



Financial Results of FY2024 Third-Quarter

From April 1, 2024 to December 31, 2024

SHINKO ELECTRIC INDUSTRIES CO., LTD.

Brightening the Future
Since 1946



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Financial Results Overview of FY2024 Third-Quarter (consolidated)

Financial Results

(Billions of yen)

	FY2023 3rd-Quarter* ¹ (Results)	FY2024 3rd-Quarter* ¹ (Results)	YoY	
			Amount	Ratio of Change
Net Sales	156.6	159.9	+3.3	+2%
Operating Profit (Ratio against Net Sales)	18.0 (11%)	19.1 (12%)	+1.1	+6%
Ordinary Profit (Ratio against Net Sales)	19.7 (13%)	19.1 (12%)	-0.6	-3%
Profit* ² (Ratio against Net Sales)	13.4 (9%)	13.6 (9%)	+0.2	+2%

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

Earnings per Share	99.04yen	100.64yen
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Financial Results Overview of FY2024 Third-Quarter (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, tough market conditions continued, in which the semiconductor industry as a whole continued to be unable to achieve a full-fledged recovery, as demand for general-purpose servers, automobiles, and industrial equipment, etc. remained sluggish, and the industry was affected by prolonged inventory adjustments and other factors.
- As for the Shinko Group, orders of ceramic electrostatic chucks increased for semiconductor manufacturing equipment, and net sales of 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 servers as well as intensified competition for PCs and other factors.
- Net sales up 2% year on year. Ordinary profit down 3% year on year due to lower sales of flip chip type packages and other factors. Profit up 2% year on year.

Financial Results Overview of FY2024 Third-Quarter (consolidated)

Net Sales and Ordinary Profit by Business Segment

(Billions of yen)

		FY2023 3rd-Quarter*1 (Results)		FY2024 3rd-Quarter*1 (Results)		Ratio of Change (YoY)	FY2023	
Net Sales *2	Plastic Packages	96.5	Represent % of Net Sales [62%]	92.0	Represent % of Net Sales [58%]	-5%	127.8	Represent % of Net Sales [61%]
	Metal Packages	54.1	[34%]	61.4	[38%]	+14%	73.9	[35%]
	Others	6.1	[4%]	6.5	[4%]	+7%	8.3	[4%]
	Total	156.6	[100%]	159.9	[100%]	+2%	210.0	[100%]
Ordinary Profit *3	Plastic Packages	9.2	Ratio against Net Sales (10%)	5.1	Ratio against Net Sales (6%)	-45%	11.8	Ratio against Net Sales (9%)
	Metal Packages	11.6	(21%)	14.8	(24%)	+28%	16.1	(22%)
	Others/Adjustment	-1.1		-0.7			-0.7	
	Total	19.7	(13%)	19.1	(12%)	-3%	27.3	(13%)

*1 Nine months ended December 31

*2 Sales to external customers

*3 Before inter-segment transaction adjustment

Financial Results Overview of FY2024 Third-Quarter (consolidated)

Financial Status, Capital Expenditure and Depreciation

(Billions of yen)

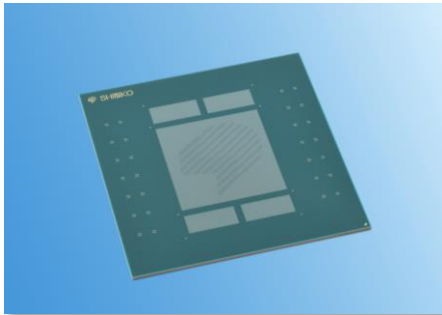
	FY2023 3rd-Quarter* ¹	FY2024 3rd-Quarter* ¹	FY2023
Total Assets	378.2	386.2	393.8
Net Assets	258.5	279.1	265.0
Equity Ratio	68%	72%	67%

	FY2023 3rd-Quarter* ²	FY2024 3rd-Quarter* ²	FY2023
Capital Expenditure* ³	28.2	15.4	63.7
Depreciation* ³	19.9	19.2	27.4
Research and Development	2.6	3.1	3.5
Exchange Rates (Yen/US dollar)	141	150	143

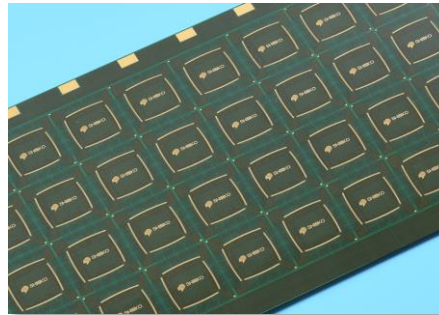
*¹ As of December 31 *² Nine months ended December 31 *³ Except intangible assets

Financial Results Overview of FY2024 Third-Quarter (consolidated)

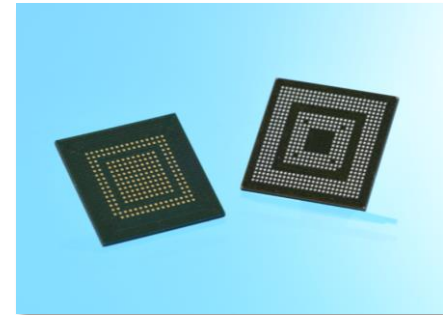
Plastic Packages



**Flip-Chip Type
Package**



**Plastic BGA
Substrates**



IC Assemblies

【Applications】

PCs, Servers, Smartphones, Consumer Products, etc.

Financial Results Overview of FY2024 Third-Quarter (consolidated)

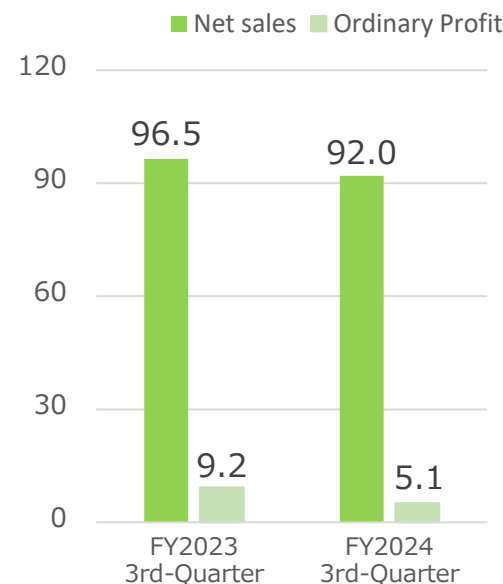
Plastic Packages

(Billions of yen)

	FY2023 3rd-Quarter* ¹ (Results)	FY2024 3rd-Quarter* ¹ (Results)	YoY	
			Amount	Ratio of Change
Net Sales	96.5 [62%]* ²	92.0 [58%]* ²	− 4.5	− 5%
Ordinary Profit	9.2 (10%)* ³	5.1 (6%)* ³	− 4.2	− 45%

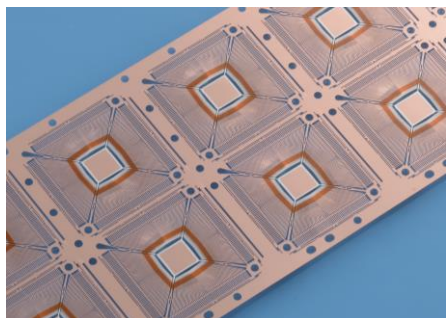
*¹ Nine months ended December 31 *² Represent % of Net Sales *³ Ratio against Net Sales

- Net sales of flip-chip type packages decreased due to the impact of delay in demand recovery for servers as well as intensified competition for PCs and other factors.
- Net sales of IC assemblies increased for high-end smartphones, etc.
- Net sales of plastic BGA substrates were at almost the same level as the previous fiscal year due to the progress of yen depreciation in the exchange rate and other factors despite the impact of inventory adjustments in advanced memory, etc.

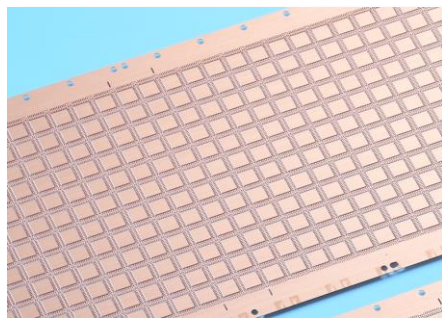


Financial Results Overview of FY2024 Third-Quarter (consolidated)

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 Third-Quarter (consolidated)

Metal Packages

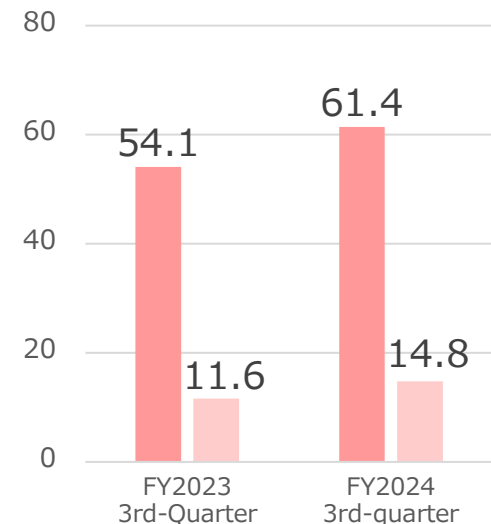
(Billions of yen)

	FY2023 3rd-Quarter* ¹ (Results)	FY2024 3rd-Quarter* ¹ (Results)	YoY	
			Amount	Ratio of Change
Net Sales	54.1 [34%]* ²	61.4 [38%]* ²	+7.3	+14%
Ordinary Profit	11.6 (21%)* ³	14.8 (24%)* ³	+3.2	+28%

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

■ Net sales ■ Ordinary Profit

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



Financial Results Overview of FY2024 Third-Quarter (consolidated)

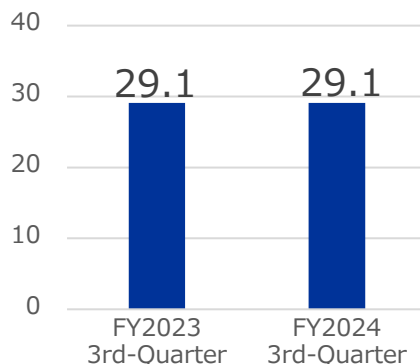
Net Sales by Product Category

(Billions of yen)

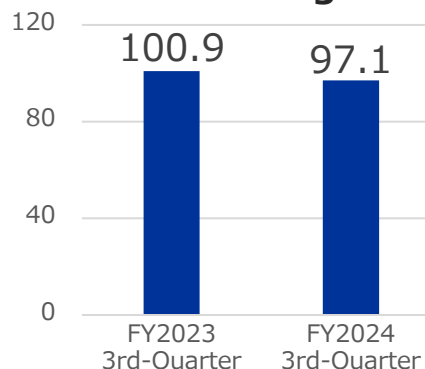
	FY2023 3rd-Quarter* ¹ (Results)	FY2024 3rd-Quarter* ¹ (Results)	YoY		FY2023 (Results)
			Amount	Ratio of Change	
IC Leadframes	29.1 [19%]* ²	29.1 [18%]* ²	− 0.0	− 0%	38.9[18%]* ²
IC Packages	100.9 [64%]* ²	97.1 [61%]* ²	− 3.8	− 4%	133.6[64%]* ²
Hermetic Seal Parts	26.6 [17%]* ²	33.8 [21%]* ²	+7.1	+27%	37.5[18%]* ²

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

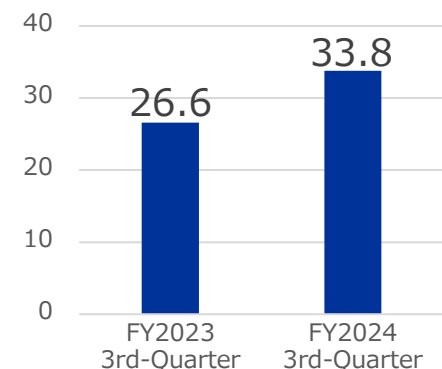
**Net Sales of
IC Leadframes**



**Net Sales of
IC Packages**



**Net Sales of
Hermetic Seal Parts**



Forecast of FY2024 (consolidated)

Revised Forecast (Announcement on January 31, 2025)

(Billions of yen)

	FY2024			
	Previous Forecast (10/25/2024)	Current Forecast (1/31/2025)	vs. Previous Forecast	
			Amount	Ratio of Change
Net Sales	243.3	215.0	− 28.3	− 12%
Operating Profit	40.7	25.6	− 15.1	− 37%
Ordinary Profit	40.5	25.6	− 14.9	− 37%
Profit*	27.2	18.0	− 9.2	− 34%
Earnings per Share	201.31yen	133.22yen	−	−

* Profit attributable to owners of parent

● Reasons for the Revision of FY2024

- The situation remains tough, in which net sales of flip-chip type packages, plastic BGA substrates and leadframes fall short of the previous forecast of FY2024 due to the large impact of the prolonged inventory adjustments and other factors.
- Net sales remain to be lower than the previous forecast of FY2024 because flip-chip type packages' demand for servers remains sluggish longer than expected and the demand for PCs is affected by intensified competition, plastic BGA substrates saw a downturn in demand for advanced memory in FY2024 3Q, and leadframes continue to experience inventory adjustments, especially for automotive, and so on. Profits also remain below the previous forecast, significantly affected by the decline in net sales.

Forecast of FY2024 (consolidated)

Net Sales/Profit

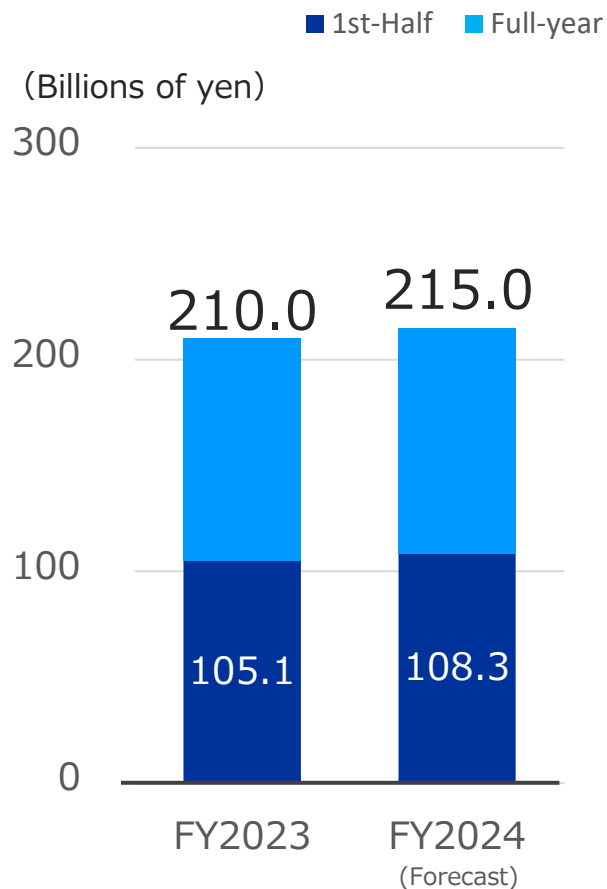
(Billions of yen)

	FY2023 (Results)			FY2024 (1 st HF:Results·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	106.7	215.0	+3.2 (+3%)	+1.8 (+2%)	+5.0 (+2%)
Operating Profit (Ratio against Net Sales)	11.5 (11%)	13.3 (13%)	24.8 (12%)	12.7 (12%)	12.9 (12%)	25.6 (12%)	+1.3 (+11%)	-0.5 (-3%)	+0.8 (+3%)
Ordinary Profit (Ratio against Net Sales)	14.1 (13%)	13.2 (13%)	27.3 (13%)	11.6 (11%)	14.0 (13%)	25.6 (12%)	-2.5 (-18%)	+0.8 (+6%)	-1.7 (-6%)
Profit * (Ratio against Net Sales)	9.8 (9%)	8.8 (8%)	18.6 (9%)	8.2 (8%)	9.8 (9%)	18.0 (8%)	-1.6 (-16%)	+1.0 (+11%)	-0.6 (-3%)
Exchange Rates (Yen/US dollar)	143			1Q-3Q (Results) 150		4Q (Assumption) 140			

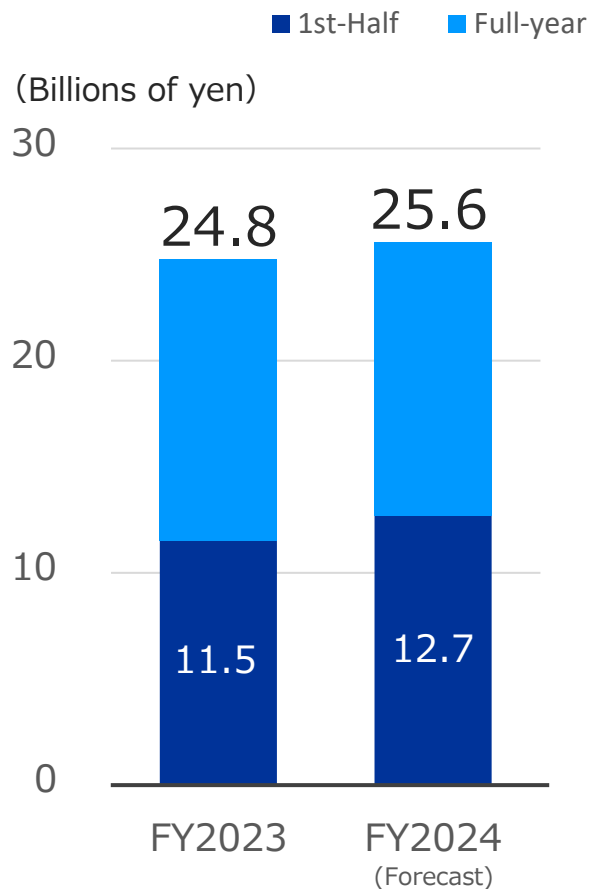
* Profit attributable to owners of parent

Forecast of FY2024 (consolidated)

Net Sales

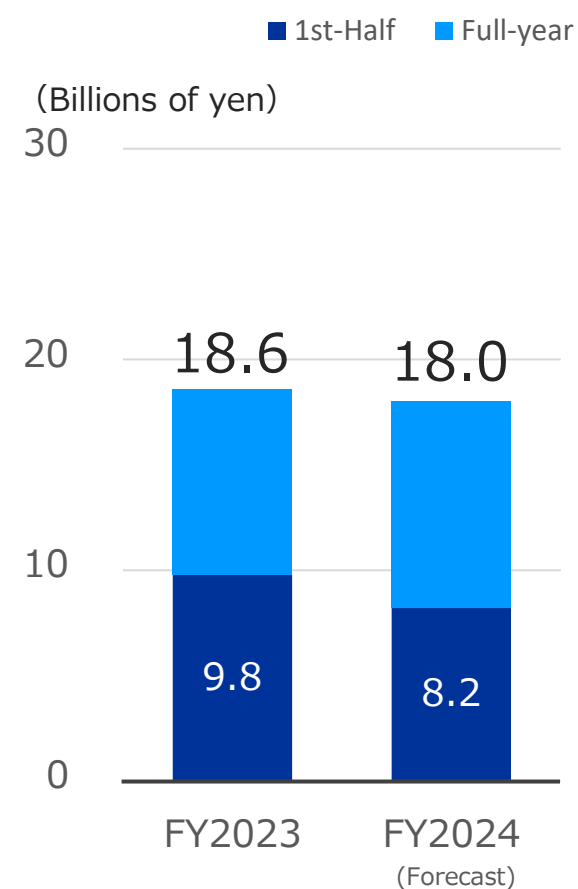


Operating Profit



Profit*

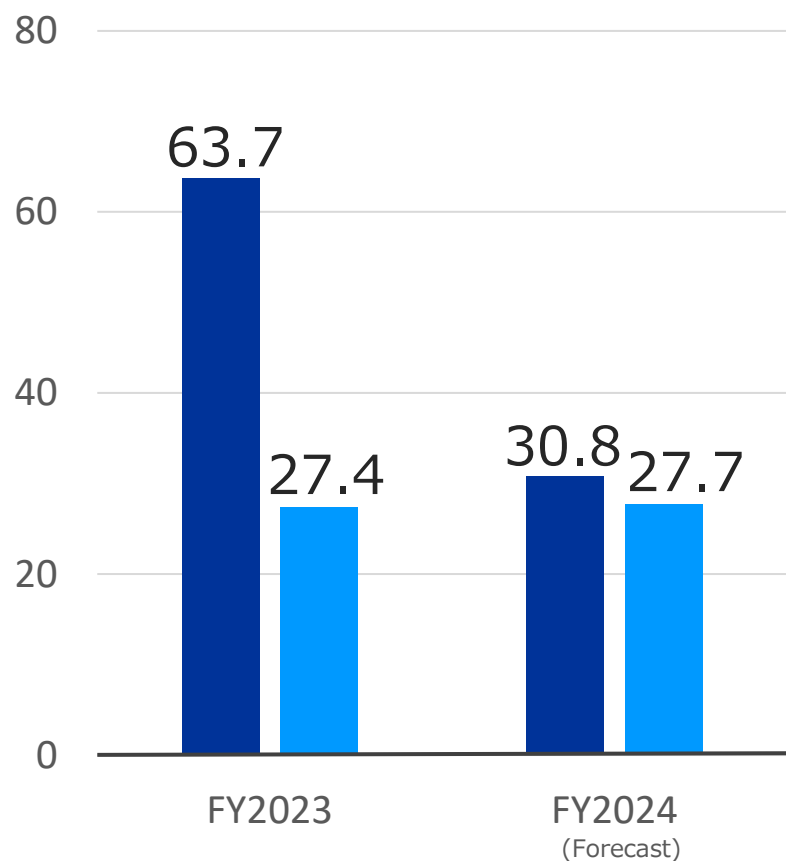
* Profit attributable to owners of parent



Forecast of FY2024 (consolidated)

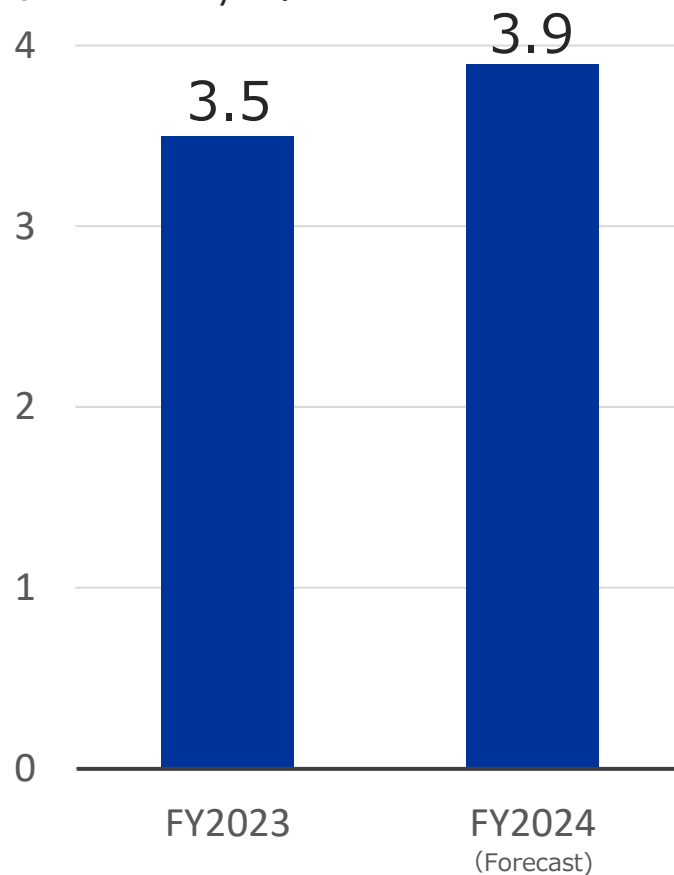
Capital Expenditure / Depreciation

(Billions of yen) ■ Capital Expenditure ■ Depreciation



Research and Development

(Billions of yen)



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

We announced the progress of this matter as follows on January 21, 2025.

(Progress of Disclosed Matters) Notice Concerning Progress 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, the “Press Release dated December 12, 2023”) that according to JICC-04, 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.

In addition, as announced in its press release titled “(Progress of Disclosed Matters) Notice Concerning Progress, etc. of the Tender Offer for Company Shares (Securities Code: 6967) by JICC-04, Ltd.” dated August 26, 2024, the Company received notification from the Tender Offeror that it expects to commence the Tender Offer in or after late January 2025 because 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.

Following that, the Company received notification from the Tender Offeror that the Tender Offeror has completed the procedures and steps necessary under the competition laws of Vietnam on November 20, 2024, and has completed the procedures and steps necessary under the competition laws of China on December 27, 2024. As of January 21, 2025, taking into account the status of discussions among the relevant parties regarding the time required for the procedures to commence the Tender Offer, the Tender Offeror plans to commence the Tender Offer around mid February, 2025.

The Company will make an announcement promptly when the Company receives notification from the Tender Offeror that the Tender Offeror will commence the Tender Offer or there has been a change in the planned timing of commencement of the Tender Offeror mentioned above.

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.