

INTERIM FINANCIAL STATEMENTS FOR FIRST HALF OF FISCAL YEAR 2012

- from April 1, 2012 to September 30, 2012 -

SHINKO ELECTRIC INDUSTRIES CO., LTD.

80, OSHIMADA-MACHI, NAGANO-SHI, 381-2287, JAPAN

Phone: (81-26)283-1000

Facsimile: (81-26)284-8861

<http://www.shinko.co.jp>



Contents

Interim Financial Statements

1. Consolidated Financial Highlights	2
2. Consolidated Financial Statements	
(1) Consolidated Balance Sheets	3
(2) Consolidated Statements of Income	5
(3) Consolidated Statements of Cash Flows	6

Corporate Outline

1. Outline	7
2. Shareholders' Data	9
3. Board of Directors and Auditors	10
4. Corporate Officers	10

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 77.6 yen = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 2012.
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	2012	2011	2012
Net sales	65,114	58,102	839,106
Net income (loss)	2,340	(2,672)	30,156
Per share (Yen/U.S.Dollars)	17.32	(19.78)	0.223
Cash dividends per share (Yen/U.S. Dollars)	10.0	10.0	0.128
Total assets	169,189	162,429	2,180,281
Net assets	130,687	130,337	1,684,111
Net sales by product category			
IC Lead Frames	12,247	11,554	157,827
IC Packages	45,019	39,603	580,151
Hermetic Seal Parts	7,847	6,944	101,127
Total	65,114	58,102	839,106

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Yen (millions)		U.S. Dollars (thousands)
	<u>As of Sep. 30, 2012</u>	<u>As of Mar. 31, 2012</u>	<u>As of Sep. 30, 2012</u>
Assets			
Current assets:			
Cash and time deposits	17,465	15,835	225,072
Receivables, trade: notes and accounts	31,335	37,926	403,810
Marketable securities	680	426	8,762
Merchandise and finished goods	2,156	1,377	27,786
Work in process	3,584	3,666	46,195
Raw materials and supplies	1,516	1,222	19,537
Money deposited	37,640	35,000	485,051
Other current assets	4,345	4,217	55,997
Allowance for doubtful receivables	(25)	(25)	(326)
Total current assets	<u>98,698</u>	<u>99,645</u>	<u>1,271,888</u>
Fixed assets			
Property, plant and equipment	63,654	60,023	820,289
Intangible assets	823	896	10,613
Investments and other assets	6,013	6,120	77,491
Total fixed assets	<u>70,491</u>	<u>67,041</u>	<u>908,393</u>
Total assets	<u><u>169,189</u></u>	<u><u>166,686</u></u>	<u><u>2,180,281</u></u>

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2012	As of Mar. 31, 2012	As of Sep. 30, 2012
Liabilities			
Current liabilities:			
Payables, trade	18,707	20,320	241,076
Short-term borrowings	600	600	7,731
Other current liabilities	14,500	11,032	186,856
Total current liabilities	33,807	31,952	435,665
Long-term liabilities	4,695	4,685	60,505
Total liabilities	38,502	36,637	496,170
Net assets			
Shareholders' equity:			
Common stock	24,223	24,223	312,152
Capital surplus	24,129	24,129	310,948
Retained earnings	85,836	84,847	1,106,140
Treasury stock	(92)	(92)	(1,188)
Total shareholders' equity	134,096	133,107	1,728,052
Accumulated other comprehensive income:			
Unrealized gains on securities	19	26	250
Deferred profits(losses) on hedges	—	6	—
Foreign currency translation adjustments	(3,429)	(3,091)	(44,190)
Total accumulated other comprehensive income	(3,409)	(3,058)	(43,940)
Total net assets	130,687	130,048	1,684,111
Total liabilities and net assets	169,189	166,686	2,180,281

(2) Consolidated Statements of Income

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2012</u>	<u>2011</u>	<u>2012</u>
Net sales	65,114	58,102	839,106
Operating costs and expenses:			
Cost of goods sold	56,441	55,611	727,334
Selling, general and administrative expenses	5,950	5,582	76,687
	<u>62,392</u>	<u>61,193</u>	<u>804,022</u>
Operating income (loss)	2,722	(3,091)	35,083
Other income (expenses):			
Interest received	69	72	898
Interest charges	(1)	(2)	(13)
Other, net	944	(1,120)	12,168
	<u>1,012</u>	<u>(1,049)</u>	<u>13,054</u>
Income (loss) before income taxes	3,735	(4,140)	48,137
Income taxes:			
Current	355	114	4,578
Deferred	1,040	(1,582)	13,402
	<u>1,395</u>	<u>(1,468)</u>	<u>17,981</u>
Net income (loss)	<u>2,340</u>	<u>(2,672)</u>	<u>30,156</u>

(3) Consolidated Statements of Cash Flows

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2012</u>	<u>2011</u>	<u>2012</u>
Cash flows from operating activities	13,307	6,184	171,487
Cash flows from investing activities	(7,294)	(14,964)	(93,998)
Cash flows from financing activities	(1,367)	(1,375)	(17,628)
Effect of exchange rate changes on cash and cash equivalents	(337)	(498)	(4,347)
Net increase (decrease) in cash and cash equivalents	4,307	(10,653)	55,513
Cash and cash equivalents at beginning of year	50,496	62,825	650,723
Cash and cash equivalents at end of the half year	54,803	52,171	706,237

Corporate Outline

1. Outline (as of September 30, 2012)

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: 4,252 (Consolidated: 5,023)

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

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

SHANGHAI SHINKO TRADING LTD.

Room 2309, Shanghai Ruijin Building, 205 Maoming South Road,

Shanghai, 200020, China

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

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, 2012)

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: 16,177

Principal Shareholders:

Name	Number of shares held (thousands)	Ownership ratio (%)
Fujitsu Limited	67,587	50.00
Japan Trustee Services Bank, Ltd. (Trust Accounts)	7,381	5.46
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,911	3.63
The Bank of New York-JASDEC Treaty Account	4,025	2.98
The Hachijuni Bank, Ltd.	1,836	1.36
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	1,663	1.23
Barclays Capital Securities Limited	1,610	1.19
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,258	0.93
Asahi Mutual Life Insurance Company	1,239	0.92
Shinko Electric Industries Employee Shareholding Association	935	0.69

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

3. Board of Directors and Auditors (as of September 30, 2012)

Chairman and Representative Director	Mamoru Kuroiwa
Vice Chairman and Director	Akira Fujimoto
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 Auditors	Yoshihiko Ogawa Yuichi Sakai
Auditor	Koji Kitazawa

4. Corporate Officers (as of September 30, 2012)

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