

INTERIM FINANCIAL STATEMENTS FOR FIRST HALF OF FISCAL YEAR 2018

- from April 1, 2018 to September 30, 2018 -

SHINKO ELECTRIC INDUSTRIES CO., LTD.

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



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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 113.51 yen = U.S.\$1.00, the approximate rate of exchange in effect on September 30, 2018.
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	2018	2017	2018
Net sales	73,202	70,532	644,901
Profit attributable to owners of parent	2,824	1,666	24,882
Basic earning per share (Yen/U.S.Dollars)	20.91	12.34	0.184
Cash dividends per share (Yen/U.S. Dollars)	12.5	12.5	0.110
Total assets	184,810	182,032	1,628,144
Net assets	141,645	133,944	1,247,865
Net sales by product category			
IC Lead Frames	17,897	17,283	157,674
IC Packages	40,592	40,759	357,613
Hermetic Seal Parts	14,180	12,091	124,925
Others	532	397	4,688
Total	73,202	70,532	644,901

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2018	As of Mar. 31, 2018	As of Sep. 30, 2018
Assets			
Current assets	105,852	103,644	932,543
Fixed assets:			
Property, plant and equipment	71,663	72,464	631,339
Intangible assets	1,240	1,237	10,925
Investments and other assets	6,054	6,412	53,335
Total fixed assets	78,957	80,114	695,600
Total assets	184,810	183,759	1,628,144

	Yen (millions)		U.S. Dollars (thousands)
	As of Sep. 30, 2018	As of Mar. 31, 2018	As of Sep. 30, 2018
Liabilities			
Current liabilities	36,607	36,947	322,500
Long-term liabilities	6,558	12,205	57,777
Total liabilities	43,165	49,152	380,278
Net assets			
Shareholders' equity:			
Common stock	24,223	24,223	213,399
Capital surplus	24,129	24,129	212,576
Retained earnings	96,986	95,850	854,427
Treasury stock	(92)	(92)	(813)
Total shareholders' equity	145,246	144,110	1,279,590
Accumulated other comprehensive income	(3,601)	(9,504)	(31,725)
Total net assets	141,645	134,606	1,247,865
Total liabilities and net assets	184,810	183,759	1,628,144

(2) Consolidated Statements of Income

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2018</u>	<u>2017</u>	<u>2018</u>
Net sales	73,202	70,532	644,901
Operating costs and expenses:			
Cost of goods sold	63,156	62,656	556,395
Selling, general and administrative expenses	6,269	6,155	55,234
	<u>69,426</u>	<u>68,812</u>	<u>611,629</u>
Operating income	3,776	1,719	33,271
Other income (expenses):			
Interest received	188	139	1,661
Interest charges	(1)	(1)	(9)
Other, net	142	476	1,257
	<u>330</u>	<u>615</u>	<u>2,909</u>
Income (loss) before income taxes	4,106	2,334	36,181
Income taxes:			
Current	1,813	794	15,976
Deferred	(530)	(126)	(4,677)
	<u>1,282</u>	<u>668</u>	<u>11,298</u>
Profit attributable to owners of parent	<u>2,824</u>	<u>1,666</u>	<u>24,882</u>

(3) Consolidated Statements of Cash Flows

	Yen (millions)		U.S. Dollars (thousands)
Six months ended September 30	<u>2018</u>	<u>2017</u>	<u>2018</u>
Cash flows from operating activities	11,495	10,324	101,275
Cash flows from investing activities	(7,737)	(10,158)	(68,165)
Cash flows from financing activities	(1,720)	(1,722)	(15,155)
Effect of exchange rate changes on cash and cash equivalents	1,181	82	10,406
Net increase (decrease) in cash and cash equivalents	3,219	(1,474)	28,360
Cash and cash equivalents at beginning of year	45,666	47,248	402,313
Cash and cash equivalents at end of the half year	48,885	45,774	430,673

Corporate Outline

1. Corporate Data (As of September 30, 2018)

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: 4,049 (Consolidated: 4,864)

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

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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

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TAIWAN SHINKO ELECTRONICS CO., LTD.

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Shanghai, 200020, China

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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, 2018)**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:** 11,799**Principal Shareholders:**

Name	Number of shares held (thousands)	Percentage of shares held (%)
Fujitsu Limited	67,587	50.03
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	3,949	2.92
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,616	2.68
Japan Trustee Services Bank, Ltd. (Trust Account 9)	3,034	2.25
Japan Trustee Services Bank, Ltd. (Trust Account)	2,622	1.94
SSBTC CLIENT OMNIBUS ACCOUNT	2,331	1.73
GOLDMAN SACHS INTERNATIONAL	2,209	1.64
DFA INTL SMALL CAP VALUE PORTFOLIO	1,958	1.45
The Hachijuni Bank, Ltd.	1,836	1.36
SHINKO ELECTRIC INDUSTRIES Employee Shareholding Association	1,553	1.15

Note : The investment ratio is calculated after exclusion of treasury stock holdings.**Stock Exchange Listing:** The First Section of The Tokyo Stock Exchange

3. Board of Directors (As of September 30, 2018)

Chairman, President and Representative Director Noriyuki Toyoki

Representative Director and Executive Managing Corporate Officer
Hiroshi Hasebe

Directors and Managing Corporate Officers Tadashi Kodaira
Takashi Ozawa

Director, Standing Audit and Supervisory Committee Member
Akihiko Ito

Directors, Audit and Supervisory Committee Members Koji Kitazawa
Namiko Araki