

INTERIM FINANCIAL STATEMENTS FOR FIRST HALF OF FISCAL YEAR 2011

- from April 1, 2011 to September 30, 2011 -

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 76.65 yen = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 2011.
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	2011	2010	2011
Net sales	58,102	74,353	758,018
Net income (loss)	(2,672)	2,167	(34,869)
Per share (Yen/U.S.Dollars)	(19.78)	16.04	(0.258)
Cash dividends per share (Yen/U.S. Dollars)	10.0	10.0	0.130
Total assets	162,429	175,081	2,119,110
Net assets	130,337	136,219	1,700,422
Sales by product category			
IC Lead Frames	11,554	13,296	150,737
IC Packages	39,603	52,021	516,686
Hermetic Seal Parts	6,944	9,035	90,594
Total	58,102	74,353	758,018

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Yen (millions)		U.S. Dollars (thousands)
	<u>As of Sep. 30, 2011</u>	<u>As of Mar. 31, 2011</u>	<u>As of Sep. 30, 2011</u>
Assets			
Current assets:			
Cash and time deposits	24,990	23,625	326,037
Receivables, trade: notes and accounts	26,205	31,185	341,887
Marketable securities	1,236	—	16,125
Merchandise and finished goods	3,204	2,722	41,807
Work in process	3,758	3,721	49,033
Raw materials and supplies	1,552	1,232	20,251
Money deposited	26,980	40,000	351,989
Other current assets	3,107	4,379	40,537
Allowance for doubtful receivables	(3)	(4)	(48)
Total current assets	<u>91,031</u>	<u>106,863</u>	<u>1,187,621</u>
Fixed assets			
Property, plant and equipment	62,047	58,990	809,486
Intangible assets	938	983	12,239
Investments and other assets	8,413	5,084	109,762
Total fixed assets	<u>71,398</u>	<u>65,058</u>	<u>931,488</u>
Total assets	<u><u>162,429</u></u>	<u><u>171,921</u></u>	<u><u>2,119,110</u></u>

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2011	As of Mar. 31, 2011	As of Sep. 30, 2011
Liabilities			
Current liabilities:			
Payables, trade	16,683	18,563	217,658
Short-term borrowings	600	600	7,827
Other current liabilities	10,160	12,866	132,554
Total current liabilities	27,443	32,029	358,040
Long-term liabilities	4,648	4,692	60,647
Total liabilities	32,092	36,722	418,688
Net assets			
Shareholders' equity:			
Common stock	24,223	24,223	316,021
Capital surplus	24,129	24,129	314,802
Retained earnings	85,768	89,791	1,118,959
Treasury stock	(92)	(92)	(1,203)
Total shareholders' equity	134,028	138,052	1,748,579
Accumulated other comprehensive income:			
Unrealized gains on securities	19	55	253
Deferred profits(losses) on hedges	4	—	54
Foreign currency translation adjustments	(3,714)	(2,908)	(48,465)
Total accumulated other comprehensive income	(3,691)	(2,853)	(48,157)
Total net assets	130,337	135,198	1,700,422
Total liabilities and net assets	162,429	171,921	2,119,110

(2) Consolidated Statements of Income

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2011</u>	<u>2010</u>	<u>2011</u>
Net sales	58,102	74,353	758,018
Operating costs and expenses:			
Cost of goods sold	55,611	62,896	725,524
Selling, general and administrative expenses	5,582	5,997	72,825
	<u>61,193</u>	<u>68,893</u>	<u>798,350</u>
Operating income (loss)	(3,091)	5,460	(40,332)
Other income (expenses):			
Interest received	72	96	951
Interest charges	(2)	(14)	(27)
Other, net	(1,120)	(1,889)	(14,616)
	<u>(1,049)</u>	<u>(1,806)</u>	<u>(13,691)</u>
Income (loss) before income taxes and minority inter	(4,140)	3,653	(54,024)
Income taxes:			
Current	114	205	1,494
Deferred	(1,582)	1,280	(20,649)
	<u>(1,468)</u>	<u>1,486</u>	<u>(19,154)</u>
Net income (loss)	<u>(2,672)</u>	<u>2,167</u>	<u>(34,869)</u>

(3) Consolidated Statements of Cash Flows

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2011</u>	<u>2010</u>	<u>2011</u>
Cash flows from operating activities	6,184	15,626	80,684
Cash flows from investing activities	(14,964)	(10,557)	(195,236)
Cash flows from financing activities	(1,375)	(845)	(17,939)
Effect of exchange rate changes on cash and cash equivalents	(498)	(563)	(6,503)
Net increase (decrease) in cash and cash equivalents	(10,653)	3,660	(138,995)
Cash and cash equivalents at beginning of year	62,825	60,071	819,644
Cash and cash equivalents at end of the half year	52,171	63,731	680,649

Corporate Outline

1. Outline (as of September 30, 2011)

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, and precision contact parts
IC assembly

Number of Employees: 4,250 (Consolidated: 5,050)

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, 2011)

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: 17,436

Principal Shareholders:

Name	Number of shares held (thousands)	Ownership ratio (%)
Fujitsu Limited	67,587	50.00
Japan Trustee Services Bank, Ltd. (Trust Accounts)	6,687	4.95
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,484	3.32
The Bank of New York-JASDEC Treaty Account	4,478	3.31
CBNY-Orbis SICAV	2,921	2.16
Trust & Custody Services Bank, Ltd. (Pension Trust Account)	2,758	2.04
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	2,377	1.76
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,247	1.66
State Street Bank And Trust Company 505225	2,141	1.58
The Hachijuni Bank, Ltd.	1,836	1.36

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

3. Board of Directors and Auditors (as of September 30, 2011)

Chairman and Representative Director	Mamoru Kuroiwa
President and Representative Director	Fumio Kuraishi
Directors and Managing Corporate Officers	Yoshihiro Asano Mitsuharu Shimizu
Directors and Senior Corporate Officers	Toshihisa Yoda Hiroshi Hasebe
Standing Auditor	Akira Fujimoto
Auditors	Koji Kitazawa Yuichi Sakai

4. Corporate Officers (as of September 30, 2011)

Managing Corporate Officers	Yoshihiko Ogawa Kunihiko Imai
Senior Corporate Officers	Kazuharu Iguchi Seizo Mitsui Toshihiko Ogiwara Takahiro Kiyono
Corporate Officers	Junichi Kobayashi Takato Kikuchi Katsuo Minamisawa Masashi Obinata Tadashi Kodaira Haruo Sorimachi Hidenori Takayanagi