

April 24, 2025

Summary of Consolidated Financial Results for the Year Ended March 31, 2025 (Based on Japanese GAAP)

Company name: SHINKO ELECTRIC INDUSTRIES CO., LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 6967
 URL: <https://www.shinko.co.jp>
 Representative: Susumu Kurashima, Representative Director of Board, President
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 Scheduled date of annual general meeting of shareholders:
 Scheduled date to commence dividend payments: -
 Scheduled date to file annual securities report:
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	215,022	2.4	25,354	2.2	25,125	(7.8)	17,875	(3.9)
March 31, 2024	209,972	(26.7)	24,810	(67.7)	27,257	(65.4)	18,609	(65.8)

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥18,406 million [(10.9)%]
 For the fiscal year ended March 31, 2024: ¥20,657 million [(63.1)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	132.30	-	6.5	6.4	11.8
March 31, 2024	137.73	-	7.2	7.0	11.8

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	397,136	283,381	71.4	2,097.30
March 31, 2024	393,750	264,977	67.3	1,961.09

Reference: Equity
 As of March 31, 2025: ¥283,381 million
 As of March 31, 2024: ¥264,977 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	48,260	(47,630)	(156)	82,853
March 31, 2024	45,464	(73,273)	(6,886)	82,475

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	25.00	-	0.00	25.00	3,377	18.2	1.3
March 31, 2025	-	0.00	-	0.00	0.00	-	-	-

Note: As the Company's shares are scheduled to be delisted on June 6, 2025, the dividend forecast for the fiscal year ending March 31, 2026 is not included.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

The Company's shares are scheduled to be delisted on June 6, 2025, so the Company's earnings forecast for the fiscal year ending March 2026 is not listed.

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	135,171,942 shares
As of March 31, 2024	135,171,942 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	54,920 shares
As of March 31, 2024	54,462 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	135,117,376 shares
Fiscal year ended March 31, 2024	135,114,166 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	207,623	2.6	24,049	1.3	25,643	(8.5)	18,627	(4.4)
March 31, 2024	202,350	(26.8)	23,735	(67.8)	28,014	(64.4)	19,480	(64.5)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	137.86	-
March 31, 2024	144.18	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	393,661	278,893	70.8	2,064.09
March 31, 2024	388,261	260,164	67.0	1,925.47

Reference: Equity

As of March 31, 2025: ¥278,893 million

As of March 31, 2024: ¥260,164 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The Company's shares are scheduled to be delisted on June 6, 2025, so the Company's earnings forecast for the fiscal year ending March 2026 is not listed.

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	82,807	83,140
Notes receivable - trade	240	152
Accounts receivable - trade	56,475	58,243
Merchandise and finished goods	8,583	5,432
Work in process	14,245	18,291
Raw materials and supplies	7,963	7,643
Other	14,150	7,908
Allowance for doubtful accounts	(6)	(6)
Total current assets	184,459	180,804
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	78,118	75,799
Machinery, equipment and vehicles, net	38,317	33,379
Tools, furniture and fixtures, net	3,814	3,824
Land	10,255	10,096
Construction in progress	71,478	86,220
Total property, plant and equipment	201,984	209,319
Intangible assets	1,175	1,206
Investments and other assets		
Investment securities	53	55
Retirement benefit asset	2,524	2,708
Deferred tax assets	2,459	1,792
Other	1,102	1,258
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	6,131	5,805
Total non-current assets	209,291	216,332
Total assets	393,750	397,136

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	28,164	29,378
Short-term borrowings	30,000	30,000
Accounts payable - other	17,306	5,179
Income taxes payable	3,366	3,784
Accrued expenses	10,053	9,334
Contract liabilities	35,912	27,782
Other	2,143	7,590
Total current liabilities	126,946	113,050
Non-current liabilities		
Retirement benefit liability	1,101	236
Other	725	468
Total non-current liabilities	1,826	705
Total liabilities	128,773	113,755
Net assets		
Shareholders' equity		
Share capital	24,223	24,223
Capital surplus	24,222	24,222
Retained earnings	215,736	233,612
Treasury shares	(61)	(64)
Total shareholders' equity	264,119	281,992
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	5
Deferred gains or losses on hedges	(103)	-
Foreign currency translation adjustment	513	290
Remeasurements of defined benefit plans	443	1,092
Total accumulated other comprehensive income	857	1,388
Total net assets	264,977	283,381
Total liabilities and net assets	393,750	397,136

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	209,972	215,022
Cost of sales	171,070	175,151
Gross profit	38,902	39,871
Selling, general and administrative expenses	14,091	14,517
Operating profit	24,810	25,354
Non-operating income		
Interest income	686	594
Compensation income	789	959
Foreign exchange gains	600	-
Miscellaneous income	454	282
Total non-operating income	2,530	1,836
Non-operating expenses		
Interest expenses	67	168
Foreign exchange losses	-	1,889
Miscellaneous expenses	16	8
Total non-operating expenses	83	2,066
Ordinary profit	27,257	25,125
Extraordinary income		
Subsidy income	784	278
Total extraordinary income	784	278
Extraordinary losses		
Loss on retirement of non-current assets	842	279
Loss on tax purpose reduction entry of non-current assets	784	278
TOB related expenses	500	-
Total extraordinary losses	2,126	557
Profit before income taxes	25,915	24,845
Income taxes - current	6,750	6,779
Income taxes - deferred	555	189
Total income taxes	7,305	6,969
Profit	18,609	17,875
Profit attributable to owners of parent	18,609	17,875

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	18,609	17,875
Other comprehensive income		
Valuation difference on available-for-sale securities	2	1
Deferred gains or losses on hedges	(117)	103
Foreign currency translation adjustment	1,125	(222)
Remeasurements of defined benefit plans, net of tax	1,037	649
Total other comprehensive income	2,048	530
Comprehensive income	20,657	18,406
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,657	18,406
Comprehensive income attributable to non-controlling interests	-	-

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	24,223	24,173	203,882	(74)	252,205
Dividends of surplus			(6,755)		(6,755)
Profit attributable to owners of parent			18,609		18,609
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		48		12	61
Net changes in items other than shareholders' equity					
Total changes during period	-	48	11,854	12	11,914
Balance at end of period	24,223	24,222	215,736	(61)	264,119

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1	14	(612)	(594)	(1,190)	251,014
Dividends of surplus						(6,755)
Profit attributable to owners of parent						18,609
Purchase of treasury shares						(0)
Disposal of treasury shares						61
Net changes in items other than shareholders' equity	2	(117)	1,125	1,037	2,048	2,048
Total changes during period	2	(117)	1,125	1,037	2,048	13,963
Balance at end of period	4	(103)	513	443	857	264,977

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	24,223	24,222	215,736	(61)	264,119
Dividends of surplus					
Profit attributable to owners of parent			17,875		17,875
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	17,875	(2)	17,872
Balance at end of period	24,223	24,222	233,612	(64)	281,992

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4	(103)	513	443	857	264,977
Dividends of surplus						
Profit attributable to owners of parent						17,875
Purchase of treasury shares						(2)
Disposal of treasury shares						
Net changes in items other than shareholders' equity	1	103	(222)	649	530	530
Total changes during period	1	103	(222)	649	530	18,403
Balance at end of period	5	-	290	1,092	1,388	283,381

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	25,915	24,845
Depreciation	27,639	26,578
Increase (decrease) in retirement benefit liability	(171)	(257)
Interest and dividend income	(691)	(599)
Interest expenses	67	168
Foreign exchange losses (gains)	(478)	10
Subsidy income	(784)	(278)
Loss on retirement of property, plant and equipment	842	279
Loss on tax purpose reduction entry of non-current assets	784	278
TOB related expenses	500	-
Decrease (increase) in trade receivables	7,116	(1,827)
Decrease (increase) in inventories	4,528	(621)
Increase (decrease) in trade payables	1,874	1,310
Increase (decrease) in accrued expenses	(261)	(720)
Increase (decrease) in contract liabilities	(5,623)	(8,130)
Other, net	(1,612)	12,939
Subtotal	59,644	53,975
Interest and dividends received	695	600
Interest paid	(65)	(149)
Income taxes refund (paid)	(15,094)	(6,344)
Subsidies received	784	178
TOB related expenses paid	(500)	-
Net cash provided by (used in) operating activities	45,464	48,260
Cash flows from investing activities		
Payments into time deposits	(875)	(682)
Proceeds from withdrawal of time deposits	1,341	696
Purchase of property, plant and equipment	(71,928)	(46,384)
Purchase of intangible assets	(503)	(240)
Decrease(Increase) in investments and long-term loans receivable	(822)	(900)
Other, net	(485)	(119)
Net cash provided by (used in) investing activities	(73,273)	(47,630)
Cash flows from financing activities		
Dividends paid	(6,755)	-
Other, net	(130)	(156)
Net cash provided by (used in) financing activities	(6,886)	(156)
Effect of exchange rate change on cash and cash equivalents	1,578	(95)
Net increase (decrease) in cash and cash equivalents	(33,116)	378
Cash and cash equivalents at beginning of period	115,592	82,475
Cash and cash equivalents at end of period	82,475	82,853

(Segment information)

1. Overview of Reporting Segments

The Group's reporting segments are those of the constituent units of the Group for which segregated financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group's main business is the development, manufacture, and sale of semiconductor packages, and it formulates comprehensive strategies and develops business activities in Japan and overseas based on business segments classified according to product types and characteristics.

Accordingly, the Group is comprised of product-specific segments based on these business segments, with two reporting segments: "Plastic Packages" and "Metal Packages"

In the "Plastic Packages" segment, we manufacture and sell plastic laminated packages, etc., as well as assemble and sell ICs. In the "Metal Packages" segment, we manufacture and sell lead frames for semiconductors, glass-to-metal seals for semiconductors, ceramic electrostatic chucks, etc.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment

Inter-segment sales are primarily based on third-party transaction prices.

3. Information on the amount of sales, profits or losses, assets, liabilities and other items for each reported segment

The previous fiscal year (April 1, 2023 to March 31, 2024)

(in millions of yen)

	Reportable segments			Other (Note) 1	Total	Adjustment amount (Note) 2 (Note) 4	Amount recorded in consolidated financial statements (Note)3
	Plastic Packages	Metal Packages	Total				
Sales							
Goods to be transferred at a single point in time	127,752	73,878	201,631	8,341	209,972	-	209,972
Goods that are transferred over a period of time	-	-	-	-	-	-	-
IC Leadframes	-	33,971	33,971	4,908	38,880	-	38,880
IC Packages	127,752	5,518	133,270	285	133,556	-	133,556
Hermetic Seal Parts	-	34,388	34,388	3,143	37,531	-	37,531
Other	-	-	-	3	3	-	3
Revenue generated from customer contracts	127,752	73,878	201,631	8,341	209,972	-	209,972
Other Earnings	-	-	-	-	-	-	-
Revenues from external customers	127,752	73,878	201,631	8,341	209,972	-	209,972
Internal sales or transfers between segments	-	430	430	3,611	4,041	(4,041)	-
Total	127,752	74,308	202,061	11,952	214,014	(4,041)	209,972
Segment Profit	11,828	16,133	27,962	1,099	29,061	(1,803)	27,257
Other items							
Depreciation	20,507	6,369	26,877	761	27,639	-	27,639
Increase in property, plant and equipment and intangible assets	6,391	2,680	9,071	551	9,623	54,573	64,197

Note: 1. The "Other" segment is a business segment that is not included in the reporting segments and is primarily due to the operations of consolidated subsidiaries.

2. The adjustment of segment profit of (1,803) million yen was due to the elimination of inter-segment transactions.

3. Segment profit is adjusted to ordinary income in the consolidated statements of income.

4. The adjustment amount of 54,573 million yen for the increase in property, plant and equipment and intangible assets is mainly the amount of investment in the company-wide division.

5. Segment assets are not listed because assets are not allocated to business segments.

	Reportable segments			Other (Note) 1	Total	Adjustment amount (Note) 2 (Note) 4	Amount recorded in consolidated financial statements (Note)3
	Plastic Packages	Metal Packages	Total				
Sales							
Goods to be transferred at a single point in time	122,658	84,106	206,765	8,257	215,022	-	215,022
Goods that are transferred over a period of time	-	-	-	-	-	-	-
IC Leadframes	-	34,171	34,171	4,215	38,386	-	38,386
IC Packages	122,658	6,745	129,404	223	129,628	-	129,628
Hermetic Seal Parts	-	43,189	43,189	3,815	47,005	-	47,005
Other	-	-	-	2	2	-	2
Revenue generated from customer contracts	122,658	84,106	206,765	8,257	215,022	-	215,022
Other Earnings	-	-	-	-	-	-	-
Revenues from external customers	122,658	84,106	206,765	8,257	215,022	-	215,022
Internal sales or transfers between segments	-	631	631	3,476	4,107	(4,107)	-
Total	122,658	84,738	207,397	11,733	219,130	(4,107)	215,022
Segment Profit	5,360	20,249	25,610	1,427	27,037	(1,912)	25,125
Other items							
Depreciation	19,901	6,207	26,108	469	26,578	-	26,578
Increase in property, plant and equipment and intangible assets	11,994	2,532	14,527	207	14,734	4,901	19,636

Note: 1. The "Other" segment is a business segment that is not included in the reporting segments and is primarily due to the operations of consolidated subsidiaries.

2. The adjustment of segment profit of (1,912) million yen was due to the elimination of inter-segment transactions.

3. Segment profit is adjusted to ordinary income in the consolidated statements of income.

4. The adjustment amount of 4,901 million yen for the increase in property, plant and equipment and intangible assets is mainly the amount of investment in the company-wide division.

5. Segment assets are not listed because assets are not allocated to business segments.