



Financial Results of FY2023

From April 1, 2023 to March 31, 2024

SHINKO ELECTRIC INDUSTRIES CO., LTD.



Brightening the Future
Since 1946

Financial Results Overview of FY2023 (consolidated)

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

Forecast of FY2024 (consolidated)

Net Sales/Profit	11
Capital Expenditure, Depreciation, Research and Development	13
Cash Dividend	14

Financial Results Overview of FY2023 (consolidated)

Financial Results

(Billions of yen)

	FY2022 (Result)	FY2023 (Result)	YoY	
			Amount	Ratio of Change
Net Sales	286.4	210.0	− 76.4	− 27%
Operating Profit (Ratio against Net Sales)	76.7 (27%)	24.8 (12%)	− 51.9	− 68%
Ordinary Profit (Ratio against Net Sales)	78.8 (28%)	27.3 (13%)	− 51.5	− 65%
Profit* (Ratio against Net Sales)	54.5 (19%)	18.6 (9%)	− 35.9	− 66%

* Profit attributable to owners of parent

Earnings per Share	403.32yen	137.73yen
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Financial Results Overview of FY2023

(consolidated)

Summary of Financial Statements

- In the semiconductor industry, while the market environment has shown partial improvement due to increased demand in semiconductors for AI, a severe business environment continued with the prolonged market downturn due to the continuing stagnation in PC and server markets, a drop in demand for smartphones caused by longer replacement cycles, the impact of US Government export regulations on semiconductor to China, inventory adjustments and other factors.
- Net sales of flip-chip type packages decreased largely due to delayed recovery in demand for PCs and servers. Net sales of ceramic electrostatic chucks for semiconductor manufacturing equipment decreased significantly due to export regulations on semiconductor and the market deterioration and revenue from leadframes declined against the backdrop of inventory adjustments. So, overall sales conditions were affected by the market downdraft.
- Net sales down 27% year on year. All profits decreased due to the large impact of sales down.

Financial Results Overview of FY2023 (consolidated)

Net Sales and Ordinary Profit by Business Segment

(Billions of yen)

		FY2022 (Result)		FY2023 (Result)		Ratio of Change (YoY)
Net Sales * 1	Plastic Packages	176.8	Represent % of Net Sales [62%]	127.8	Represent % of Net Sales [61%]	− 28%
	Metal Packages	99.3	[35%]	73.9	[35%]	− 26%
	Others	10.2	[3%]	8.3	[4%]	− 18%
	Total	286.4	[100%]	210.0	[100%]	− 27%
Ordinary Profit * 2	Plastic Packages	47.3	Ratio against Net Sales (27%)	11.8	Ratio against Net Sales (9%)	− 75%
	Metal Packages	31.2	(31%)	16.1	(22%)	− 48%
	Others/Adjustment	0.2		− 0.7		
	Total	78.8	(28%)	27.3	(13%)	− 65%

* 1 Sales to external customers

* 2 Before inter-segment transaction adjustment

Financial Results Overview of FY2023 (consolidated)

Financial Status, Capital Expenditure and Depreciation

(Billions of yen)

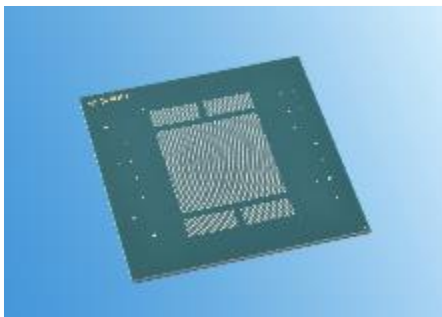
	FY2022	FY2023
Total Assets	386.9	393.8
Net Assets	251.0	265.0
Equity Ratio	65%	67%

	FY2022	FY2023
Capital Expenditure*	25.8	63.7
Depreciation*	34.5	27.4
Research and Development	3.6	3.5
Exchange Rates (Yen/US dollar)	134	143

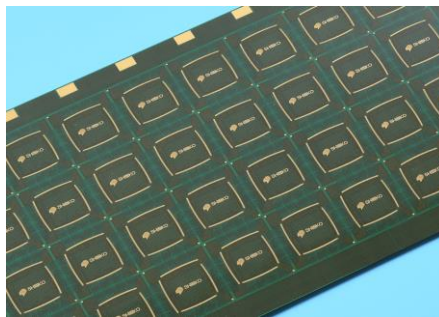
* Except intangible assets

Financial Results Overview of FY2023 (consolidated)

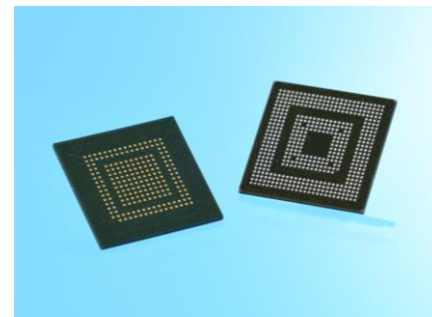
Plastic Packages



**Flip-Chip Type
Package**



**Plastic BGA
Substrates**



IC Assemblies

【Applications】

PCs, Servers, Smartphones, Consumer Products, etc.

Financial Results Overview of FY2023 (consolidated)

Plastic Packages

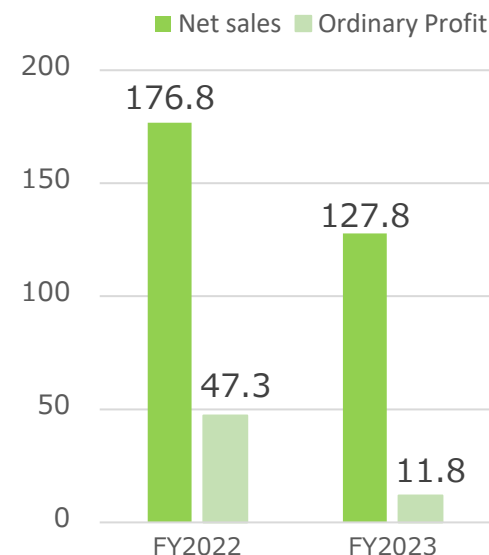
(Billions of yen)

	FY2022 (Result)	FY2023 (Result)	YoY	
			Amount	Ratio of Change
Net Sales	176.8 [62%] ^{*1}	127.8 [61%] ^{*1}	-49.1	-28%
Ordinary Profit	47.3 (27%) ^{*2}	11.8 (9%) ^{*2}	-35.5	-75%

^{*1} Represent % of Net Sales ^{*2} Ratio against Net Sales

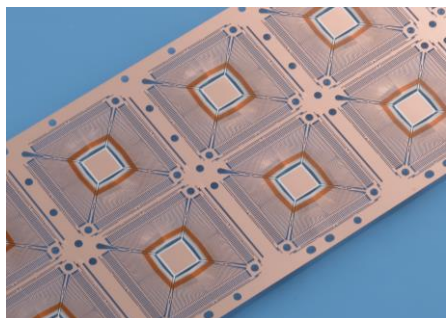
Net sales and ordinary profit both decreased year on year due to the decrease in sales of each product.

- Net sales of 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, intensified competition, and other factors.
- Net sales of plastic BGA substrates decreased due to inventory adjustments in advanced memory.
- Net sales of IC assemblies decreased due to a drop in demand for high-end smartphone because of the smartphone market slowdown.

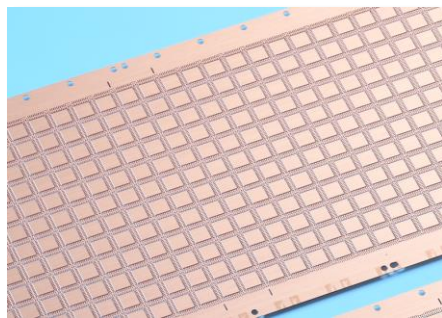


Financial Results Overview of FY2023 (consolidated)

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 (consolidated)

Metal Packages

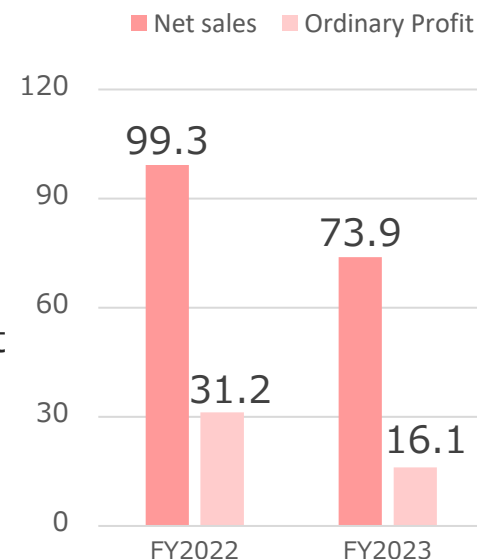
(Billions of yen)

	FY2022 (Result)	FY2023 (Result)	YoY	
			Amount	Ratio of Change
Net Sales	99.3 [35%] * 1	73.9 [35%] * 1	- 25.4	- 26%
Ordinary Profit	31.2 (31%) * 2	16.1 (22%) * 2	- 15.1	- 48%

* 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 ceramic electrostatic chucks for semiconductor manufacturing equipment decreased largely due to the effects of US Government export regulations on semiconductor to China and the memory market deterioration, etc.
- Net sales of leadframes decreased due to a drop in orders, reflected the backdrop of inventory adjustments, etc. because of the downdraft in the semiconductor market.
- Net sales of heat spreaders for CPUs decreased greatly due to a decline in demand for PCs and servers, and other factors.
- Net sales of glass-to-metal-seals decreased due to the sluggish sales for optical devices.



Financial Results Overview of FY2023 (consolidated)

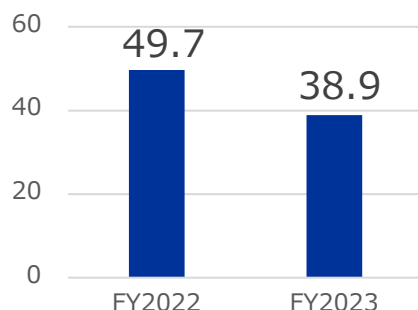
Net Sales by Product Category

(Billions of yen)

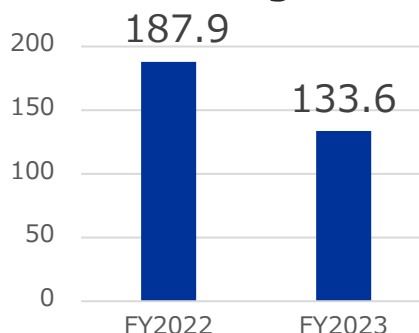
	FY2022 (Result)	FY2023 (Result)	YoY	
			Amount	Ratio of Change
IC Leadframes	49.7 [17%]*	38.9 [18%]*	− 10.8	− 22%
IC Packages	187.9 [66%]*	133.6 [64%]*	− 54.4	− 29%
Hermetic Seal Parts	48.7 [17%]*	37.5 [18%]*	− 11.2	− 23%

* Represent % of Net Sales

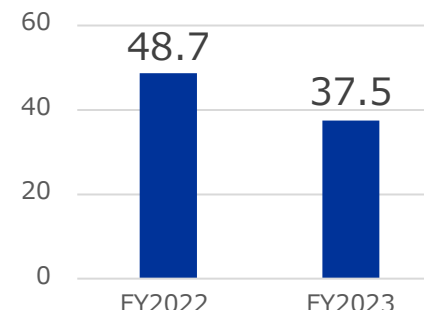
**Net Sales of
IC Leadframes**



**Net Sales of
IC Packages**



**Net Sales of
Hermetic Seal Parts**



Forecast of FY2024 (consolidated)

Net Sales/Profit

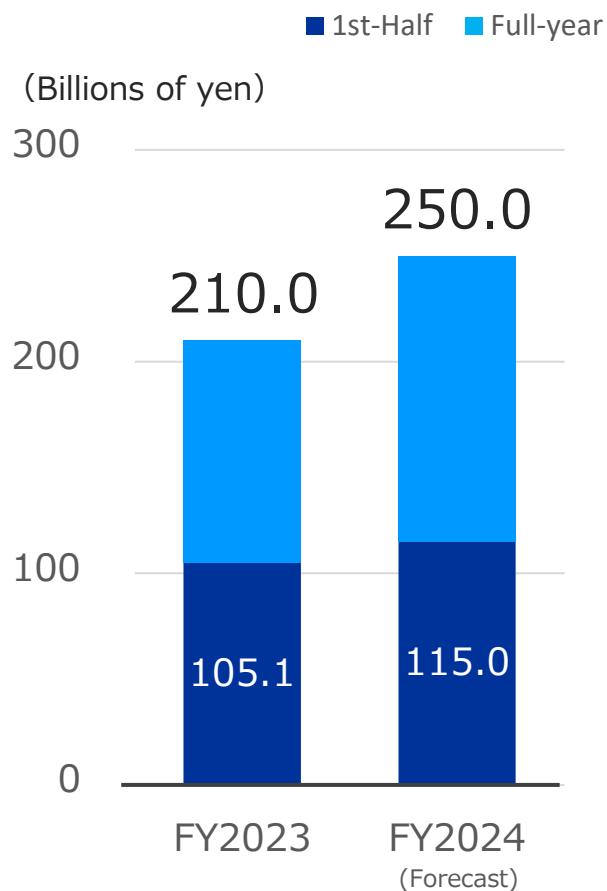
(Billions of yen)

	FY2023 (Result)			FY2024 (Forecast)			YoY	
	1 st Half	2 nd Half	FY 2023	1 st Half	2 nd Half	FY 2024	Amount	Ratio of Change
Net Sales	105.1	104.9	210.0	115.0	135.0	250.0	+40.0	+19%
Operating Profit (Ratio against Net Sales)	11.5 (11%)	13.3 (13%)	24.8 (12%)	16.0 (14%)	28.0 (21%)	44.0 (18%)	+19.2	+77%
Ordinary Profit (Ratio against Net Sales)	14.1 (13%)	13.2 (13%)	27.3 (13%)	16.0 (14%)	29.0 (21%)	45.0 (18%)	+17.7	+65%
Profit* (Ratio against Net Sales)	9.8 (9%)	8.8 (8%)	18.6 (9%)	11.0 (10%)	19.0 (14%)	30.0 (12%)	+11.4	+61%
Exchange Rates (Yen/US dollar)	143			135				

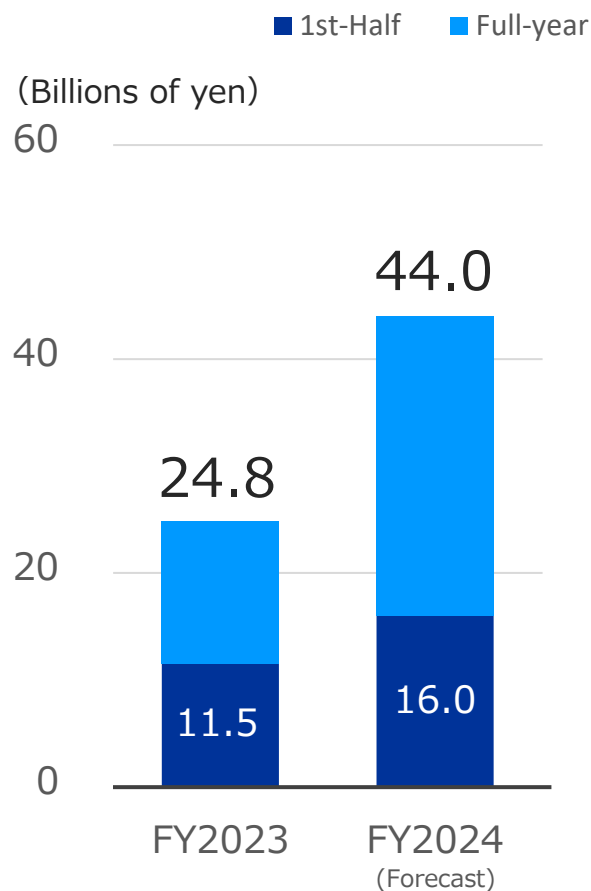
* Profit attributable to owners of parent

Forecast of FY2024 (consolidated)

Net Sales

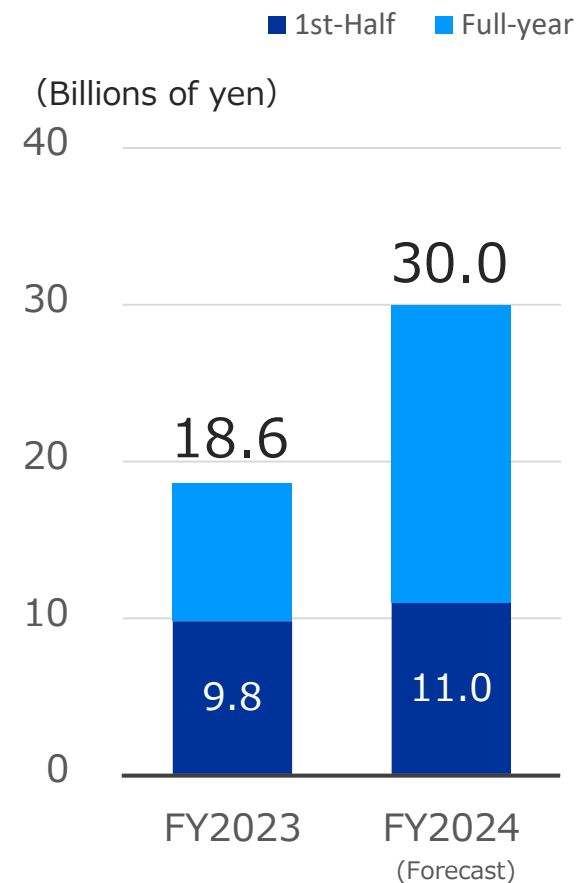


Operating Profit



Profit*

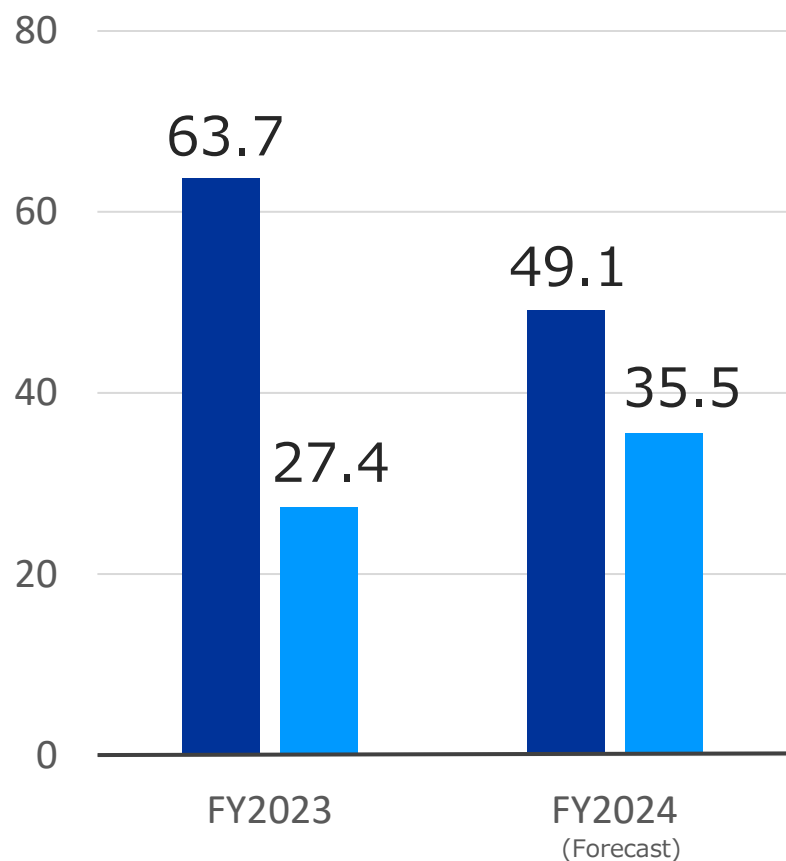
* Profit attributable to owners of parent



Forecast of FY2024 (consolidated)

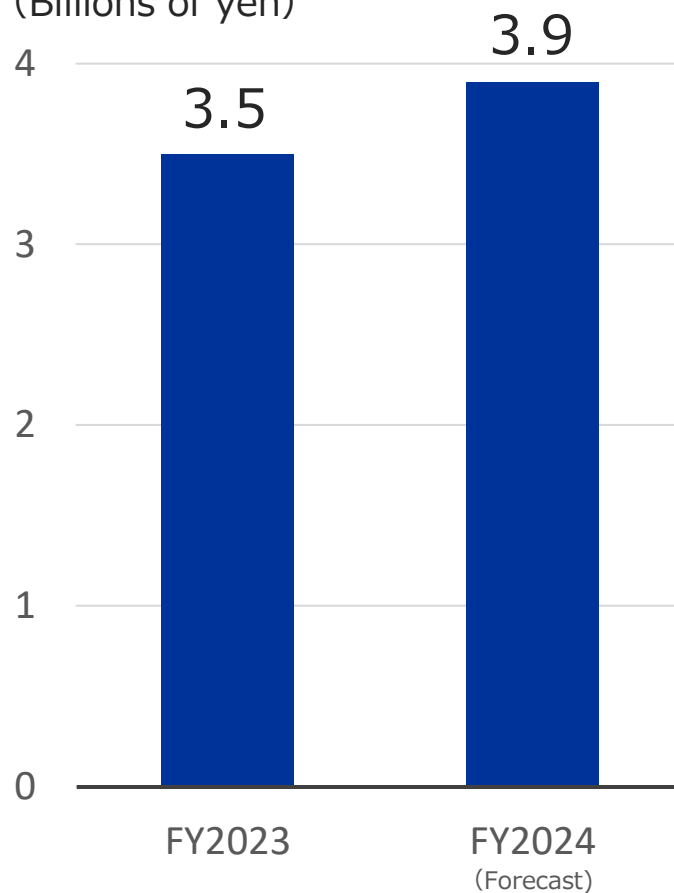
Capital Expenditure / Depreciation

(Billions of yen) ■ Capital Expenditure ■ Depreciation



Research and Development

(Billions of yen)



Cash Dividend

FY2023 Interim :25 yen
 Year-end : 0 yen
 Total :25 yen (Payout ratio 18.2%)

FY2024 Interim : 0 yen
(Forecast) Year-end : 0 yen
 Total : 0 yen (Payout ratio —%)

- As stated in the “Notice Concerning Amendment of Year-End Dividend Forecast for Fiscal Year Ending in March 2024 (No Dividends) and Abolition of Shareholder Special Benefit Program” on 12 December, 2023, in light of the tender offer for the Company’s common shares to be conducted by JICC-04, Ltd. as stated in the “Notice Concerning Expression of Opinion to Support Commencement of Tender Offer for Company Shares by JICC-04, Ltd. and Recommendation of Tender Thereto” announced separately on that date, the Company decided not to make any year-end dividends for FY2023.
The Company also plans not to make any interim and year-end dividends for FY2024.

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.