

INTERIM FINANCIAL STATEMENTS FOR FIRST HALF OF FISCAL YEAR 2017

- from April 1, 2017 to September 30, 2017 -

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 112.68 yen = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 2017.
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	2017	2016	2017
Net sales	70,532	69,800	625,950
Profit attributable to owners of parent	1,666	237	14,793
Basic earning per share (Yen/U.S.Dollars)	12.34	1.76	0.109
Cash dividends per share (Yen/U.S. Dollars)	12.5	12.5	0.110
Total assets	182,032	178,277	1,615,485
Net assets	133,944	129,713	1,188,713
Net sales by product category			
IC Lead Frames	17,283	13,619	153,386
IC Packages	40,759	44,313	361,724
Hermetic Seal Parts	12,091	10,857	107,308
Others	397	1,009	3,531
Total	70,532	69,800	625,950

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2017	As of Mar. 31, 2017	As of Sep. 30, 2017
Assets			
Current assets	102,063	101,273	905,780
Fixed assets:			
Property, plant and equipment	73,724	72,633	654,282
Intangible assets	1,247	1,197	11,072
Investments and other assets	4,997	5,235	44,349
Total fixed assets	79,969	79,066	709,705
Total assets	182,032	180,339	1,615,485
	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2017	As of Mar. 31, 2017	As of Sep. 30, 2017
Liabilities			
Current liabilities	35,558	34,154	315,567
Long-term liabilities	12,530	12,749	111,205
Total liabilities	48,088	46,904	426,772
Net assets			
Shareholders' equity:			
Common stock	24,223	24,223	214,971
Capital surplus	24,129	24,129	214,142
Retained earnings	95,540	95,562	847,895
Treasury stock	(92)	(92)	(819)
Total shareholders' equity	143,801	143,822	1,276,190
Accumulated other comprehensive income	(9,856)	(10,387)	(87,476)
Total net assets	133,944	133,435	1,188,713
Total liabilities and net assets	182,032	180,339	1,615,485

(2) Consolidated Statements of Income

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2017</u>	<u>2016</u>	<u>2017</u>
Net sales	70,532	69,800	625,950
Operating costs and expenses:			
Cost of goods sold	62,656	62,462	556,059
Selling, general and administrative expenses	6,155	6,065	54,627
	<u>68,812</u>	<u>68,528</u>	<u>610,687</u>
Operating income	1,719	1,272	15,263
Other income (expenses):			
Interest received	139	137	1,239
Interest charges	(1)	(1)	(10)
Other, net	476	(2,326)	4,230
	<u>615</u>	<u>(2,190)</u>	<u>5,458</u>
Income (loss) before income taxes	2,334	(918)	20,722
Income taxes:			
Current	794	196	7,051
Deferred	(126)	(1,351)	(1,123)
	<u>668</u>	<u>(1,155)</u>	<u>5,928</u>
Profit attributable to owners of parent	<u>1,666</u>	<u>237</u>	<u>14,793</u>

(3) Consolidated Statements of Cash Flows

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2017</u>	<u>2016</u>	<u>2017</u>
Cash flows from operating activities	10,324	10,096	91,625
Cash flows from investing activities	(10,158)	(7,757)	(90,156)
Cash flows from financing activities	(1,722)	(1,721)	(15,282)
Effect of exchange rate changes on cash and cash equivalents	82	(4,026)	727
Net increase (decrease) in cash and cash equivalents	(1,474)	(3,410)	(13,085)
Cash and cash equivalents at beginning of year	47,248	48,355	419,316
Cash and cash equivalents at end of the half year	45,774	44,945	406,230

Corporate Outline

1. Corporate Data (As of September 30, 2017)

Corporate Name: SHINKO ELECTRIC INDUSTRIES CO., LTD.

Established: 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)
and glass-to-metal seals
IC assembly

Number of Employees: 4,030 (Consolidated: 4,838)

Plants & Facilities:

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

Sales Offices:

(Japan)

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

Representative Office:

(Overseas)

Manila

Subsidiaries:

(Japan)

SHINKO PARTS CO., LTD.

SHINKO TECHNOSERVE CO., LTD.

(Overseas)

Manufacturing Companies:

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.

32 Sandan1-gil, Seo-myeon, Suncheon-si, Jeollanam-do, 57927 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

Sales Companies:

SHINKO ELECTRIC AMERICA, INC.

1280 East Arques Avenue, MS 275, Sunnyvale, CA 94085 U.S.A.

Phone: +1-408-232-0499 Facsimile: +1-408-955-0368

KOREA SHINKO TRADING CO., LTD.

#1223, Hyundai Venture Bldg, 10, Bamgogae-ro 1-gil, Gangnam-gu, Seoul,
06349 Republic of Korea

Phone: +82-2-538-2851 Facsimile: +82-2-451-6714

TAIWAN SHINKO ELECTRONICS CO., LTD.

14th Floor Area A1, Hung Kuo Building, 167 Dunhua North Road, Songshan
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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

SHINKO ELECTRONICS (SINGAPORE) PTE. LTD.

No.1 Maritime Square #09-67 Harbourfront Centre Singapore 099253

Phone: +65-6225-3411 Facsimile: +65-6225-8984

Affiliated Company:

SHINKO MICROELECTRONICS (THAILAND) CO., LTD.

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Huaykwang, Bangkok 10310, Thailand

Phone: +66-2-693-3300

Facsimile: +66-2-693-3301

2. Shareholders' Data (As of September 30, 2017)**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 yen**Number of Shareholders:** 15,938**Principal Shareholders:**

Name	Number of shares held (thousands)	Ownership ratio (%)
Fujitsu Limited	67,587	50.00
Japan Trustee Services Bank, Ltd. (Trust Account)	3,228	2.39
STATE STREET BANK AND TRUST COMPANY	2,810	2.08
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,715	2.01
DFA INTL SMALL CAP VALUE PORTFOLIO	2,058	1.52
The Hachijuni Bank, Ltd.	1,836	1.36
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,824	1.35
JPMC GOLDMAN SACHS TRUST JASDEC LENDING ACCOUNT	1,662	1.23
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	1,478	1.09
GOVERNMENT OF NORWAY	1,472	1.09

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

3. Board of Directors (As of September 30, 2017)

Chairman, President and Representative Director	Noriyuki Toyoki
Representative Director and Executive Managing Corporate Officer	Hiroshi Hasebe
Director and Executive Managing Corporate Officer	Toshihisa Yoda
Directors and Managing Corporate Officers	Tadashi Kodaira Takashi Ozawa
Director, Standing Audit and Supervisory Committee Member	Yoshihiko Ogawa
Directors, Audit and Supervisory Committee Members	Koji Kitazawa Rika Saeki