

FY2024 Financial results briefing

2025.5.20

Shindengen Electric Mfg. Co., Ltd.
Stock Code : 6844



Bharat Mobility Show2025
January 2025



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Director & Executive Officer
Osamu Ukegawa

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President
Nobuyoshi Tanaka

FY2024 Financial results

FY2024 Financial results

Unit: billion yen

	FY2023	FY2024	YoY
Net sales	1,023	1,058 <small>Impact of exchange rates 27</small>	+ 3.5%
Operating Profit	13	1 <small>Impact of exchange rates 10</small>	(89.9%)
Operating Margin	1.3%	0.1%	(1.2pt.)
Ordinary Profit	17	(5)	—
Profit attributable to owners of parent	(7)	(24)	—
Unit : JPY/USD			
Non-Consolidated Volume Rate	143.95	153.04	+ 9.09JPY

- While net sales increased from the previous period, this was partly aided by favorable exchange rates.
- The Electronic device business slumped due to the prolonged economic slowdown in China.
- Ordinary profit was negative due to foreign exchange losses and other factors.
- Due to the implementation of structural reforms in the Electronic device business, an extraordinary loss of approximately 1.4 billion yen was recorded for the full period.

FY2024 Financial results(Electronic devise)

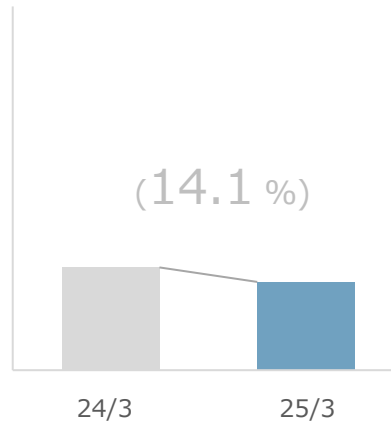
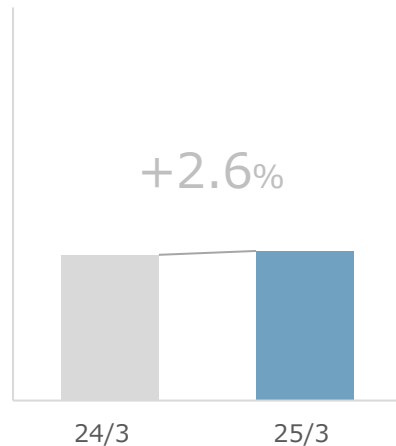
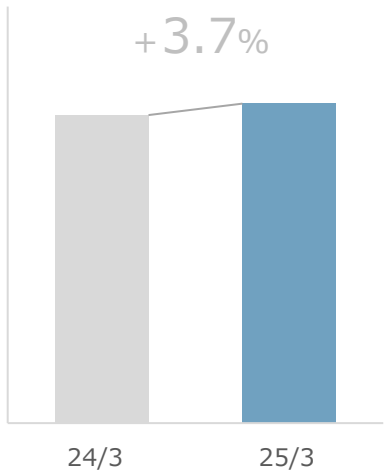
Unit: billion yen

	FY2023	FY2024	YoY
Net Sales	322	311	(3.6%)
Operating Profit	(12)	(22)	—

Automotive

Home Appliance

Industrial Machine



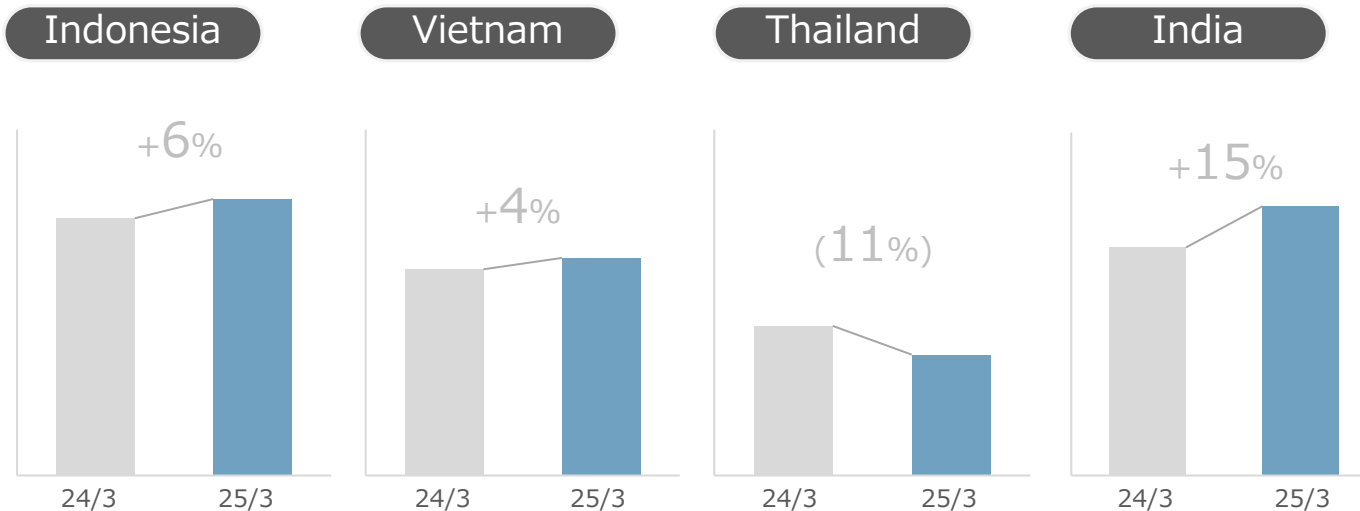
- A decrease in sales due to no signs of recovery in industrial equipment sales amid the prolonged slump in the Chinese economy.
- In connection with the implementation of business structural reforms, inventory write-down and disposal losses were recorded. For the next period, we will strive to improve our financial structure.

FY2024 Financial results(Car electronics)

Unit: billion yen

	FY2023	FY2024	YoY
Net Sales	633	655	+ 3.6%
Operating Profit	70	57	(19.3%)

Shindengen Affiliated companies Net sales results for 2Wheels



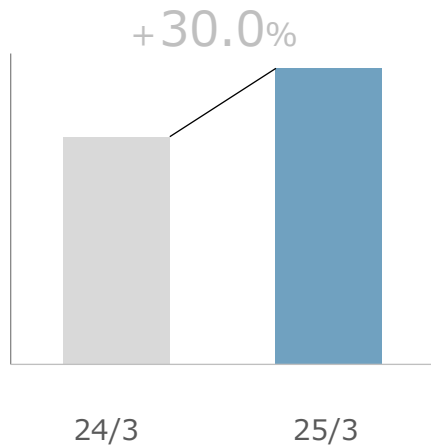
- Sales of motorcycle products increased, driven by India and Indonesia and supported by the weak yen against Asian currencies, securing an increase in sales. On the other hand, sales of inverters for generators decreased.
- Although there was a positive effect from the yen depreciation, income decreased due to the impact of soaring material costs and other factors.

FY2024 Financial results(Energy systems & solutions, other)

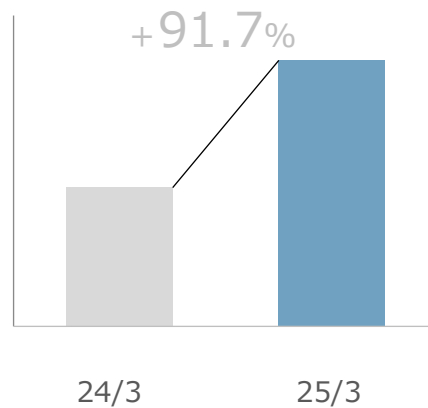
Unit: billion yen

	FY2023	FY2024	YoY
Net Sales	67	92	+ 36.4%
Operating Profit	(1)	14	—

Telecom

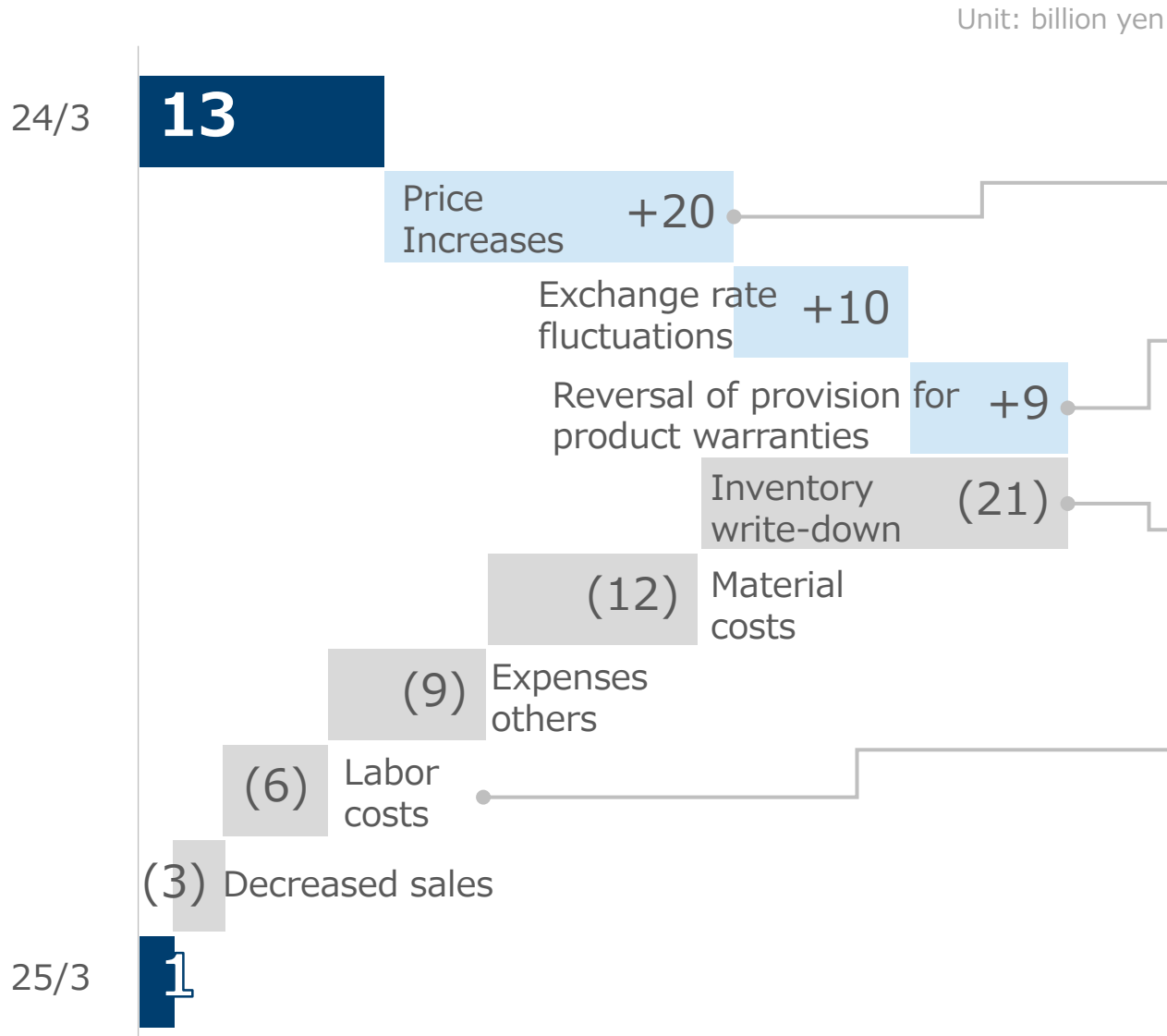


EV chargers



- Rectifiers for telecommunications infrastructure expanded, and EV chargers increased thanks to expanded subsidies.
- Operating profit was secured for the first time in three periods thanks to an increase in rectifiers. In addition, the reversal of product warranty allowances previously recorded also provided support.

Analysis of Change in Operating profit



- Addressing the impact of soaring material costs by reflecting them in prices.
- Reversal of allowance, etc., and occurrence of temporary effects.
- As a measure related to structural reforms, inventory write-down and disposal losses were recorded as costs.
- Labor costs have increased due to pay rises and increased employee numbers.

Unit: billion yen

	FY2023	FY2024	YoY
CAPEX	46	52	+ 12.5%
Depreciation	55	54	(2.7%)
R&D	56	58	+3.8%

- Investment increased YoY thanks to the expansion of production capacity in India.
- The slow progress in CAPEX compared to the initial plan is an issue.

FY2024 Balance sheet

Unit: billion yen

	FY2023	FY2024	% change
Current assets	891	842	(5.5%)
Fixed assets	556	523	(5.9%)
Total assets	1,447	1,365	(5.6%)
Current liabilities	311	309	(0.6%)
Noncurrent Liabilities	426	394	(7.5%)
Total liabilities	738	704	(4.6%)
Total shareholders' equity	540	502	(7.0%)
Accumulated other comprehensive income	169	159	(6.0%)
Total liabilities and net assets	709	661	(6.7%)
Total assets	1,447	1,365	(5.6%)
Per share of common stock	49.0%	48.5%	(0.5pt.)
Debt with interest	389	403	+3.5%

- Current assets increased due to the securing of cash and deposits.
- Fixed assets decreased by approximately 3 billion yen due to mark-to-market revaluation of investment securities, etc.
- Fixed liabilities decreased due to the recording of deferred tax assets.
- The recording of losses and payment of dividends in the fiscal year ending March 2025 reduced retained earnings and reduced shareholders' equity.
- Due to the increase in borrowed funds, interest-bearing liabilities increased.

Forecast of FY2025

Changed the Company's reportable segments

~FY2024

Electronic
devise

Diodes
MOSFETs
Power Ics
Power Modules

Car
electronics

ECUs, PCUs for Motorcycles
DC/DC converters for Automobiles
Inverters for Generators

Energy
systems
&
solutions

PV Inverters
EV Chargers

Other

Solenoids

FY2025~

Power
Device

Diodes
MOSFETs
Power Ics
Power Modules

Power
Unit

ECUs, PCUs for Motorcycles
DC/DC converters for Automobiles
Inverters for Generators

EV Chargers

Power
Systems
&
solutions

PV Inverters

Other

Solenoids

Forecast of FY2025

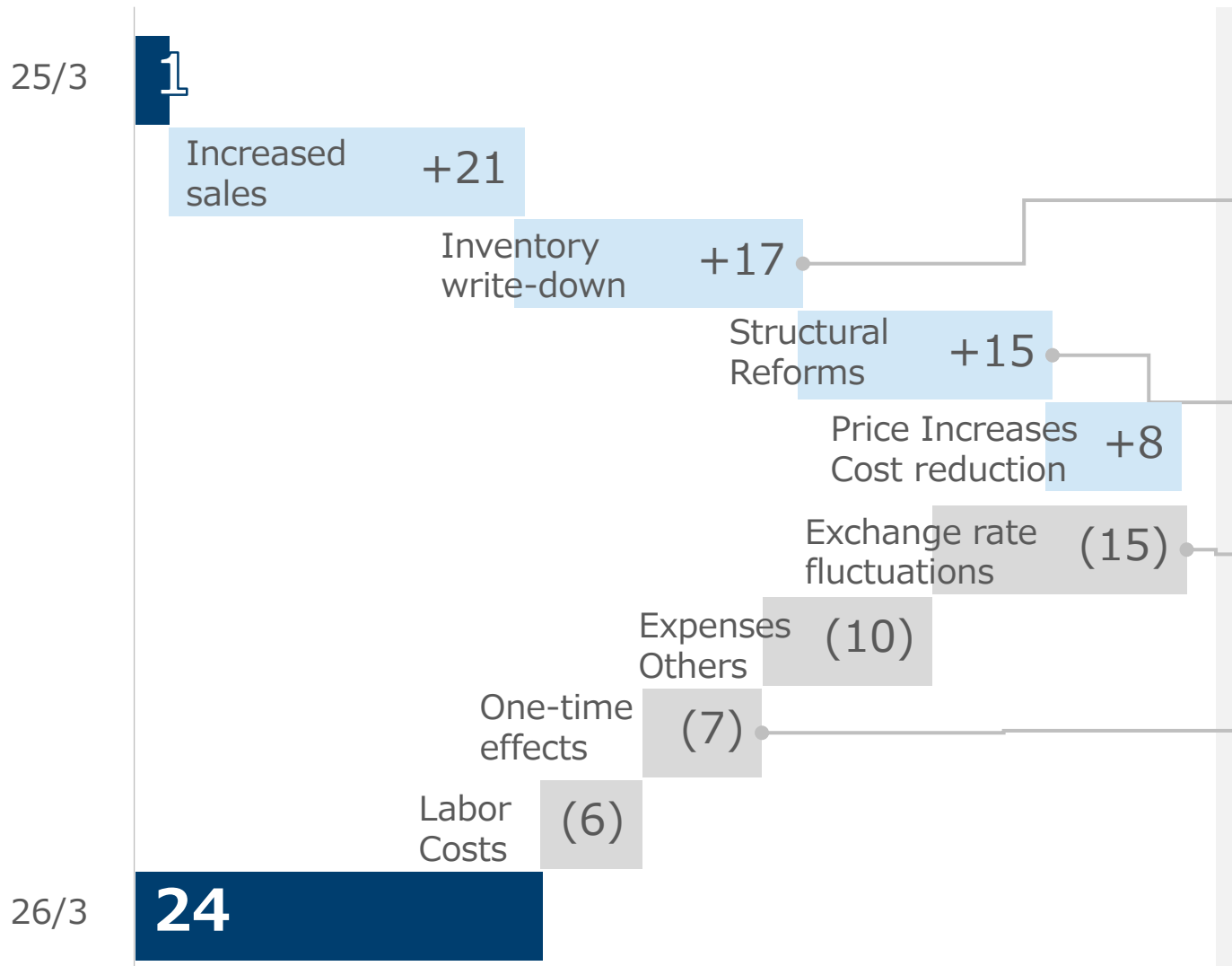
Unit: billion yen

	FY2024 Actual	FY2025 Forecast	YoY
Net sales	1,058	1,083	+ 2.3%
Operating Profit	1	24	1765%
Operating Margin	0.1%	2.2%	+2.1pt.
Ordinary Profit	(5)	22	—
Profit attributable to owners of parent	(24)	18	—
Unit : JPY/USD			
Non-Consolidated Volume Rate	153.04	140.00	(13.04JPY)

- The mobility market is expected to remain steady, while the industrial equipment market is expected to continue to be sluggish.
- Operating profit is expected to increase due to structural reforms, including the implementation of structure reforms in the Electronic device business.
- As for the impact of US tariff policies, we are currently assessing the degree of impact and have not incorporated it into our forecasts.

Analysis of Change in Operating profit

Unit: billion yen



- Conducted in the previous period in connection with structural reforms
One-time effects of inventory write-downs and loss on disposal will be eliminated.
- An improvement of 1.5 billion yen is expected from structural reforms.
- The exchange rate is assumed to be stronger than in the previous period.
- The effect of the reversal of allowance recorded in the previous period will be eliminated.

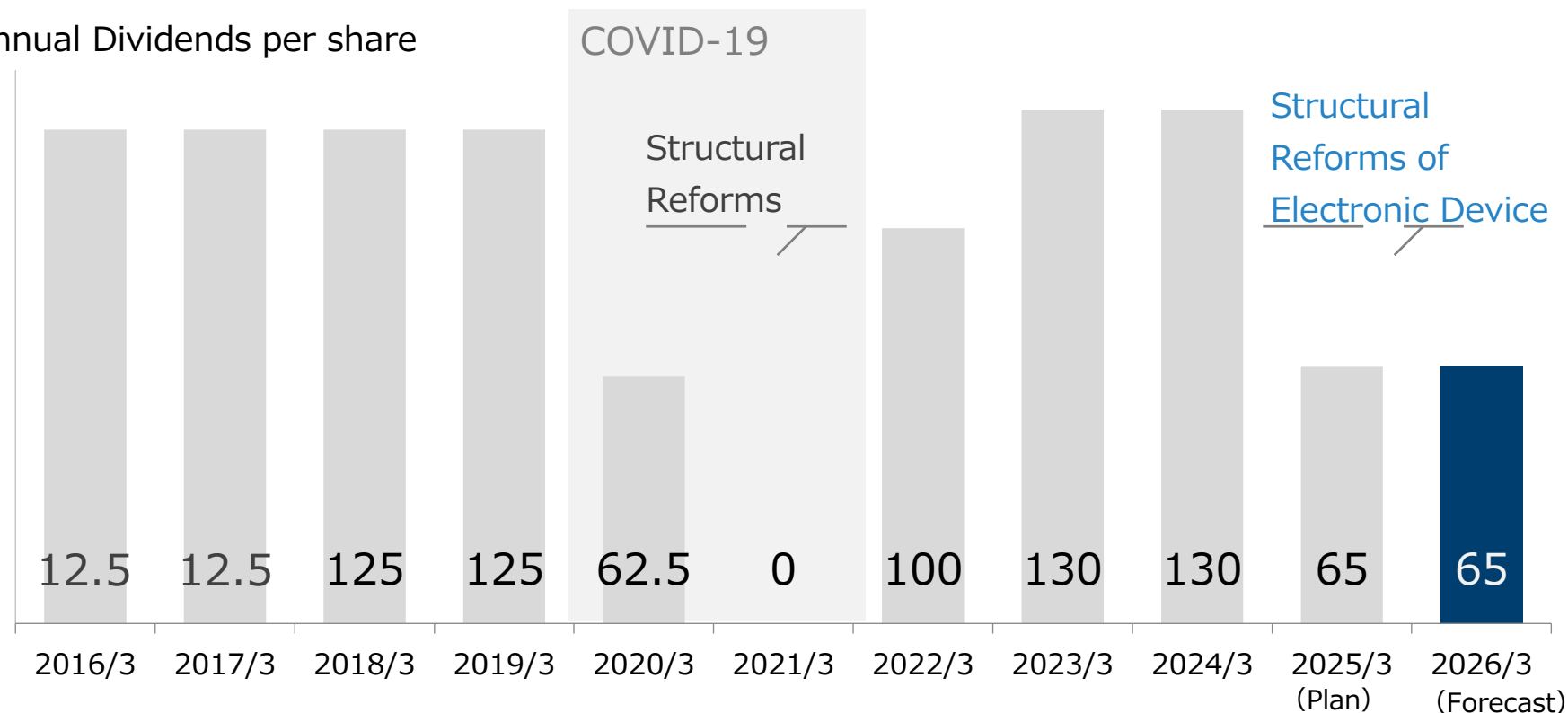
Unit: billion yen

	FY2024	FY2025	YoY
CAPEX	52	81	+ 56.8%
Depreciation	54	58	+ 7.8%
R&D	58	60	+ 3.1%

- Increase investment by upgrading facilities to expand production capacity in the Indian market.
- R&D expenses are expected to remain at the same level as the previous period. Promoting development with a view to 2030.

Dividend Per Share

Annual Dividends per share



* Effective October 1, 2017, the Company consolidated its common shares at the ratio of 10 shares to 1 share. Accordingly, earnings per share have been calculated as if this consolidation of common shares was conducted at the beginning of the previous fiscal year

In accordance with our dividend policy,
we have generally maintained
stable dividends.



Dividends for FY2024 and FY2025
were determined based on business conditions
at that time.

The 17th Medium Term Business Plan

Review the 16th Medium Term Business Plan

the 16th Medium Term Business Plan Policy

“Building a foundation aimed at realization of the long-term vision”

1 Earnings structure construction
Although the device business promoted the shift to larger diameter wafers, profitability declined across the entire business due to the significant impact of a decrease in operations due to lower sales, soaring raw material and energy prices, and rising labor costs.

2 Building a foundation for expansion
The strengthening of competitive car electronics components utilizing in-house modules is progressing, with a focus on the Indian market. On the other hand, the outlook for EV chargers and EV-related products remains uncertain.

3 Focus resources on product groups which can reduce greenhouse effect gases
A department was launched to promote the expansion of EV sales, and resources were reallocated to it to expand the product lineup but the EV market has slowed down recently.

Remaining issues

Strengthening our overall earning power from design to sales

Optimal allocation of limited resources

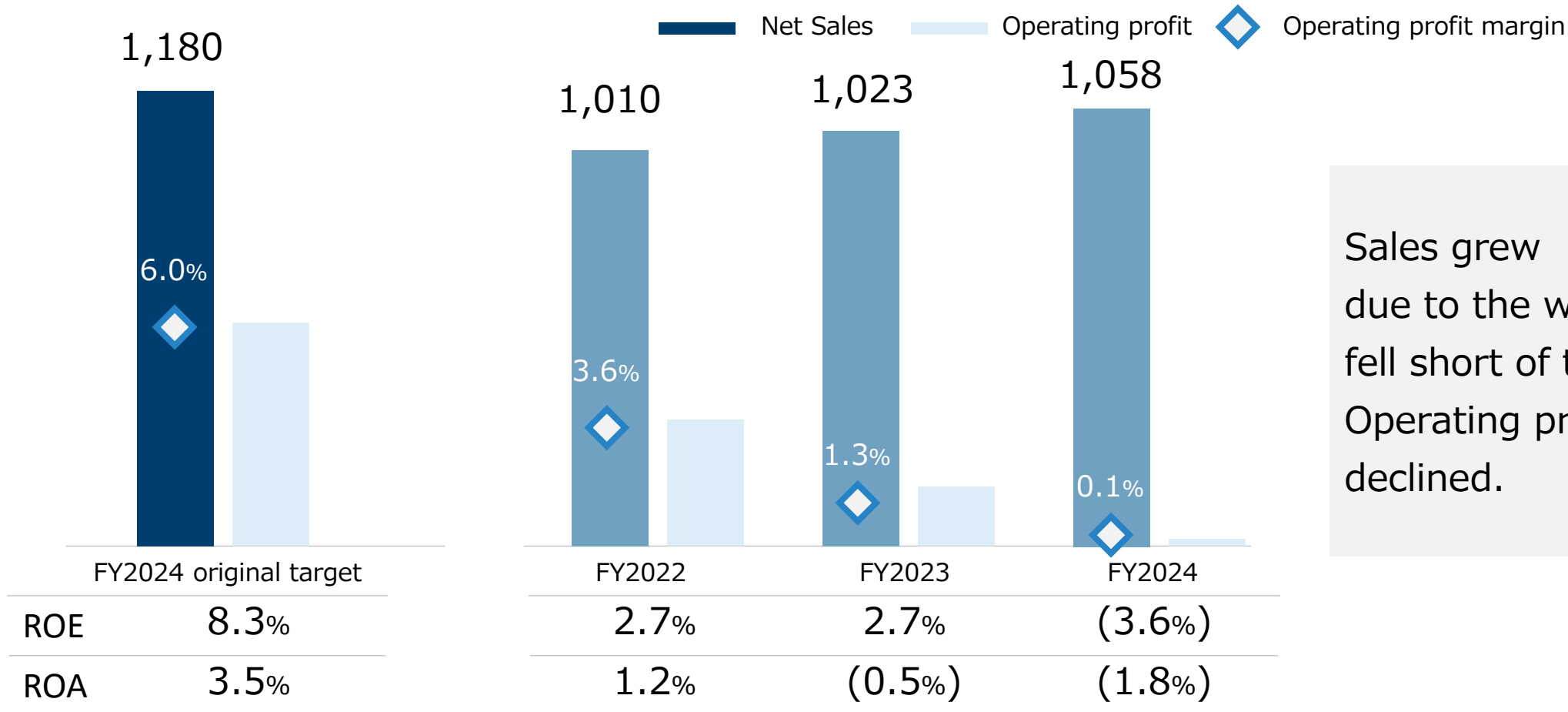
Underperformance due to quality issues

Information dissemination that takes into account capital costs and stock prices



We were rethinking our business plans and resources based on marketability and profitability, and the organization was restructured in April 2025

Review the 16th Medium Term Business Plan



Sales grew due to the weak yen but fell short of the initial plan. Operating profit ratio declined.

- ◆ Delays in implementing measures to address the prolonged slump in the Chinese economy.
- ◆ Delays in passing on appropriate price increases to customers under the situation of soaring material and energy prices.
- ◆ The sale of idle assets is progressing but the overall improvement of total assets is only half complete.

Delays in responding to changes in the external environment are an issue.

Deterioration of
the Electronic device business results

Build a stronger business foundation

Measures

01

Production

Optimize production efficiency to reduce or eliminate production of low-volume products

02

Logistics

Secure production space, and reduce logistics costs to outsource the logistics and shipping operations

03

Sales

reorganizing the system to suit the needs of the region

04

Personnel reduction

solicit voluntary retirement at group companies in Japan and overseas in order to make the personnel structure

Result

Target

Structural reforms were implemented with the aim of improving earnings by **1.5 billion yen.**



Result

Including the effects of other additional measures, totaling at least **1.5 billion yen**, have already been reflected in the earnings forecasts for FY2025.

17th Business Plan Policy

moving into a growth stage by establishing
a solid business foundation and improving capital efficiency

Earning structure construction

We will build a system to improve profitability through a total package from procurement to design, manufacturing, and sales.

Concentrating resources on growth sectors

We will concentrate resources on businesses and products that will become future core businesses and nurture them into pillars of our business by 2030.

Development of target markets

We will allocate resources on a priority basis toward developing the Indian market and will undertake this challenge with the full support of the entire company, including both business and non-business divisions.

Promotion of sustainability management

By proactively advancing our business activities and investing in human resources, we will provide environmentally friendly products to society and build a sustainable growth cycle toward the realization of decarbonization.

Long Term
Vision 2030

Earning structure construction

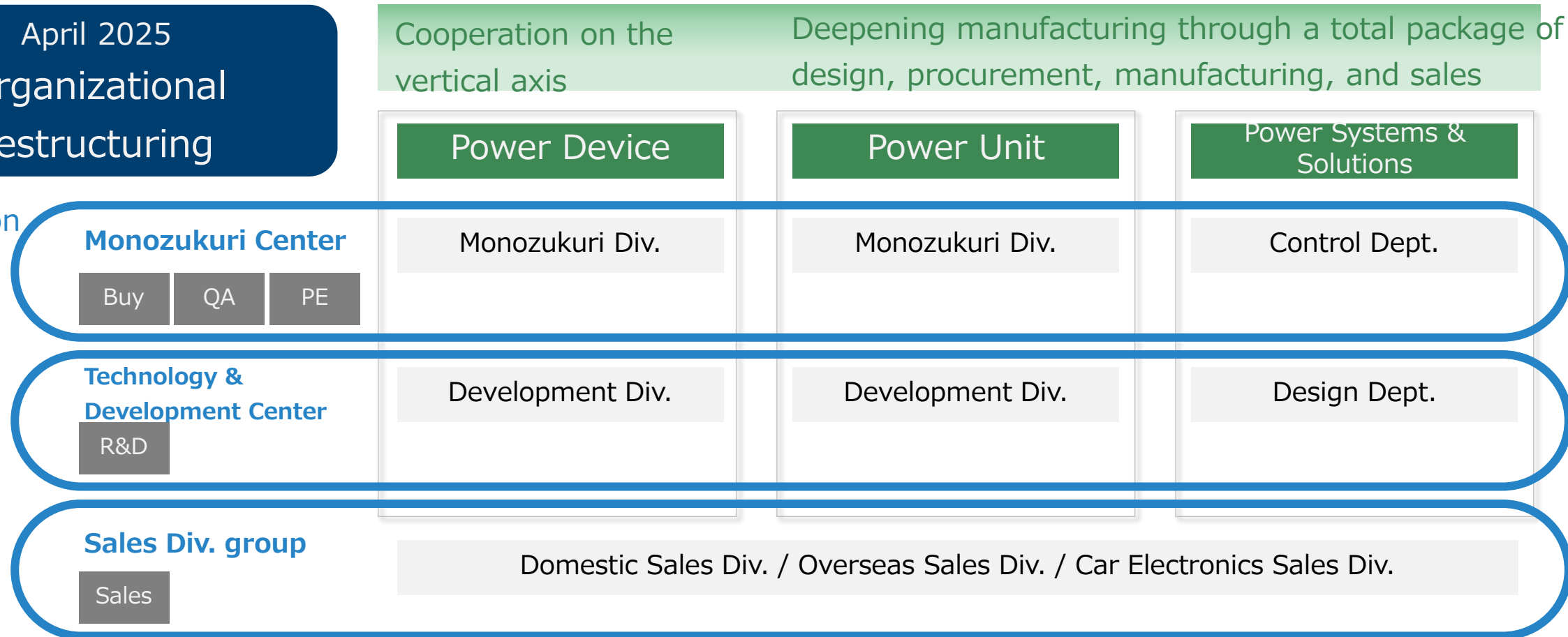
We will build a system to improve profitability through a total package from procurement to design, manufacturing, and sales.

April 2025
Organizational
restructuring

Cooperation on the
vertical axis

Deepening manufacturing through a total package of
design, procurement, manufacturing, and sales

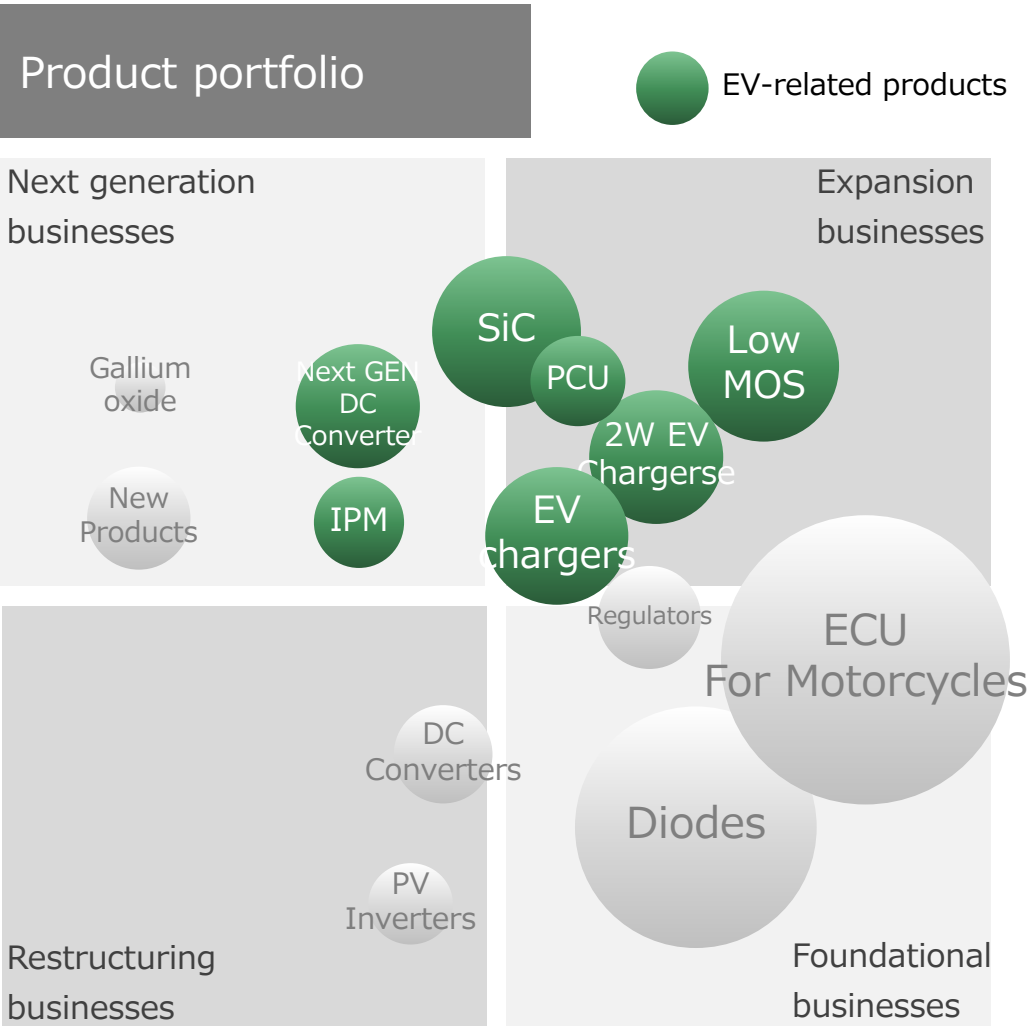
Cooperation
on the
horizontal
axis



Departments with the same functions cooperate
on the horizontal axis to maximize effectiveness

Concentrating resources on growth sectors

We will concentrate resources on businesses and products that will become future core businesses and nurture them into pillars of our business by 2030.



Delays in electrification in the mobility field
Current core products are expected to continue driving business growth

Based on the profitability of our core products after 2030, we will concentrate our resources on products and businesses that will become the pillars of our operations

We will build a growth cycle toward our long-term vision

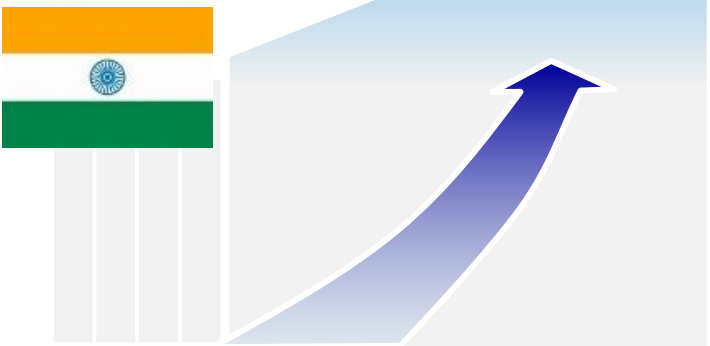
Development of target markets

We will allocate resources on a priority basis toward developing the Indian market and will undertake this challenge with the full support of the entire company, including both business and non-business divisions.

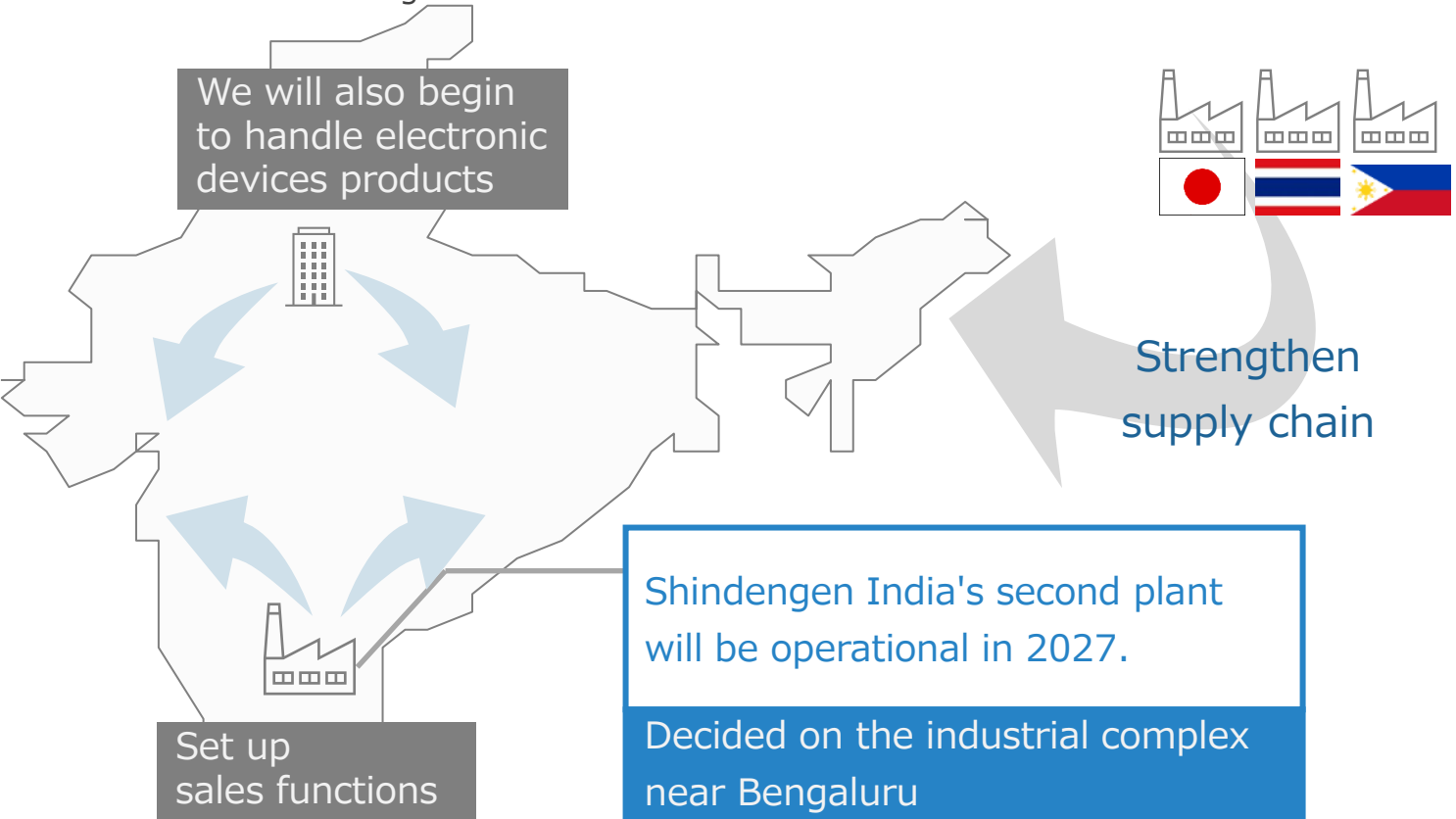
Power Device	Power Unit
Break away from dependence on Greater China through business structural reforms	The mainstay ASEAN motorcycle market is reaching a state of saturation

Focus markets are shifting. Towards a review of systems

We will continue to focus our efforts on India, which has a high affinity with our business fields



FY2030



Aim to establish a system for expanding sales throughout India

Promotion of sustainability management

By proactively advancing our business activities and investing in human resources, we will provide environmentally friendly products to society and build a sustainable growth cycle toward the realization of decarbonization

Sustainability material issues

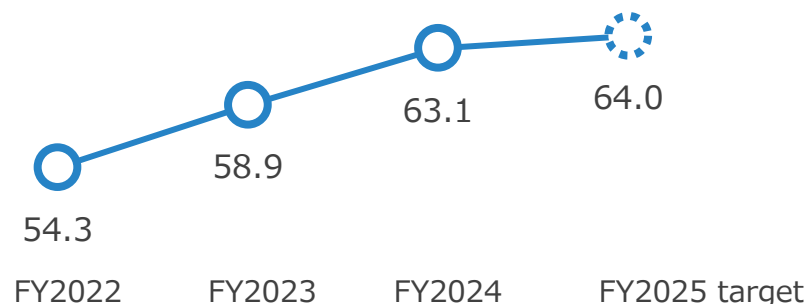


Realizing decarbonization through our business

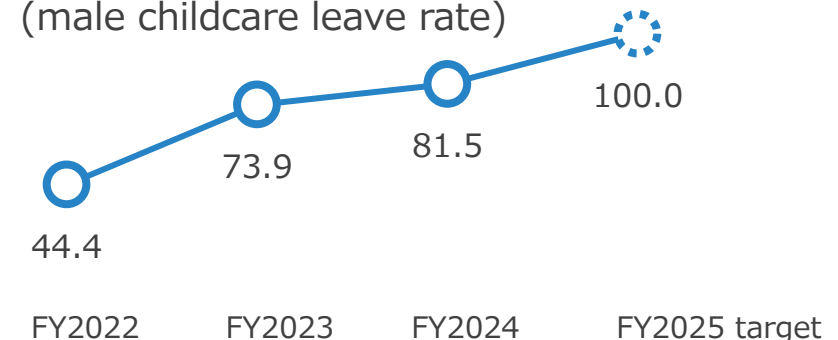
Creating a virtuous cycle for sustainable growth



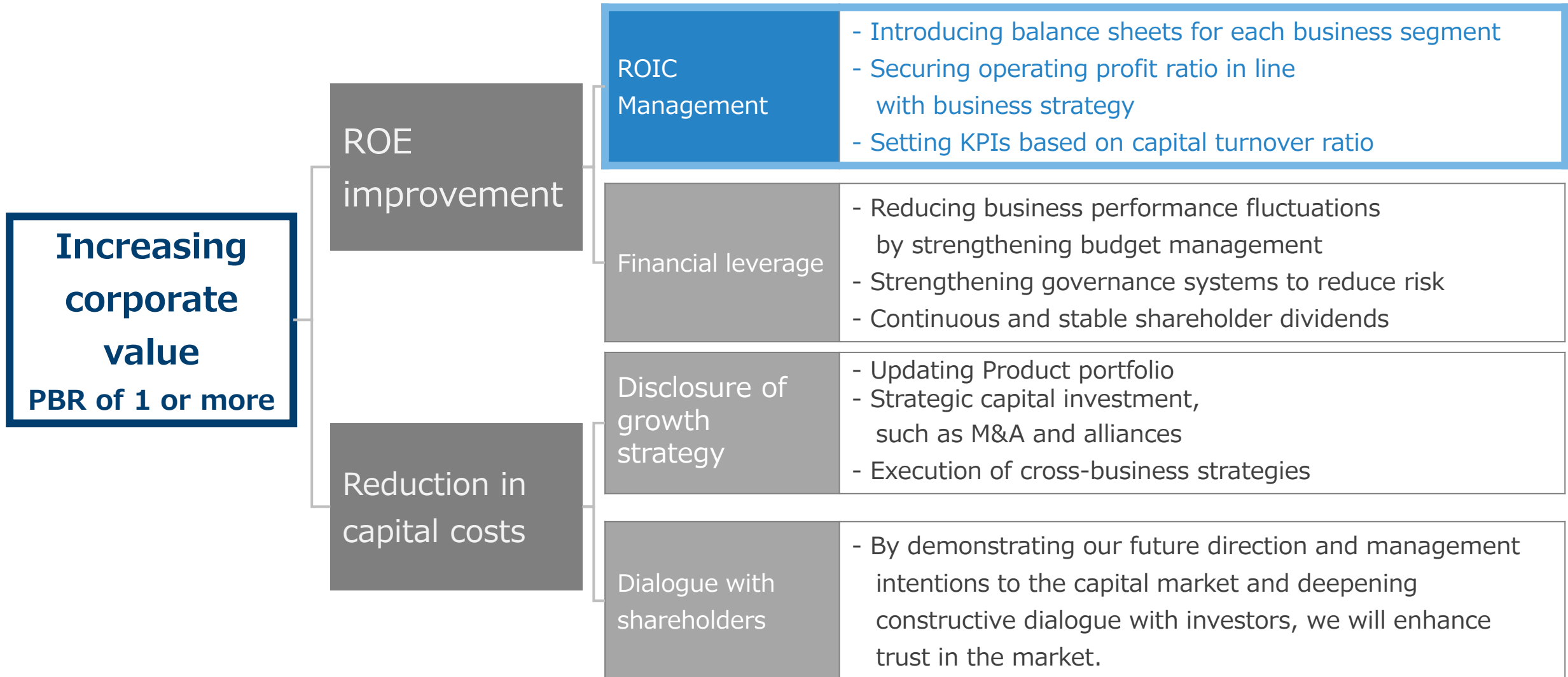
SDK Engagement Index



Promoting women's participation and advancement in the workplace (male childcare leave rate)



Measures to Achieve Management that is Conscious of Cost of Capital and Stock Price



◆ Management targets for the FY2027 (consolidated)

Net Sales	120.0
	billion yen

Operating profit margin	5.0%
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ROE	6.0%
-----	------

Capital Investment

(3-year cumulative total) ¥30.0 billion

R&D costs

(3-year cumulative total) ¥14.5 billion

17th Mid term
Business plan
FY2025~FY2027

Moving into a growth stage
by establishing a solid
business foundation and
improving capital efficiency

Long Term
Vision 2030

16th Mid term
Business plan
FY2022~FY2024

Acquisition of Shares in Newly Established
Power Electronic Device Business Company

Acquisition of Shares in Newly Established Power Electronic Device Business Company

Acquisition of shares in a newly established company spun off from the power device business of Kyocera Corporation, making it a subsidiary

Company Name	Undecided
Location	Hadano City, Kanagawa, Japan 210-0865
Representative's name	Undecided
Share Capital	Undecided
Date of execution of share transfer	January 2026
Business activities	Manufacturing and sales business of power semiconductor products centered around silicon diodes

※will be announced as soon as it is determined.

Shindengen X Kyocera
Power Device X Power Device

We aim to expand our market share and strengthen our competitiveness by combining newly acquired products, equipment, and technologies with our existing businesses

Acquisition of Shares in Newly Established Power Electronic Device Business Company

Acquire new package line-up

With the acquisition of new packages, offering a comprehensive lineup. Ability to offer a wide range of products

Increased demand for compatible packages since the COVID-19 pandemic



Expanding product lineup
by combining newly acquired packages with own chips

Utilization of own chips

Utilizing our own chips to enhance the value of existing products.
Strengthening competitiveness with appealing products.

Transitioning to larger diameter wafers

By transitioning to 8-inch wafers, we aim to enhance price competitiveness and expand future production capacity

One of the world's largest inch-sized diode wafers

New product development

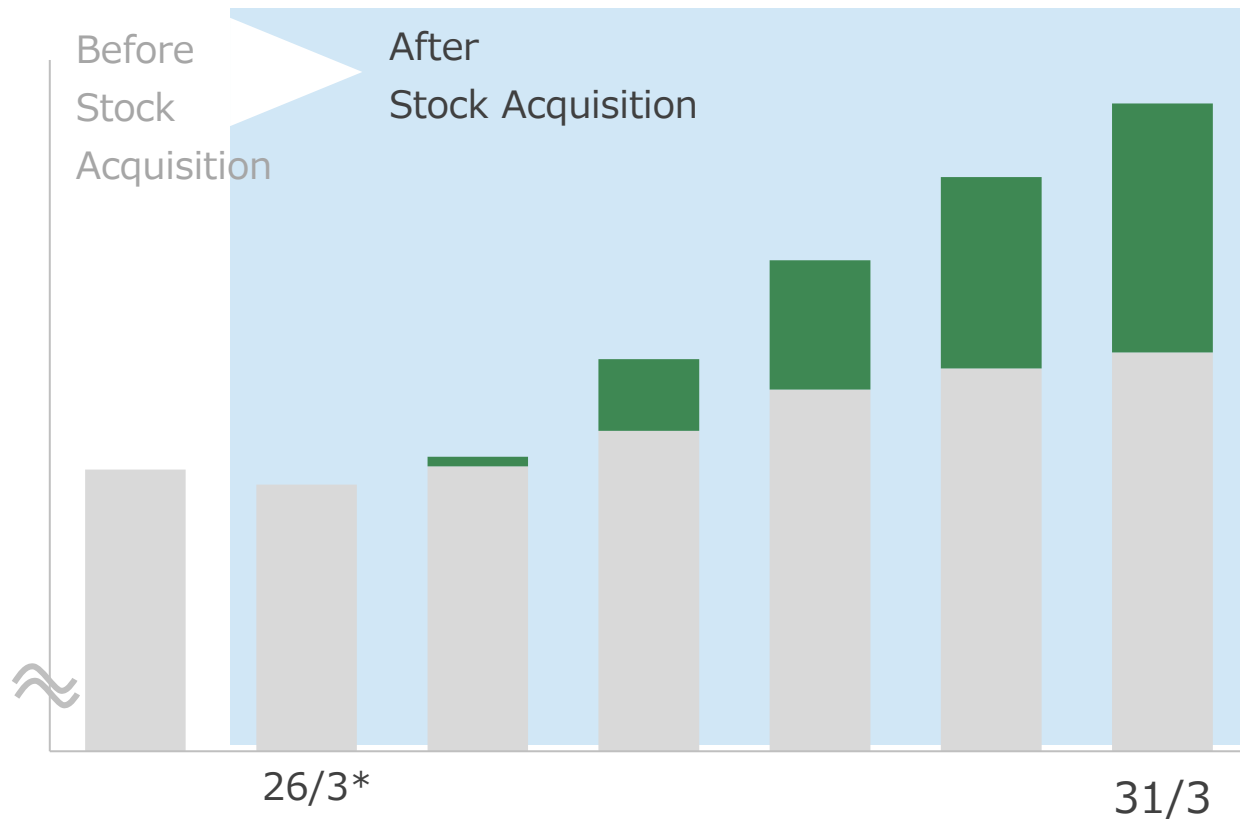
Accelerating the development of SiCMOS modules by utilizing Kyocera's automotive IGBT line
Accelerating low-voltage resistance MOS development by utilizing Kyocera's wafer thinning line

Expanding value-added products, integrating equipment, combining technologies, and merging the ShinDengen business with the Kyocera business to demonstrate superiority over competitors

Acquisition of Shares in Newly Established Power Electronic Device Business Company

Net Sales Forecast

Current Products New Products

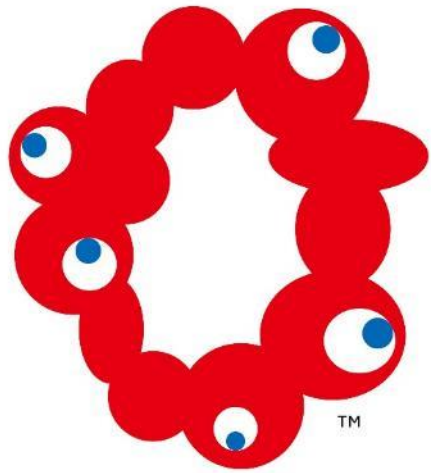


By adding synergy effects to Kyocera's business plan, expanding our business scale, and improving profitability, the acquisition price of 2.5 billion yen can definitely be recovered.

Making it a catalyst for growth in the power device business

*The stock acquisition is scheduled for January 2026, so the contribution to the performance for FY2025 is expected to be limited to the fourth quarter.

The management targets for fiscal 2027 do not include the impact of this share acquisition.



OSAKA, KANSAI, JAPAN

EXPO
2025

ShinDengen /
New power. Your power.

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