

Brightening the Future

Financial Results of FY2022 Third-Quarter

From April 1, 2022 to December 31, 2022

SHINKO ELECTRIC INDUSTRIES CO., LTD.



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Financial Results

	FY2021	FY2021 FY2022 YoY		ΌΥ
	3rd-Quarter*1 (Result)	3rd-Quarter*1 (Result)	Amount	Ratio of Change
Net Sales	200.8	232.5	+31.7	+16%
Operating Profit (Ratio against Net Sales)	52.5 (26%)	71.2 (31%)	+18.7	+36%
Ordinary Profit (Ratio against Net Sales)	54.8 (27%)	72.9 (31%)	+18.1	+33%
Profit* ² (Ratio against Net Sales)	37.9 (19%)	50.5 (22%)	+12.6	+33%

^{*1} Nine months ended December 31 *2 Profit attributable to owners of parent

Earnings per Share	280.24yen	373.85yen
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Summary of Financial Statements

- In the semiconductor industry, demand remained strong for automobiles and industrial equipment. On the other hand, the slowdown in the semiconductor market became clear from the second to the third quarter due to the prolonged conflict in Russia and Ukraine, global inflation, the impact of slowdown in the Chinese economy, etc. as well as decline in demand for PCs and smartphones.
- Although flip-chip type packages were affected by the impact of decreased demand for PCs from the second quarter, the sales increased due to yen depreciation trend in the exchange rate until beginning of the third quarter and other factors. Net sales for ceramic electrostatic chucks for semiconductor manufacturing equipment and IC assemblies for high-end smartphones increased due to large yen depreciation, in addition to demand increase.
- Net sales up 16% and all profits increased year on year.



Net Sales and Ordinary Profit by Business Segment

		FY2021 3rd-Quarter*1 (Result)		FY2022 3rd-Quarter* ¹ (Result)		Ratio of Change (YoY)
			Represent % of Net Sales		Represent % of Net Sales	
* S	Plastic Packages	126.8	[63%]	144.6	[62%]	+14%
Sales	Metal Packages	67.3	[34%]	79.9	[34%]	+19%
Net	Others	6.7	[3%]	8.0	[4%]	+19%
	Total	200.8	[100%]	232.5	[100%]	+16%
m *			Ratio against Net Sales		Ratio against Net Sales	
ofit	Plastic Packages	38.5	(30%)	45.7	(32%)	+19%
ry Pr	Metal Packages	15.8	(23%)	27.1	(34%)	+72%
Ordinary Profit	Others/Adjustment	0.6		0.1		
Or	Total	54.8	(27%)	72.9	(31%)	+33%

(Billions of yen)			
FY2021			
	Represent % of Net Sales		
169.4	[62%]		
92.9	[34%]		
9.6	[4%]		
271.9	[100%]		
50.9	Ratio against Net Sales (30%)		
23.5	(25%)		
1.4			
75.8	(28%)		

^{*3} Before inter-segment transaction adjustment



^{*1} Nine months ended December 31

^{*2} Sales to external customers

Financial Status, Capital Expenditure and Depreciation

	FY2021 3rd-Quarter*1	FY2022 3rd-Quarter*1
Total Assets	291.8	366.6
Net Assets	186.8	246.8
Equity Ratio	64%	67%

FY2021		
319.5		
202.0		
63%		

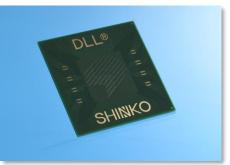
	FY2021 3rd-Quarter* ²	FY2022 3rd-Quarter* ²
Capital Expenditure * 3	45.9	20.2
Depreciation * 3	20.2	25.1
Research and Development	2.6	2.7
Exchange Rates (Yen/US dollar)	110	135

FY20	21
	57.5
	30.0
	3.5
	111

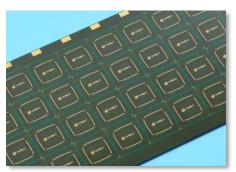
^{*1} As of December 31 *2 Nine months ended December 31 *3 Except intangible assets



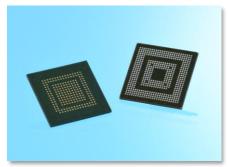
Plastic Packages



Flip-Chip Type Package



Plastic BGA Substrates



IC Assemblies

[Applications]

PCs, Servers, Smartphones, Consumer Products, etc.



Plastic Packages

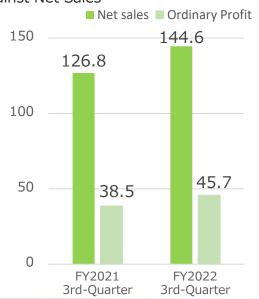
(Billions of yen)

	FY2021	FY2022	Yo	Υ
	3rd-Quarter*1 (Result)	3rd-Quarter* ¹ (Result)	Amount	Ratio of Change
Net Sales	126.8 [63%]*2	144.6 [62%]*2	+17.8	+14%
Ordinary Profit	38.5 (30%)*3	45.7 (32%)*3	+7.2	+19%

^{*1} Nine months ended December 31 *2 Represent % of Net Sales * 3 Ratio against Net Sales

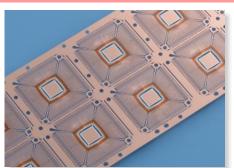
Net sales and ordinary profit both increased year on year due to the increase in orders of IC assemblies and plastic BGA substrates as well as significant yen depreciation, etc.

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

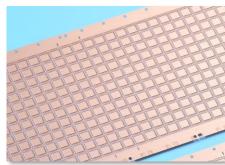




Metal Packages



Stamped Leadframes



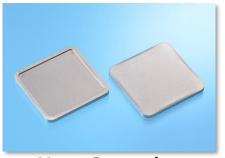
Etched Leadframes (OFN-Type)



Ceramic Electrostatic Chuck



Glass-to-Metal Seals



Heat Spreaders

[Applications]

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



Metal Packages

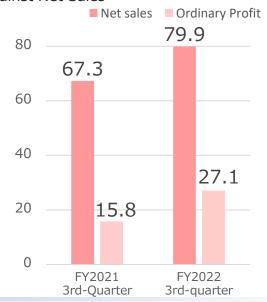
(Billions of yen)

	FY2021	FY2022	Yo	Υ
	3rd-Quarter*1 (Result)	3rd-Quarter* ¹ (Result)	Amount	Ratio of Change
Net Sales	67.3 [34%]*2	79.9 [34%]*2	+12.6	+19%
Ordinary Profit	15.8 (23%)*3	27.1 (34%)*3	+11.3	+72%

^{*1} Nine months ended December 31 *2 Represent % of Net Sales * 3 Ratio against Net Sales

Net sales and ordinary profit both increased year on year due to increased demand for ceramic electrostatic chucks as well as the significant yen depreciation, etc.

- Demand for ceramic electrostatic chucks increased for semiconductor manufacturing equipment. In addition to this factor, the significant yen depreciation contributed to the increase in the revenue.
- Demand for leadframes and heat spreaders for CPUs declined from the second to the third quarter, due to the slowdown in the semiconductor market, but revenue increased due to yen depreciation trend in the exchange rate, etc.
- Revenue of glass-to-metal-seals decreased due to the sluggish sales for optical devices.



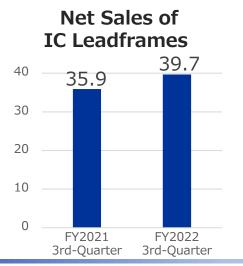


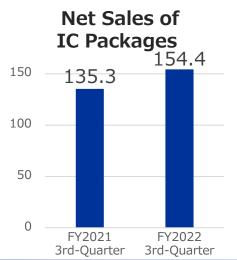
Net Sales by Product Category

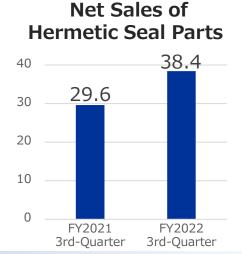
	FY2021	FY2022	YoY	
	3rd-Quarter*1 (Result)	3rd-Quarter*1 (Result)	Amount	Ratio of Change
IC Leadframes	35.9 [18%]*2	39.7 [17%]*2	+3.8	+11%
IC Packages	135.3 [67%]*2	154.4 [66%]*2	+19.1	+14%
Hermetic Seal Parts	29.6 [15%]*2	38.4 [17%]*2	+8.8	+30%

FY2021 (Result)						
49.9[18%]*2						
180.8[67%]*2						
41.2[15%]*2						

^{*1} Nine months ended December 31 *2 Represent % of Net Sales









Forecast of FY2022 (consolidated)

Net Sales/Profit/Cash Dividend

(Billions of yen)

	FY2021 (Result)			FY2022 (Forecast)				YoY(Upper: Amount/Lower: Ratio of Change)		
	1 st Half	2 nd Half	FY 2021	1 st Half	2 ^r Ha		FY 2022	1 st Half	2 nd Half	Full Year
Net Sales	125.9	146.0	271.9	157.0	16	5.0	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%)			2.0 5%)	93.0 (29%)		0.7 (+2%)	21.6 (+30%)
Ordinary Profit (Ratio against Net Sales)	31.6 (25%)	44.3 (30%)	75.8 (28%)			2.4 5%)	97.0 (30%)		-1.9 (-4%)	21.2 (+28%)
Profit* (Ratio against Net Sales)	21.7 (17%)	30.9 (21%)	52.6 (19%)	37.9 (24%)		9.1	67.0 (21%)		-1.8 (-6%)	14.4 (+27%)
Exchange Rates (Yen/US dollar)	111			1Q-3Q 4Q (Assumption) 125						

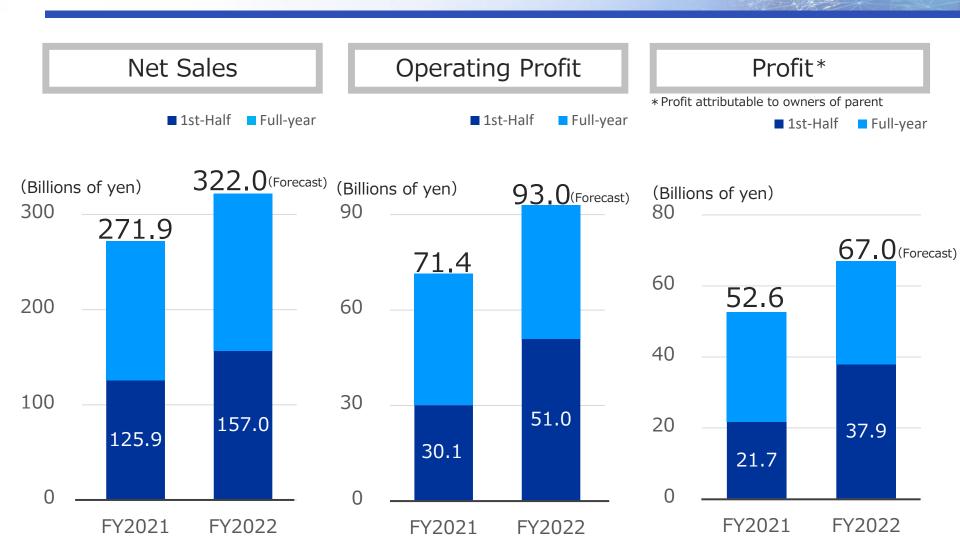
^{*} Profit attributable to owners of parent

(Yen)

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



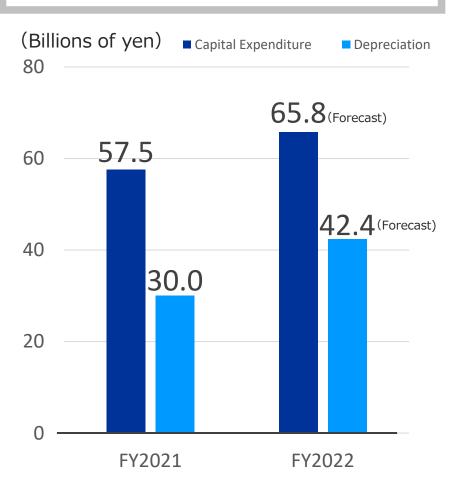
Forecast of FY2022 (consolidated)



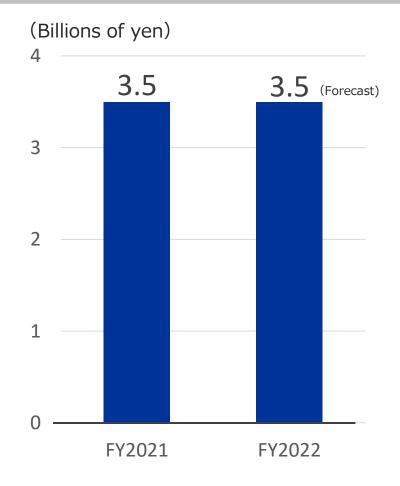


Forecast of FY2022 (consolidated)

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.

