



# Financial Results of FY2023 First-Half

From April 1, 2023 to September 30, 2023

**SHINKO ELECTRIC INDUSTRIES CO., LTD.**



Brightening the Future  
Since 1946

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# Financial Results Overview of FY2023 First-Half (consolidated)

## Financial Results

(Billions of yen)

	FY2022 1st-Half (Result)	FY2023 1st-Half (Result)	YoY		vs. Previous Forecast	
			Amount	Ratio of Change	Previous Forecast (4/27/2023)	Amount
Net Sales	157.0	105.1	- 51.9	- 33%	112.0	- 6.9
Operating Profit (Ratio against Net Sales)	51.0 (32%)	11.5 (11%)	- 39.5	- 77%	8.0	+3.5
Ordinary Profit (Ratio against Net Sales)	54.6 (35%)	14.1 (13%)	- 40.6	- 74%	8.0	+6.1
Profit* (Ratio against Net Sales)	37.9 (24%)	9.8 (9%)	- 28.1	- 74%	6.0	+3.8

\* Profit attributable to owners of parent

Earnings per Share	280.34yen	72.39yen
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# Financial Results Overview of FY2023 First-Half (consolidated)

## Summary of Financial Statements

- In the semiconductor industry, while decline in demand has showed signs of bottoming out, market recovery delayed and a severe market environment continued due to a decline in PC and server markets as a negative rebound from the special demand for COVID-19, a drop in demand for smartphones caused by longer replacement cycles, and inventory adjustments in addition to continued global inflation and the impact of US-China conflict.
- Net Sales of flip-chip type packages decreased largely due to delayed recovery in demand for PCs and servers. Revenue from leadframes declined due to inventory adjustments, and revenue from ceramic electrostatic chucks for semiconductor manufacturing equipment decreased against the backdrop of semiconductor export restrictions and the market deterioration. Demand for IC assemblies for high-end smartphones dropped. So, overall sales conditions were affected by the market downdraft.
- Net sales down 33% year on year. All profits decreased due to the large impact of sales down.

# Financial Results Overview of FY2023 First-Half (consolidated)

## Net Sales and Ordinary Profit by Business Segment

(Billions of yen)

		FY2022 1st-Half (Result)		FY2023 1st-Half (Result)		Ratio of Change (YoY)	FY2022	
Net Sales * 1			Represent % of Net Sales		Represent % of Net Sales			Represent % of Net Sales
	Plastic Packages	95.6	[61%]	65.4	[62%]	− 32%	176.8	[62%]
	Metal Packages	55.8	[35%]	35.4	[34%]	− 37%	99.3	[35%]
	Others	5.6	[4%]	4.3	[4%]	− 23%	10.2	[3%]
Total		157.0	[100%]	105.1	[100%]	− 33%	286.4	[100%]
Ordinary Profit * 2			Ratio against Net Sales		Ratio against Net Sales			Ratio against Net Sales
	Plastic Packages	34.3	(36%)	7.1	(11%)	− 79%	47.3	(27%)
	Metal Packages	20.2	(36%)	8.0	(23%)	− 61%	31.2	(31%)
	Others/Adjustment	0.2		− 1.0			0.2	
Total		54.6	(35%)	14.1	(13%)	− 74%	78.8	(28%)

\* 1 Sales to external customers

\* 2 Before inter-segment transaction adjustment

# Financial Results Overview of FY2023 First-Half (consolidated)

## Financial Status, Capital Expenditure and Depreciation

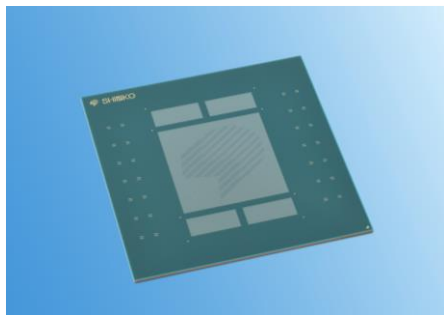
(Billions of yen)

	FY2022 2nd-Quarter	FY2023 2nd-Quarter	FY2022
Total Assets	376.1	389.6	386.9
Net Assets	237.5	258.5	251.0
Equity Ratio	63%	66%	65%
	FY2022 1st-Half	FY2023 1st-Half	FY2022
Capital Expenditure*	15.8	21.5	25.8
Depreciation*	16.1	12.8	34.5
Research and Development	1.8	1.7	3.6
Exchange Rates (Yen/US dollar)	132	139	134

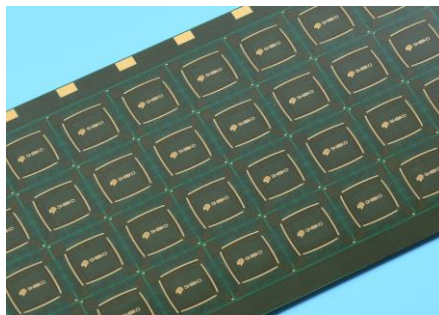
\* Except intangible assets

# Financial Results Overview of FY2023 First-Half (consolidated)

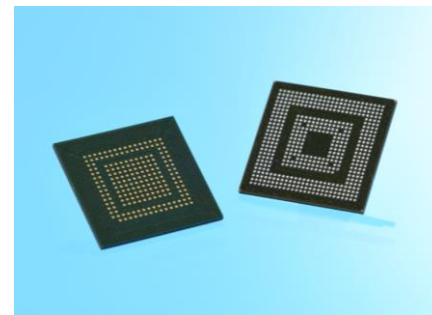
## Plastic Packages



**Flip-Chip Type  
Package**



**Plastic BGA  
Substrates**



**IC Assemblies**

### **【Applications】**

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



# Financial Results Overview of FY2023 First-Half (consolidated)

## Plastic Packages

(Billions of yen)

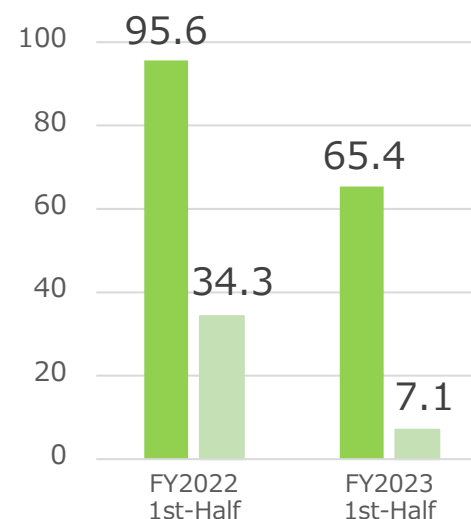
	FY2022 1st-Half (Result)	FY2023 1st-Half (Result)	YoY	
			Amount	Ratio of Change
Net Sales	95.6 [61%]* <sup>1</sup>	65.4 [62%]* <sup>1</sup>	− 30.2	− 32%
Ordinary Profit	34.3 (36%)* <sup>2</sup>	7.1 (11%)* <sup>2</sup>	− 27.1	− 79%

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

■ Net sales ■ Ordinary Profit

Net sales and ordinary profit both decreased year on year due to the decrease in sales of each product.

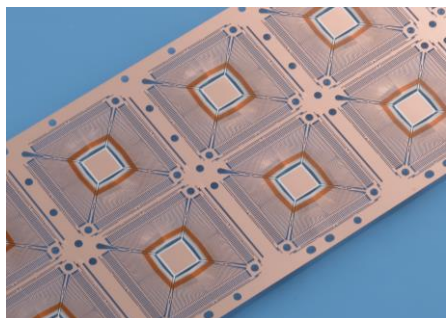
- Net sales of flip-chip type packages decreased largely due to delayed recovery in demand for PCs and servers as a negative rebound from the special demand for COVID-19, and other factors.
- Net sales of IC assemblies decreased due to a drop in demand for high-end smartphone because of the smartphone market downdraft.
- Net sales of plastic BGA substrates decreased due to inventory adjustments in advanced memory.



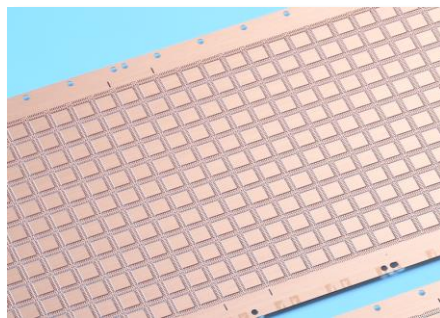


# Financial Results Overview of FY2023 First-Half (consolidated)

## 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 FY2023 First-Half (consolidated)

## Metal Packages

(Billions of yen)

	FY2022 1st-Half (Result)	FY2023 1st-Half (Result)	YoY	
			Amount	Ratio of Change
Net Sales	55.8 [35%]* <sup>1</sup>	35.4 [34%]* <sup>1</sup>	− 20.4	− 37%
Ordinary Profit	20.2 (36%)* <sup>2</sup>	8.0 (23%)* <sup>2</sup>	− 12.2	− 61%

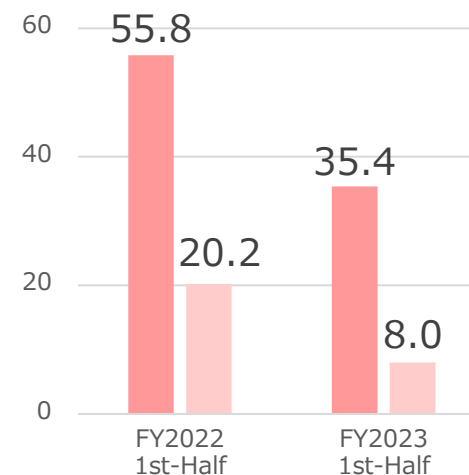
\*1 Represent % of Net Sales

\*2 Ratio against Net Sales

Net sales and ordinary profit both decreased year on year due to the decrease in sales of each product.

- Net sales of leadframes decreased largely, due to big impact of inventory adjustments, etc. because of the downdraft in the semiconductor market.
- Net sales of ceramic electrostatic chucks decreased largely reflected the backdrop of impact of semiconductor export restrictions because of US-China conflict and the memory market deterioration, etc.
- Net sales of heat spreaders for CPUs decreased due to a decline in demand for PCs, and other factors.
- Revenue of glass-to-metal-seals decreased due to the sluggish sales for optical devices.

■ Net sales ■ Ordinary Profit



# Financial Results Overview of FY2023 First-Half (consolidated)

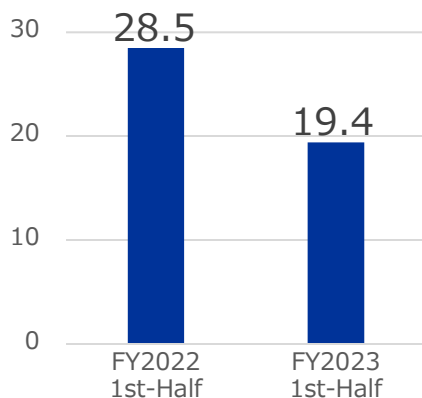
## Net Sales by Product Category

(Billions of yen)

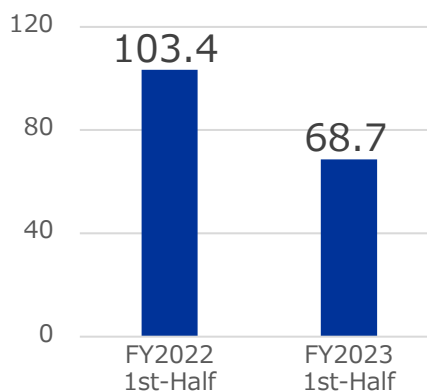
	FY2022 1st-Half (Result)	FY2023 1st-Half (Result)	YoY		FY2022 (Result)
			Amount	Ratio of Change	
IC Leadframes	28.5 [18%]*	19.4 [19%]*	− 9.1	− 32%	49.7[17%]*
IC Packages	103.4 [66%]*	68.7 [65%]*	− 34.7	− 34%	187.9[66%]*
Hermetic Seal Parts	25.1 [16%]*	17.0 [16%]*	− 8.1	− 32%	48.7[17%]*

\* Represent % of Net Sales

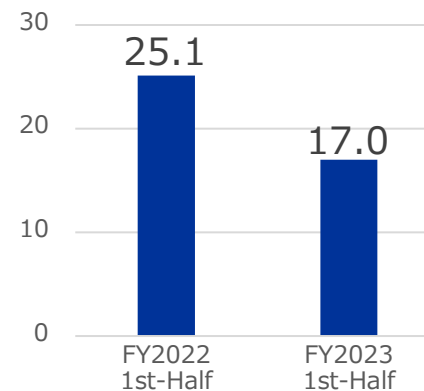
**Net Sales of  
IC Leadframes**



**Net Sales of  
IC Packages**



**Net Sales of  
Hermetic Seal Parts**



# Forecast of FY2023 (consolidated)

## Revised Forecast of FY2023 (Announcement on October 20, 2023)

(Billions of yen)

	FY2023 1st-Half				FY2023			
	Previous Forecast (4/27/2023)	1st Half (Result)	vs. Previous Forecast		Previous Forecast (4/27/2023)	Current Forecast (10/20/2023)	vs. Previous Forecast	
			Amount	Ratio of Change			Amount	Ratio of Change
Net Sales	112.0	105.1	-6.9	-6%	261.0	230.0	-31.0	-12%
Operating Profit	8.0	11.5	+3.5	+43%	35.0	35.0	0.0	0%
Ordinary Profit	8.0	14.1	+6.1	+76%	35.0	35.0	0.0	0%
Profit*	6.0	9.8	+3.8	+63%	24.0	24.0	0.0	0%
Earnings per Share	44.41yen	72.39yen	-	-	177.63yen	177.63yen	-	-

\* Profit attributable to owners of parent

# Forecast of FY2023 (consolidated)

## Revised Forecast of FY2023 First-Half and FY2023 (Announcement on October 20, 2023)

- Reasons for the Revision of FY2023 First-Half
  - Net sales fell short of the initial forecast due to remained sluggish order of flip-chip type packages for PCs and servers and ceramic electrostatic chucks for semiconductor manufacturing equipment. On the other hand, profits exceeded the initial forecast due to large yen depreciation against our assumption and other factors.
- Reasons for the Revision of FY2023
  - Although orders principally in flip-chip type packages are expected to show an increasing trend in the future, full-scale recovery of the semiconductor market is expected to take longer than our forecast at the beginning of this fiscal year. Under these conditions, while net sales of each product fall short of the expectations, we revised expected exchange rate from 120 yen per dollar to 135 yen per dollar from the third-quarter considering exchange rate trends. Based on these factors and others, we revised the forecast of FY2023.

# Forecast of FY2023 (consolidated)

## Net Sales/Profit/Cash Dividend

(Billions of yen)

	FY2022 (Result)			FY2023 (1 <sup>st</sup> HF:Result·2 <sup>nd</sup> HF:Forecast)			YoY(Upper : Amount/Lower : Ratio of Change)		
	1 <sup>st</sup> Half	2 <sup>nd</sup> Half	FY 2022	1 <sup>st</sup> Half	2 <sup>nd</sup> Half	FY 2023	1 <sup>st</sup> Half	2 <sup>nd</sup> Half	Full Year
Net Sales	157.0	129.4	286.4	105.1	124.9	230.0	- 51.9 (- 33%)	- 4.5 (- 3%)	- 56.4 (- 20%)
Operating Profit (Ratio against Net Sales)	51.0 (32%)	25.8 (20%)	76.7 (27%)	11.5 (11%)	23.5 (19%)	35.0 (15%)	- 39.5 (- 77%)	- 2.2 (- 9%)	- 41.7 (- 54%)
Ordinary Profit (Ratio against Net Sales)	54.6 (35%)	24.1 (19%)	78.8 (28%)	14.1 (13%)	20.9 (17%)	35.0 (15%)	- 40.6 (- 74%)	- 3.2 (- 13%)	- 43.8 (- 56%)
Profit * 1 (Ratio against Net Sales)	37.9 (24%)	16.6 (13%)	54.5 (19%)	9.8 (9%)	14.2 (11%)	24.0 (10%)	- 28.1 (- 74%)	- 2.4 (- 14%)	- 30.5 (- 56%)
Exchange Rates (Yen/US dollar)	134			139	135				

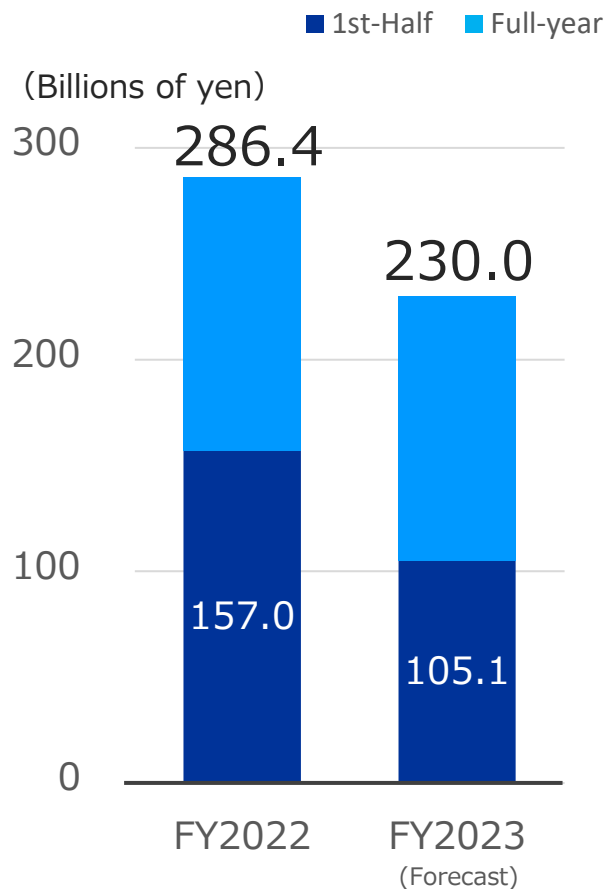
\* Profit attributable to owners of parent

(Yen)

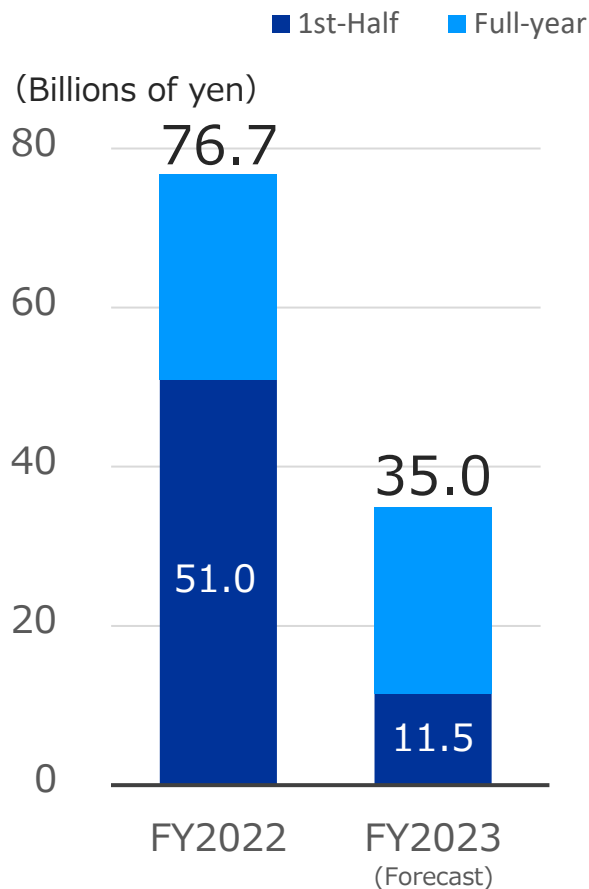
Cash Dividend per Share (Payout Ratio)	25.0 [Interim]	25.0 [Year-end]	50.0 (12.4%)	25.0 [Interim]	25.0 [Year-end]	50.0 (28.1%)
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# Forecast of FY2023 (consolidated)

## Net Sales

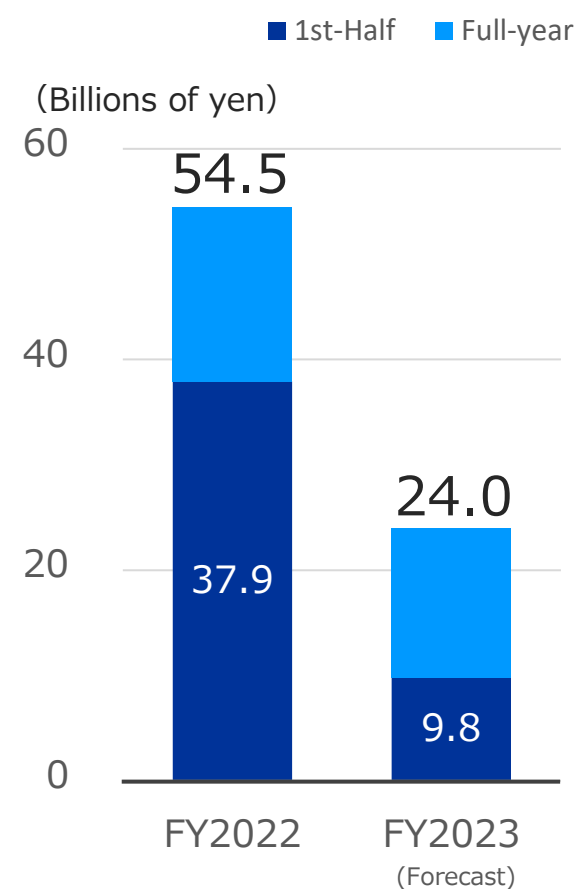


## Operating Profit



## Profit\*

\* Profit attributable to owners of parent

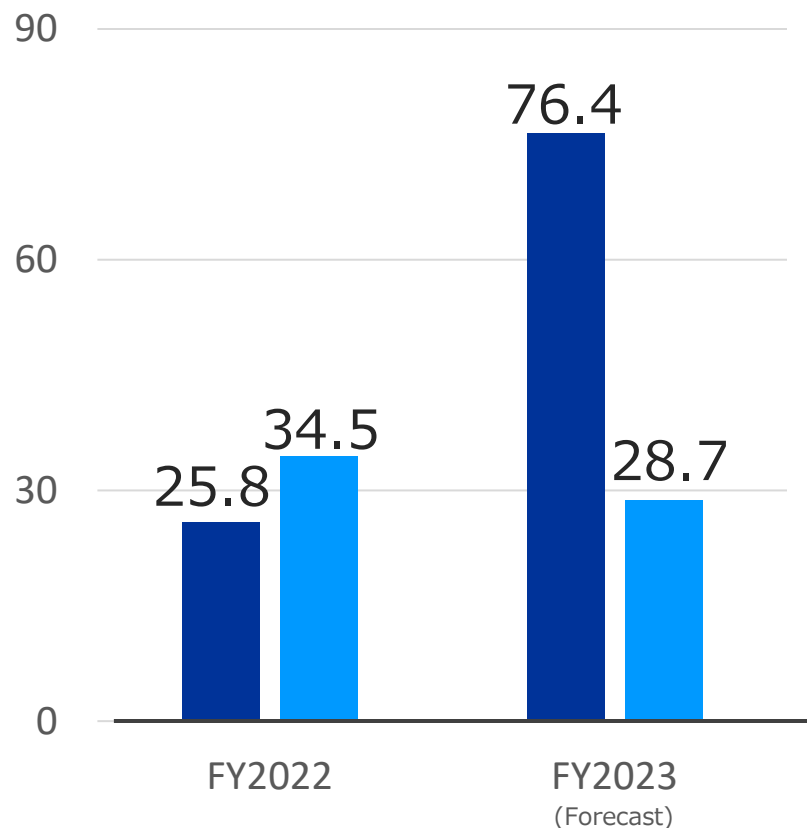




# Forecast of FY2023 (consolidated)

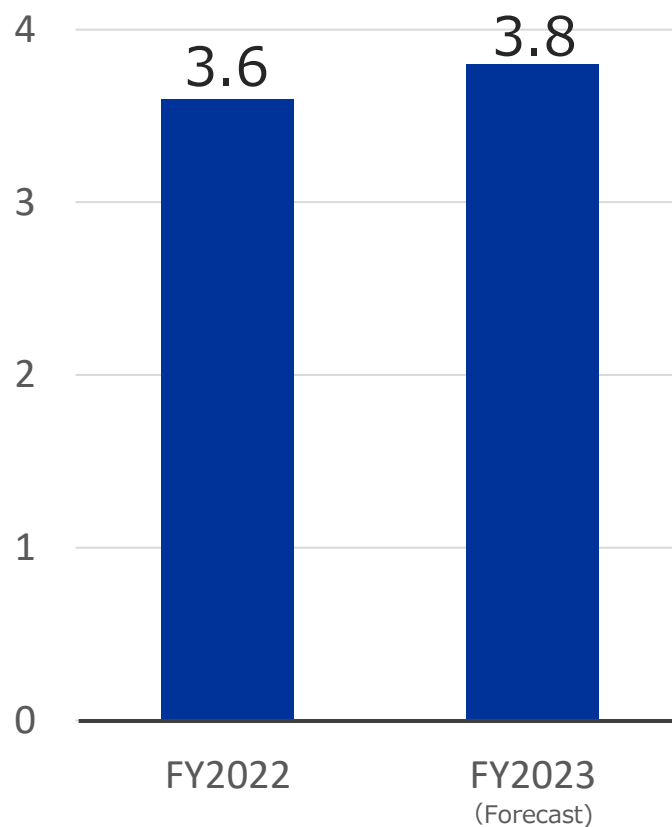
## Capital Expenditure / Depreciation

(Billions of yen) ■ Capital Expenditure ■ Depreciation



## Research and Development

(Billions of yen)



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.