

INTERIM FINANCIAL STATEMENTS FOR FIRST HALF OF FISCAL YEAR 2010

- from April 1, 2010 to September 30, 2010 -

SHINKO ELECTRIC INDUSTRIES CO., LTD.

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Interim Financial Statements

The Financial Statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

Notes: 1. U.S. dollar amounts in this report are converted from yen, for convenience only, at the rate of 83.82 yen = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 2010.
2. The Company's fiscal year runs from April 1 through March 31.

1. Consolidated Financial Highlights

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	2010	2009	2010
Net sales	74,353	59,045	887,066
Net income	2,167	532	25,857
Per share (Yen/U.S.Dollars)	16.04	3.94	0.191
Cash dividends per share (Yen/U.S. Dollars)	10.0	4.0	0.119
Total assets	175,081	164,401	2,088,777
Net assets	136,219	132,903	1,625,148
Sales by product category			
IC Lead Frames	13,296	10,168	158,636
IC Packages	52,021	43,295	620,631
Hermetic Seal Parts	9,035	5,580	107,799
Others	—	1	—
Total	74,353	59,045	887,066

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2010	As of Mar. 31, 2010	As of Sep. 30, 2010
Assets			
Current assets:			
Cash and time deposits	24,032	17,475	286,713
Receivables, trade: notes and accounts	33,153	36,825	395,536
Marketable securities	610	3,582	7,277
Merchandise and finished goods	2,107	1,613	25,138
Work in process	4,299	3,538	51,299
Raw materials and supplies	1,008	1,069	12,036
Money deposited	40,000	40,000	477,213
Other current assets	4,006	5,046	47,799
Allowance for doubtful receivables	(4)	(67)	(52)
Total current assets	<u>109,214</u>	<u>109,083</u>	<u>1,302,961</u>
Fixed assets			
Property, plant and equipment	59,850	58,793	714,036
Intangible assets	1,077	963	12,856
Investments and other assets	4,938	4,849	58,922
Total fixed assets	<u>65,867</u>	<u>64,606</u>	<u>785,815</u>
Total assets	<u><u>175,081</u></u>	<u><u>173,690</u></u>	<u><u>2,088,777</u></u>

	Yen (millions)		U.S. Dollars (thousands)
	<u>As of Sep. 30, 2010</u>	As of Mar. 31, 2010	<u>As of Sep. 30, 2010</u>
Liabilities			
Current liabilities:			
Payables, trade	20,744	20,321	247,493
Short-term borrowings, including current portion of long-term debt	600	600	7,158
Other current liabilities	12,846	12,623	153,265
Total current liabilities	<u>34,191</u>	<u>33,544</u>	<u>407,917</u>
Long-term liabilities	<u>4,669</u>	4,724	<u>55,711</u>
Total liabilities	<u>38,861</u>	<u>38,269</u>	<u>463,628</u>
Net assets			
Shareholders' equity:			
Common stock	24,223	24,223	288,988
Capital surplus	24,129	24,129	287,873
Retained earnings	90,905	89,548	1,084,534
Treasury stock	(92)	(92)	(1,100)
Total shareholders' equity	<u>139,166</u>	<u>137,809</u>	<u>1,660,296</u>
Valuation and translation adjustments:			
Unrealized gains on securities	44	123	528
Deferred profits(losses) on hedges	—	(18)	—
Foreign currency translation adjustments	(2,990)	(2,492)	(35,677)
Total valuation and translation adjustments	<u>(2,946)</u>	<u>(2,388)</u>	<u>(35,148)</u>
Total net assets	<u>136,219</u>	<u>135,420</u>	<u>1,625,148</u>
Total liabilities and net assets	<u>175,081</u>	<u>173,690</u>	<u>2,088,777</u>

(2) Consolidated Statements of Income

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2010</u>	<u>2009</u>	<u>2010</u>
Net sales	74,353	59,045	887,066
Operating costs and expenses:			
Cost of goods sold	62,896	51,421	750,372
Selling, general and administrative expenses	5,997	5,704	71,546
	<u>68,893</u>	<u>57,126</u>	<u>821,919</u>
Operating income	5,460	1,919	65,147
Other income (expenses):			
Interest received	96	142	1,157
Interest charges	(14)	(17)	(177)
Other, net	(1,889)	(1,126)	(22,536)
	<u>(1,806)</u>	<u>(1,001)</u>	<u>(21,557)</u>
Income before income taxes and minority interests	3,653	918	43,590
Income taxes:			
Current	205	101	2,455
Deferred	1,280	284	15,276
	<u>1,486</u>	<u>386</u>	<u>17,732</u>
Net income	<u>2,167</u>	<u>532</u>	<u>25,857</u>

(3) Consolidated Statements of Cash Flows

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2010</u>	<u>2009</u>	<u>2010</u>
Cash flows from operating activities	15,626	10,804	186,431
Cash flows from investing activities	(10,557)	(6,848)	(125,956)
Cash flows from financing activities	(845)	(616)	(10,085)
Effect of exchange rate changes on cash and cash equivalents	(563)	(401)	(6,724)
Net increase (decrease) in cash and cash equivalents	3,660	2,937	43,665
Cash and cash equivalents at beginning of year	60,071	50,776	716,668
Cash and cash equivalents at end of the half year	63,731	53,713	760,334

Corporate Outline

1. Outline (as of September 30, 2010)

Name: SHINKO ELECTRIC INDUSTRIES CO., LTD.

Date of Establishment: September 12, 1946

Head Office: 80, Oshimada-machi, Nagano-shi, 381-2287, Japan

Phone: (81-26)283-1000 Facsimile: (81-26)284-8861

Major Business Lines:

Manufacturing and sales of lead frames, plastic laminated packages (PLPs),
glass-to-metal seals, surge arresters and precision contact parts
IC assembly

Number of Employees: 4,223 (Consolidated: 5,047)

Plants & Facilities:

Kohoku Plant
Wakaho Plant
Takaoka Plant
Arai Plant
Kyogase Plant
SHINKO R&D Center
Kurita Sogo Center

Sales Office Network:

(Japan)

Tokyo, Osaka, Sendai, Nagano, Nagoya, Oita, Fukuoka

(Overseas)

Frankfurt

Pittlerstrasse 47, 63225 Langen, Germany

Phone: (49-6103)690145 Facsimile: (49-6103)690165

Shanghai

Room 2310, Shanghai Ruijin Building, 205 Maoming South Road,
Shanghai, 200020, China

Phone: (86-21)6445-0898 Facsimile: (86-21)6445-1228

Chengdu

Room 507, 5/F, Sheraton Chengdu Lido Hotel No. 15, Section 1,
Ren Min Zhong Road, Chengdu, Sichuan 610015, China
Phone: (86-28)8676-8288 Facsimile: (86-28)8676-8766

Manila

9th Floor, Unit No.905, Tower One, Ayala Triangle, Ayala Avenue,
Makati-city, Philippines
Phone: (63-2)848-5169 Facsimile: (63-2)848-5145

Subsidiaries:

(Japan)

SHINKO PARTS CO., LTD.
SHINKO TECHNOSERVE CO., LTD.

(Overseas)

SHINKO ELECTRONICS (MALAYSIA) SDN. BHD.
Lot PT717A, Jalan Serendah 26/17, Seksyen 26, 40400 Shah Alam,
Selangor Darul Ehsan, Malaysia
Phone: (60-3)5191-4902 Facsimile: (60-3)5191-4912

KOREA SHINKO MICROELECTRONICS CO., LTD.
35 Sunpyung-ri, Seo-myun, Suncheon-city, Jollanam-do,
540-813 Republic of Korea
Phone: (82-61)753-8801 Facsimile: (82-61)753-8804

SHINKO ELECTRIC INDUSTRIES (WUXI) CO., LTD.
No. 105, Xixian Road, Mei Cun Industrial Park, Wuxi, Jiangsu, 214112, China
Phone: (86-510)8534-3006 Facsimile: (86-510)8534-3180

SHINKO ELECTRIC AMERICA, INC.
2880 Zanker Road, Suite 204, San Jose, CA 95134 U.S.A.
Phone: (1-408)232-0499 Facsimile: (1-408)955-0368

KOREA SHINKO TRADING CO., LTD.
Hyundai Venture Building 1223, 713 Suseo-Dong, Kangnam-Ku,
Seoul, 135-884 Republic of Korea
Phone: (82-2)538-2851 Facsimile: (82-2)451-6714

TAIWAN SHINKO ELECTRONICS CO., LTD.

4th Floor Area C1, Hung Kuo Building, 167 Tun Hua North Road,
Taipei, 10512 Taiwan

Phone: (886-2)2719-5655 Facsimile: (886-2)2719-5650

SHINKO ELECTRONICS (SINGAPORE) PTE. LTD.

133 New Bridge Road, #23-01/02, Chinatown Point Singapore 059413

Phone: (65)6225-3411 Facsimile: (65)6225-8984

Affiliates:

SHINKO MICROELECTRONICS (THAILAND) CO., LTD.

252/98 19th Floor, Muang Thai Phatra Office Tower 2,
Ratchadapisek Road, Huaykwang, Bangkok 10310, Thailand

Phone: (66-2)693-3300 Facsimile: (66-2)693-3301

2. Shareholders' Data (as of September 30, 2010)

Total Number of Authorized Shares: 540,000,000 shares

Total Number of Shares Issued: 135,171,942 shares

Paid-in Capital: ¥ 24,223,020,480

Number of Shareholders: 16,466

Principal Shareholders:

Name	Number of shares held (thousands)	Ownership ratio (%)
Fujitsu Limited	67,587	50.00
Japan Trustee Services Bank, Ltd. (Trust Accounts)	7,258	5.37
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,862	3.60
Japan Trustee Services Bank, Ltd. (Trust Account 9)	3,124	2.31
National Mutual Insurance Federation of Agricultural Cooperatives	2,586	1.91
The Hachijuni Bank, Ltd.	1,836	1.36
Nipponvest	1,350	1.00
Asahi Mutual Life Insurance Company	1,239	0.92
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	1,075	0.80
State Street Bank And Trust Company 505200	1,062	0.79

Stock Exchange Listing: The First Section of The Tokyo Stock Exchange

3. Board of Directors and Auditors (as of September 30, 2010)

President Mamoru Kuroiwa

Director and Executive Vice President, Corporate Officer
Akira Fujimoto

Director and Executive Managing Corporate Officer
Fumio Kuraishi

Director and Managing Corporate Officer
Akihiko Murata

Standing Auditor Masaji Yokoyama

Auditors Yuichi Sakai
Motoki Watanabe

4. Corporate Officers (as of October 1, 2010)

Managing Corporate Officers Yoshihiko Ogawa

Kunihiko Imai

Yoshiyuki Suzuki

Yoshihiro Asano

Senior Corporate Officers Kazuharu Iguchi

Seizo Mitsui

Toshihiko Ogiwara

Mitsuharu Shimizu

Corporate Officers Takahiro Kiyono

Takahiro Ichimura

Hiroshi Hasebe

Takato Kikuchi

Katsuo Minamisawa

Masashi Obinata

Toshihisa Yoda

Tadashi Kodaira

Haruo Sorimachi

Hidenori Takayanagi