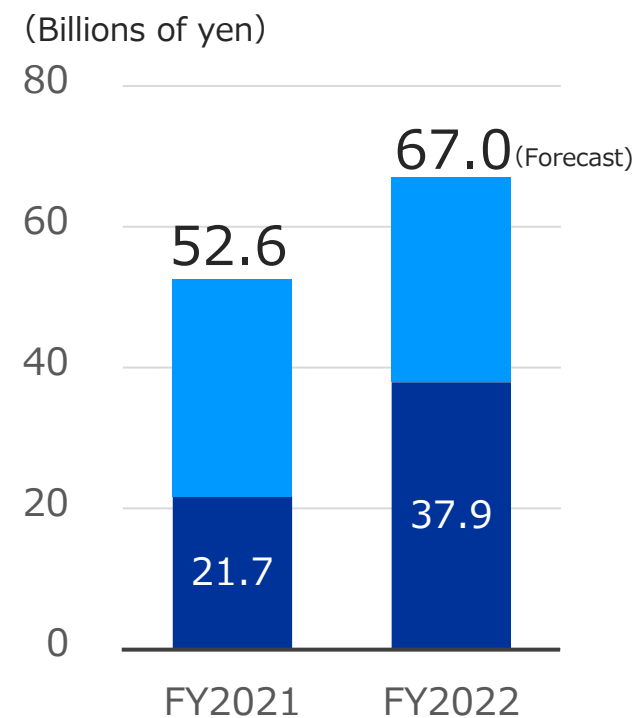
■ 1st-Half ■ Full-year



Profit*

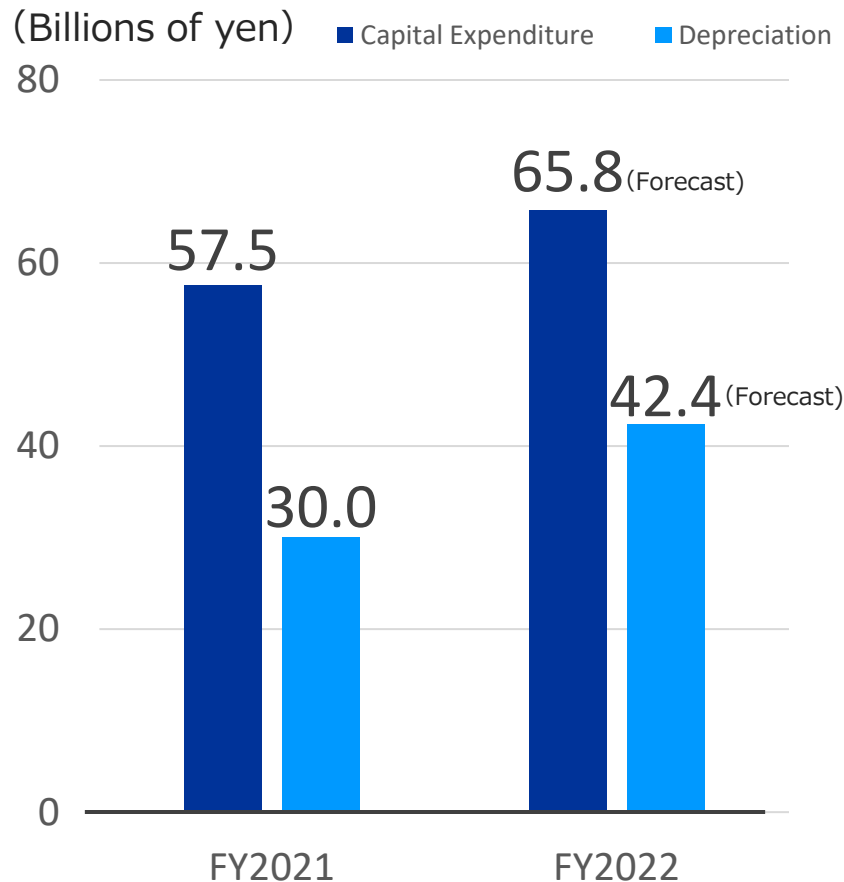
* Profit attributable to owners of parent

■ 1st-Half ■ Full-year

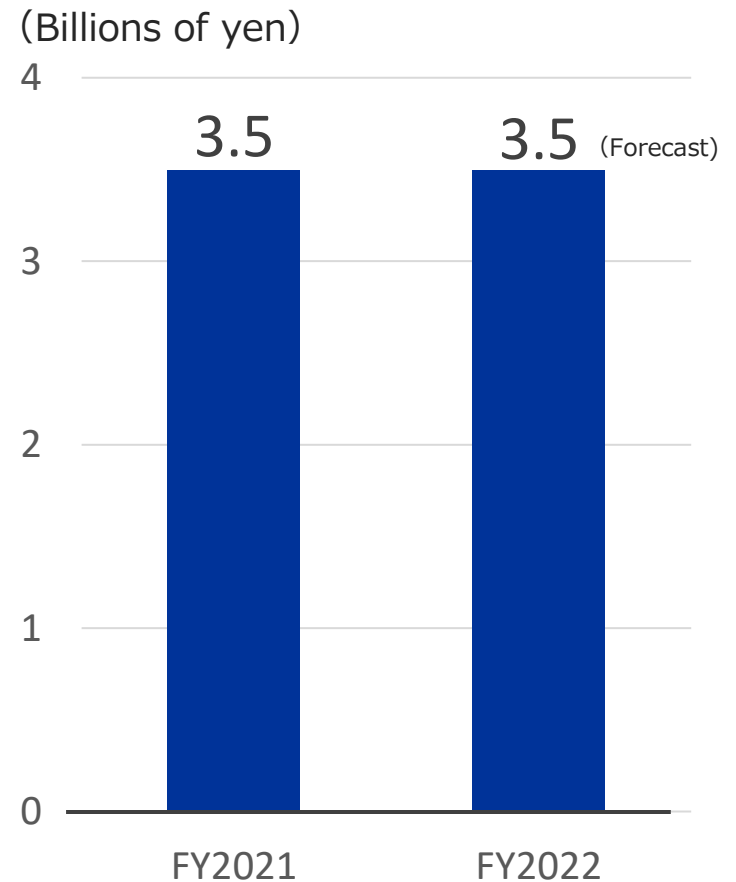


Forecast of FY2022 (consolidated)

Capital Expenditure / Depreciation



Research and Development





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.