



Financial Results of FY2024 First-Half

From April 1, 2024 to September 30, 2024

SHINKO ELECTRIC INDUSTRIES CO., LTD.



Brightening the Future
Since 1946

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Financial Results Overview of FY2024 First-Half (consolidated)

Financial Results

(Billions of yen)

	FY2023 1st-Half (Result)	FY2024 1st-Half (Result)	YoY		vs. Previous Forecast	
			Amount	Ratio of Change	Previous Forecast (4/25/2024)	Amount
Net Sales	105.1	108.3	+3.2	+3%	115.0	-6.7
Operating Profit (Ratio against Net Sales)	11.5 (11%)	12.7 (12%)	+1.3	+11%	16.0	-3.3
Ordinary Profit (Ratio against Net Sales)	14.1 (13%)	11.6 (11%)	-2.5	-18%	16.0	-4.4
Profit* (Ratio against Net Sales)	9.8 (9%)	8.2 (8%)	-1.6	-16%	11.0	-2.8

* Profit attributable to owners of parent

Earnings per Share	72.39yen	60.80yen
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Financial Results Overview of FY2024 First-Half (consolidated)

Summary of Financial Statements

- As for the semiconductor industry, demand for AI continued to grow, and the semiconductor manufacturing equipment market remained strong mainly for capital investment for AI. On the other hand, the semiconductor industry as a whole continued to be unable to achieve a full-fledged recovery, as demand for PCs, general-purpose servers, and automobiles, etc. remained sluggish as yet, and the industry was affected by prolonged inventory adjustments and other factors.
- Orders of ceramic electrostatic chucks increased for semiconductor manufacturing equipment, and net sales of plastic BGA substrates and IC assemblies increased for high-end smartphones, etc. On the other hand, net sales of flip-chip type packages decreased due to the impact of delay in demand recovery for PCs and servers as well as intensified competition and other factors.
- Net sales up 3% year on year. Ordinary profit and profit decreased due to lower sales of flip chip type packages and foreign exchange losses because of the appreciation of the yen in the latter half of the first half, and other factors.

Financial Results Overview of FY2024 First-Half (consolidated)

Net Sales and Ordinary Profit by Business Segment

(Billions of yen)

		FY2023 1st-Half (Result)		FY2024 1st-Half (Result)		Ratio of Change (YoY)	FY2023	
Net Sales * 1			Represent % of Net Sales		Represent % of Net Sales			Represent % of Net Sales
	Plastic Packages	65.4	[62%]	64.6	[60%]	− 1%	127.8	[61%]
	Metal Packages	35.4	[34%]	39.6	[36%]	+12%	73.9	[35%]
	Others	4.3	[4%]	4.2	[4%]	− 3%	8.3	[4%]
Total		105.1	[100%]	108.3	[100%]	+3%	210.0	[100%]
Ordinary Profit * 2			Ratio against Net Sales		Ratio against Net Sales			Ratio against Net Sales
	Plastic Packages	7.1	(11%)	3.8	(6%)	− 47%	11.8	(9%)
	Metal Packages	8.0	(23%)	8.8	(22%)	+11%	16.1	(22%)
	Others/Adjustment	− 1.0		− 1.1			− 0.7	
Total		14.1	(13%)	11.6	(11%)	− 18%	27.3	(13%)

* 1 Sales to external customers

* 2 Before inter-segment transaction adjustment

Financial Results Overview of FY2024 First-Half (consolidated)

Financial Status, Capital Expenditure and Depreciation

(Billions of yen)

	FY2023 1st-Half (As of September 30)	FY2024 1st-Half (As of September 30)
Total Assets	389.6	390.9
Net Assets	258.5	273.0
Equity Ratio	66%	70%

FY2023 (As of March 31)
393.8
265.0
67%

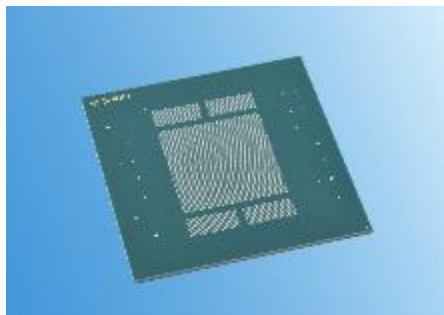
	FY2023 1st-Half	FY2024 1st-Half
Capital Expenditure*	21.5	12.4
Depreciation*	12.8	12.3
Research and Development	1.7	2.1
Exchange Rates (Yen/US dollar)	139	150

FY2023
63.7
27.4
3.5
143

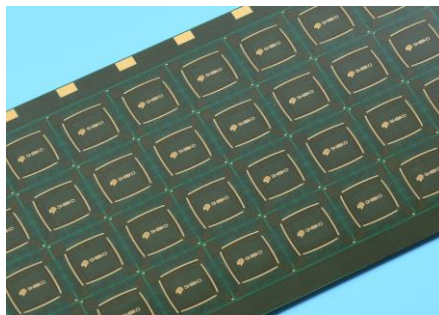
*Except intangible assets

Financial Results Overview of FY2024 First-Half (consolidated)

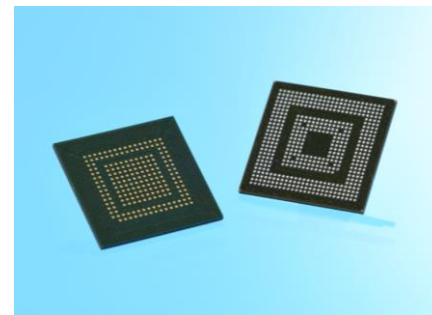
Plastic Packages



**Flip-Chip Type
Package**



**Plastic BGA
Substrates**



IC Assemblies

【Applications】

PCs, Servers, Smartphones, Consumer Products, etc.

Financial Results Overview of FY2024 First-Half (consolidated)

Plastic Packages

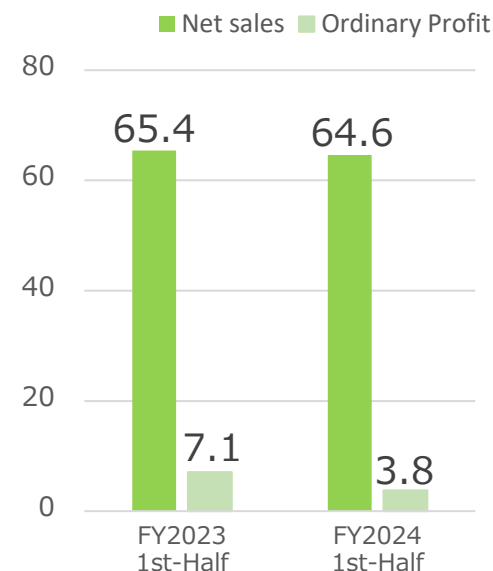
(Billions of yen)

	FY2023 1st-Half (Result)	FY2024 1st-Half (Result)	YoY	
			Amount	Ratio of Change
Net Sales	65.4 [62%] ^{*1}	64.6 [60%] ^{*1}	− 0.8	− 1%
Ordinary Profit	7.1 (11%) ^{*2}	3.8 (6%) ^{*2}	− 3.4	− 47%

*1 Represent % of Net Sales

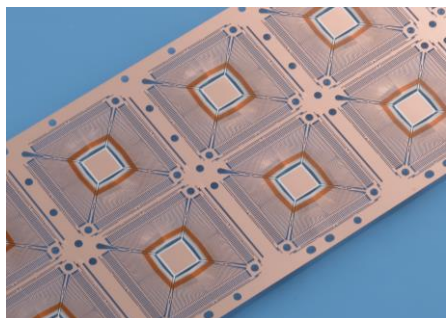
*2 Ratio against Net Sales

- Net sales of flip-chip type packages decreased due to the impact of delay in demand recovery for PCs and servers as well as intensified competition and other factors.
- Net sales of plastic BGA substrates and IC assemblies increased for high-end smartphones, etc.

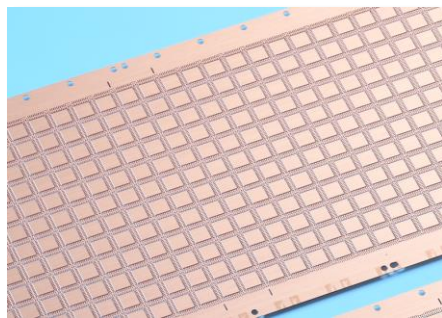


Financial Results Overview of FY2024 First-Half (consolidated)

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 FY2024 First-Half (consolidated)

Metal Packages

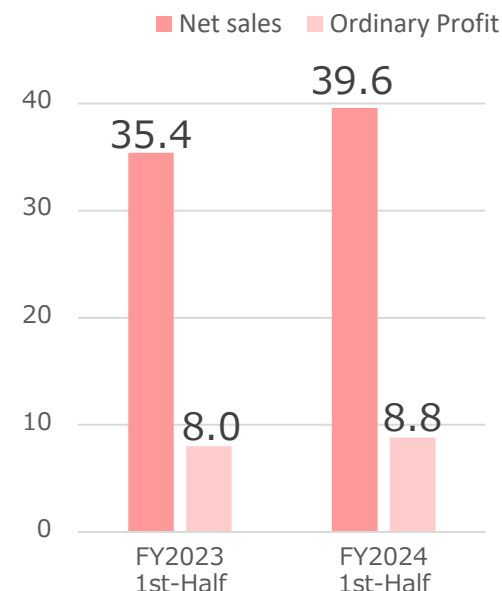
(Billions of yen)

	FY2023 1st-Half (Result)	FY2024 1st-Half (Result)	YoY	
			Amount	Ratio of Change
Net Sales	35.4 [34%] ^{*1}	39.6 [36%] ^{*1}	+4.2	+12%
Ordinary Profit	8.0 (23%) ^{*2}	8.8 (22%) ^{*2}	+0.9	+11%

*1 Represent % of Net Sales

*2 Ratio against Net Sales

- Orders of ceramic electrostatic chucks increased for semiconductor manufacturing equipment.
- Net sales of glass-to-metal-seals increased for optical devices.
- Net sales of leadframes were at almost the same level as the previous fiscal year due to increase in orders for QFN-type and other factors, despite the impact of inventory adjustments for automobiles, etc.
- Net sales of heat spreaders for CPUs decreased due to stagnation in orders for PCs and servers.



Financial Results Overview of FY2024 First-Half (consolidated)

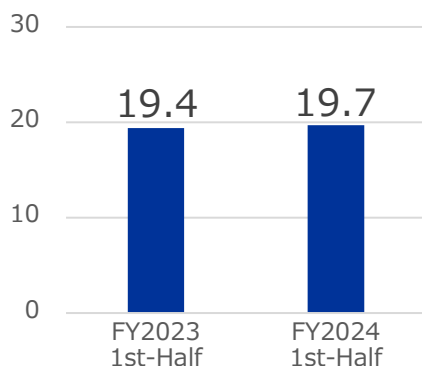
Net Sales by Product Category

(Billions of yen)

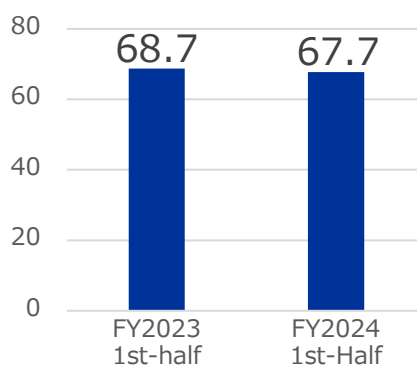
	FY2023 1st-Half (Result)	FY2024 1st-Half (Result)	YoY		FY2023 (Result)
			Amount	Ratio of Change	
IC Leadframes	19.4 [19%]*	19.7 [18%]*	+0.3	+2%	38.9 [18%]*
IC Packages	68.7 [65%]*	67.7 [63%]*	-1.0	-1%	133.6 [64%]*
Hermetic Seal Parts	17.0 [16%]*	20.9 [19%]*	+3.9	+23%	37.5 [18%]*

* Represent % of Net Sales

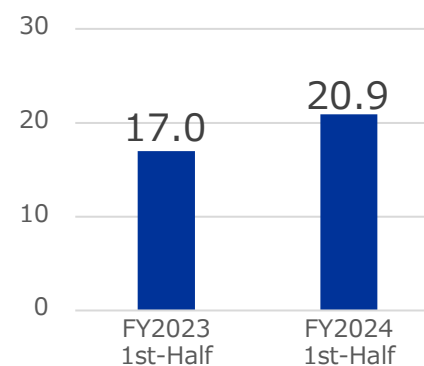
**Net Sales of
IC Leadframes**



**Net Sales of
IC Packages**



**Net Sales of
Hermetic Seal Parts**



Forecast of FY2024 (consolidated)

Revised Forecast (Announcement on October 25, 2024)

(Billions of yen)

	FY2024 1st-Half				FY2024			
	Previous Forecast (4/25/2024)	1st Half (Result)	vs. Previous Forecast		Previous Forecast (4/25/2024)	Current Forecast (10/25/2024)	vs. Previous Forecast	
			Amount	Ratio of Change			Amount	Ratio of Change
Net Sales	115.0	108.3	-6.7	-6%	250.0	243.3	-6.7	-3%
Operating Profit	16.0	12.7	-3.3	-20%	44.0	40.7	-3.3	-8%
Ordinary Profit	16.0	11.6	-4.4	-28%	45.0	40.5	-4.5	-10%
Profit*	11.0	8.2	-2.8	-25%	30.0	27.2	-2.8	-9%
Earnings per Share	81.41yen	60.80yen	-	-	222.03yen	201.31yen	-	-

* Profit attributable to owners of parent

Forecast of FY2024 (consolidated)

Revised Forecast (Announcement on October 25, 2024)

- Reasons for the Revision of FY2024 First-Half
 - Net sales fell short of the initial forecast as flip-chip type packages were affected by weak orders for PCs and servers and increased competition, leadframes received the impact of continued inventory adjustments mainly for automobiles, and orders for plastic BGA substrates for advanced memory remained lower than expected, and other factors. Also, profits fell short of the initial forecast due to the big impact of lower net sales, as well as foreign exchange losses from the progress of yen appreciation in the latter half of the first half, and other factors.
- Reasons for the Revision of FY2024
 - We revised the forecast of FY2024 because net sales and each profit of FY2024 first-half fell short of the initial forecast.

Forecast of FY2024 (consolidated)

Net Sales/Profit

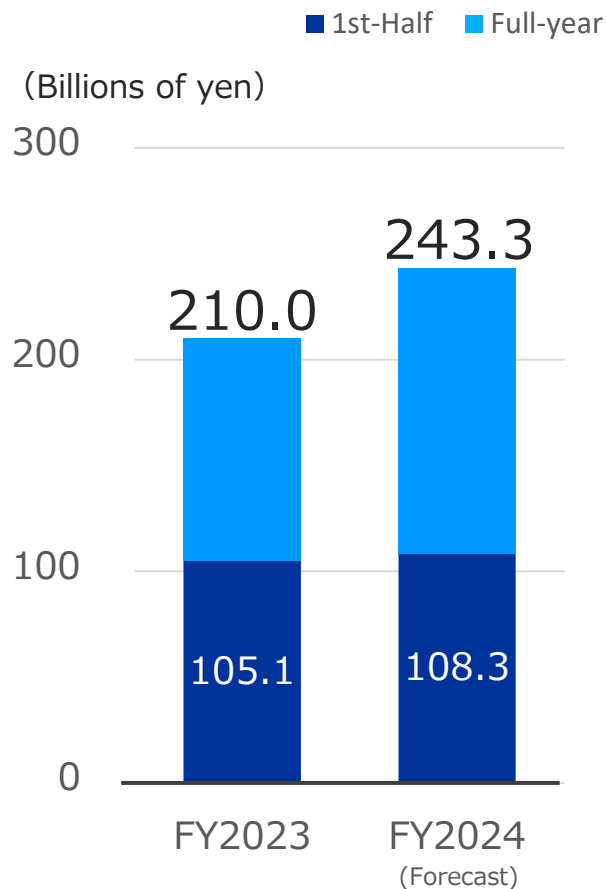
(Billions of yen)

	FY2023 (Result)			FY2024 (1 st HF:Result·2 nd HF:Forecast)			YoY(Upper : Amount/Lower : Ratio of Change)		
	1 st Half	2 nd Half	FY 2023	1 st Half	2 nd Half	FY 2024	1 st Half	2 nd Half	Full Year
Net Sales	105.1	104.9	210.0	108.3	135.0	243.3	+3.2 (+3%)	+30.1 (+29%)	+33.3 (+16%)
Operating Profit (Ratio against Net Sales)	11.5 (11%)	13.3 (13%)	24.8 (12%)	12.7 (12%)	28.0 (21%)	40.7 (17%)	+1.3 (+11%)	+14.6 (+110%)	+15.9 (+64%)
Ordinary Profit (Ratio against Net Sales)	14.1 (13%)	13.2 (13%)	27.3 (13%)	11.6 (11%)	28.9 (21%)	40.5 (17%)	-2.5 (-18%)	+15.7 (+119%)	+13.2 (+49%)
Profit* (Ratio against Net Sales)	9.8 (9%)	8.8 (8%)	18.6 (9%)	8.2 (8%)	19.0 (14%)	27.2 (11%)	-1.6 (-16%)	+10.2 (+115%)	+8.6 (+46%)
Exchange Rates (Yen/US dollar)	143			150	135				

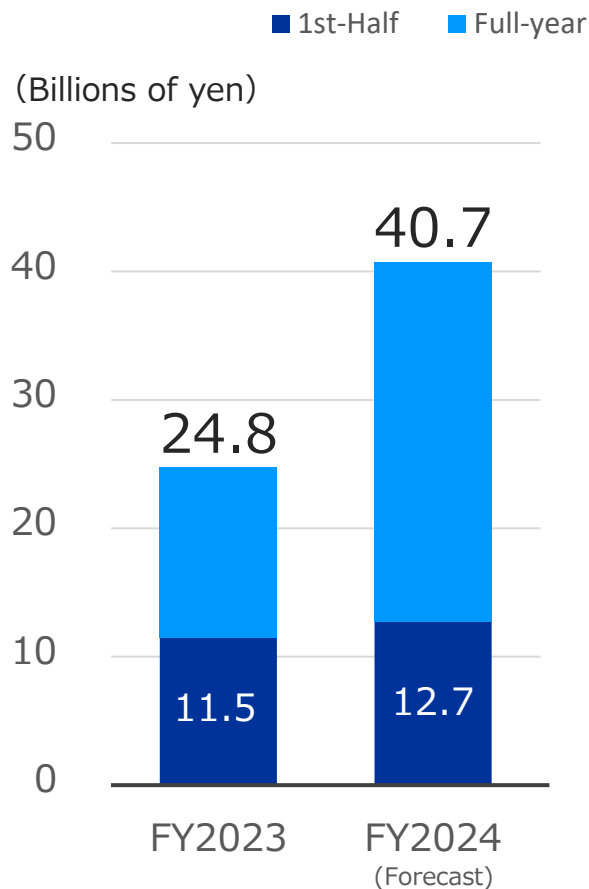
* Profit attributable to owners of parent

Forecast of FY2024 (consolidated)

Net Sales

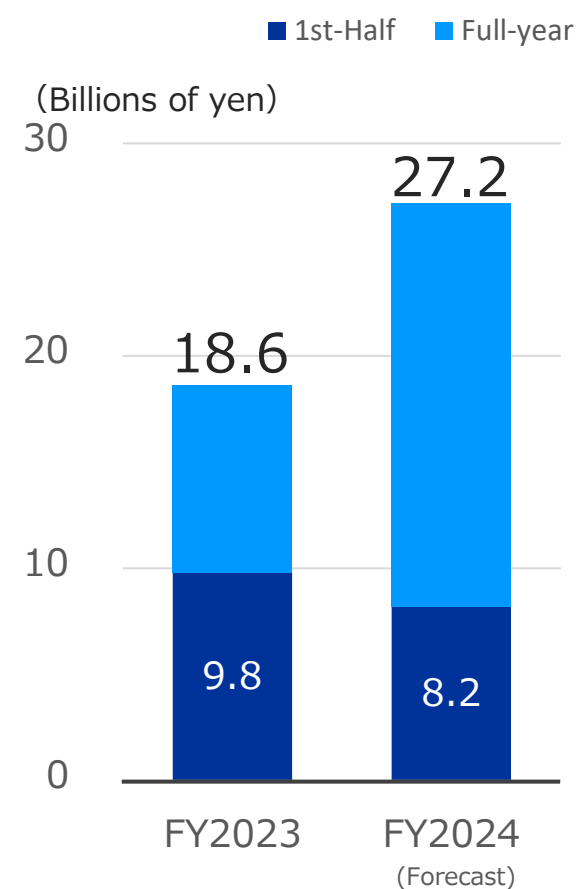


Operating Profit



Profit*

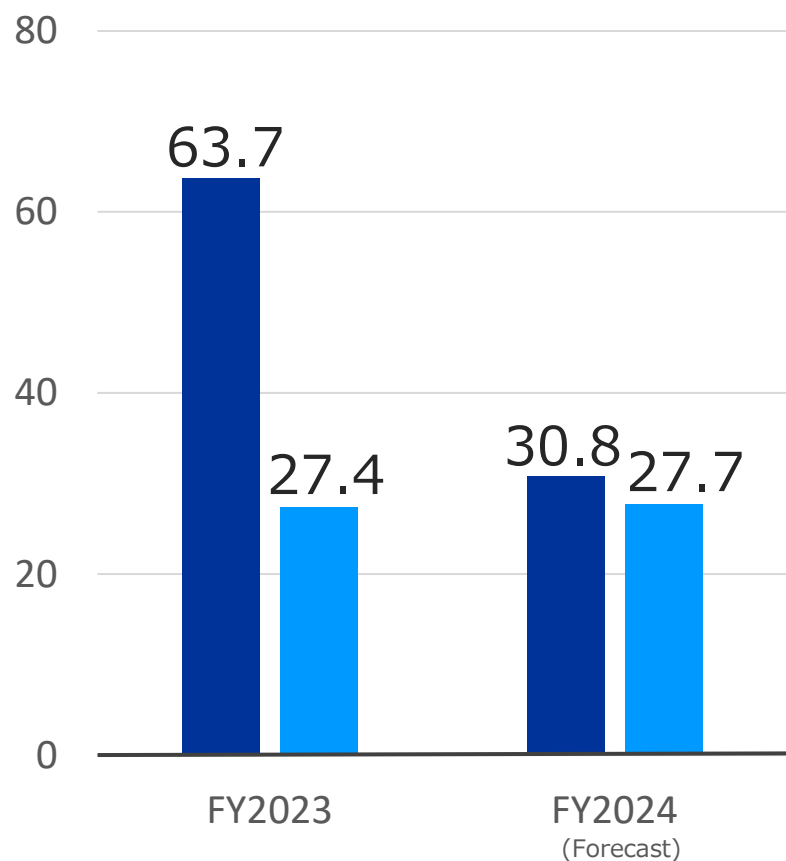
* Profit attributable to owners of parent



Forecast of FY2024 (consolidated)

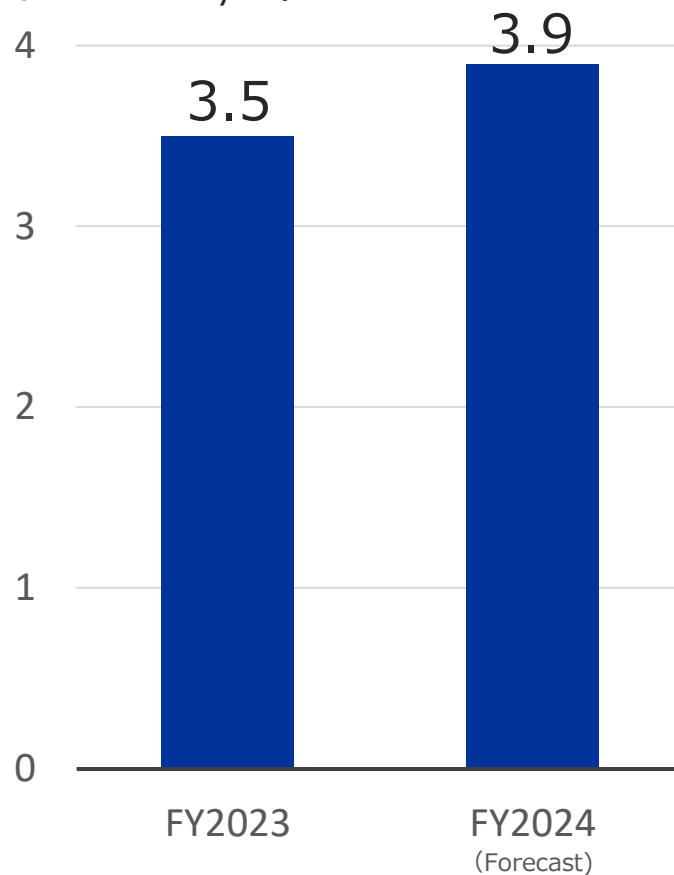
Capital Expenditure / Depreciation

(Billions of yen) ■ Capital Expenditure ■ Depreciation



Research and Development

(Billions of yen)



Progress, etc. of the Tender Offer for Company Shares by JICC-04, Ltd.

We announced the progress, etc. of this matter as follows on August 26, 2024.

(Progress of Disclosed Matters) Notice Concerning Progress, etc. of the Tender Offer for Company Shares (Securities Code: 6967) by JICC-04, Ltd.

The Company announced in its press release titled “Notice Concerning Expression of Opinion to Support Commencement of Tender Offer for Company Shares by JICC-04, Ltd. and Recommendation of Tender Thereto” dated December 12, 2023 (including subsequent corrections) that according to JICC04, Ltd. (the “Tender Offeror”), it plans to commence a tender offer (the “Tender Offer”) for the common shares of the Company on the condition that certain conditions precedent are satisfied, including the completion of all necessary procedures and steps under domestic and foreign competition laws and foreign investment control laws and regulations, and that the Tender Offeror aims to commence the Tender Offer in late August, 2024.

The Tender Offeror is in the process of conducting the necessary procedures and steps described above for the purpose of implementing the Tender Offer. However, the Company received notification from the Tender Offeror that, as of August 26, 2024, from among the procedures and steps necessary under the competition laws of Japan, South Korea, Vietnam, and China, the procedures and steps necessary under the competition laws of Vietnam and China have not been completed. The Tender Offeror expects to complete these necessary procedures and steps under the relevant competition laws and to commence the Tender Offer in or after late January 2025, and the Tender Offeror will continue to strive for a prompt completion of such procedures and steps.

According to the Tender Offeror, it will make an announcement promptly once the detailed schedule of the Tender Offer has been determined, and if the Tender Offer is not expected to commence by late February 2025, the Tender Offeror will make another announcement on the progress and the expected timing of commencement of the Tender Offer.

The Company will make an announcement promptly when the Company receives notification from the Tender Offeror that the Tender Offeror has determined the detailed schedules of the Tender Offer.

In addition, according to the Tender Offeror, it plans to appoint Mizuho Securities Co., Ltd. as the tender offer agent for the Tender Offer, and Mizuho Securities Co., Ltd. plans to appoint Rakuten Securities, Inc. as the subagent.

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.