

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2019 (Based on Japanese GAAP)

November 5, 2019

Company name: Shindengen Electric Manufacturing Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 6844 URL <https://www.shindengen.co.jp/>  
 Representative: President Yoshinori Suzuki  
 Inquiries: Manager of Corporate Planning Group, Yoshiaki Matsumoto TEL 03-3279-4431  
 Planning Dept.  
 Scheduled date to file Quarterly Securities Report: November 14, 2019  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2019	45,431	(2.5)	994	(66.2)	991	(68.9)	907	(61.0)
Six months ended September 30, 2018	46,595	5.7	2,944	(28.4)	3,188	(26.8)	2,324	(34.6)

Note: Comprehensive income Six months ended September 30, 2019 ¥658 million [(13.8)%]  
 Six months ended September 30, 2018 ¥764 million [(79.6)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2019	88.05		–	
Six months ended September 30, 2018	225.72		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	129,376	58,849	45.5
As of March 31, 2019	128,669	59,470	46.2

Reference: Equity As of September 30, 2019 ¥58,849 million  
 As of March 31, 2019 ¥59,470 million

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	0.00	–	125.00	125.00
Year ending March 31, 2020	–	0.00			
Year ending March 31, 2020 (Forecast)			–	125.00	125.00

Note: Revision of cash dividend forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	94,100	(0.6)	1,500	(73.4)	1,700	(71.6)	1,400	(63.9)	135.90

Note: Revision of consolidated financial results forecast most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2019  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2019	10,338,884 shares	As of March 31, 2019	10,338,884 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2019	36,914 shares	As of March 31, 2019	39,387 shares
--------------------------	---------------	----------------------	---------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2019	10,300,728 shares	Six months ended September 30, 2018	10,299,878 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

\* Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

\* Explanation of proper use of financial results forecast, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including the financial results forecast shown in this document, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially due to various factors.

(How to obtain a copy of the earnings results briefing materials)

The Company plans to hold a presentation for securities analysts and institutional investors on November 11, 2019 (Monday). The earnings results briefing materials distributed at the meeting will be posted promptly on the Company website after the meeting is held.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	25,505	29,479
Notes and accounts receivable - trade	19,044	17,209
Securities	7,000	3,000
Merchandise and finished goods	8,430	7,974
Work in process	4,704	4,726
Raw materials and supplies	10,624	10,655
Other	4,583	2,960
Allowance for doubtful accounts	(18)	(18)
Total current assets	79,874	75,988
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,094	8,427
Machinery, equipment and vehicles, net	8,699	8,897
Land	5,769	5,739
Leased assets, net	948	1,133
Construction in progress	2,201	5,664
Other, net	1,782	1,688
Total property, plant and equipment	27,495	31,551
Intangible assets		
Software	955	901
Leased assets	0	–
Other	553	476
Total intangible assets	1,509	1,377
Investments and other assets		
Investment securities	13,673	13,721
Deferred tax assets	5,505	5,922
Other	659	862
Allowance for doubtful accounts	(48)	(47)
Total investments and other assets	19,789	20,459
Total non-current assets	48,795	53,388
Total assets	128,669	129,376

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	15,283	13,954
Short-term borrowings	5,750	4,775
Current portion of bonds	975	1,225
Lease obligations	280	331
Income taxes payable	62	51
Provision for bonuses	1,111	1,103
Other	6,668	8,797
<b>Total current liabilities</b>	<b>30,131</b>	<b>30,239</b>
<b>Non-current liabilities</b>		
Bonds payable	6,300	5,625
Long-term borrowings	13,725	16,000
Lease obligations	745	892
Deferred tax liabilities	128	101
Retirement benefit liability	15,305	14,974
Provision for product warranties	2,690	2,510
Asset retirement obligations	141	141
Other	32	42
<b>Total non-current liabilities</b>	<b>39,067</b>	<b>40,287</b>
<b>Total liabilities</b>	<b>69,199</b>	<b>70,526</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	17,823	17,823
Capital surplus	7,738	7,738
Retained earnings	35,695	35,315
Treasury shares	(145)	(136)
<b>Total shareholders' equity</b>	<b>61,111</b>	<b>60,740</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,719	1,718
Foreign currency translation adjustment	(1,659)	(2,025)
Remeasurements of defined benefit plans	(1,702)	(1,582)
<b>Total accumulated other comprehensive income</b>	<b>(1,641)</b>	<b>(1,890)</b>
<b>Total net assets</b>	<b>59,470</b>	<b>58,849</b>
<b>Total liabilities and net assets</b>	<b>128,669</b>	<b>129,376</b>

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	46,595	45,431
Cost of sales	36,841	38,159
Gross profit	9,754	7,272
Selling, general and administrative expenses	6,809	6,278
Operating profit	2,944	994
Non-operating income		
Interest income	73	70
Dividend income	189	196
Share of profit of entities accounted for using equity method	263	147
Royalty income	22	19
Other	75	74
Total non-operating income	625	509
Non-operating expenses		
Interest expenses	126	92
Foreign exchange losses	107	294
Other	147	126
Total non-operating expenses	381	513
Ordinary profit	3,188	991
Extraordinary losses		
Impairment loss	–	9
Business restructuring expenses	164	–
Total extraordinary losses	164	9
Profit before income taxes	3,024	982
Income taxes - current	703	581
Income taxes - deferred	(4)	(506)
Total income taxes	699	75
Profit	2,324	907
Profit attributable to		
Profit attributable to owners of parent	2,324	907
Profit attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	(542)	(1)
Foreign currency translation adjustment	(1,075)	(265)
Remeasurements of defined benefit plans, net of tax	126	119
Share of other comprehensive income of entities accounted for using equity method	(69)	(100)
Total other comprehensive income	(1,560)	(248)
Comprehensive income	764	658
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	764	658
Comprehensive income attributable to non-controlling interests	–	–

## Notes Pertaining to Going Concern Assumption

None

## Notes on Significant Changes in the Amount of Shareholders' Equity

None

## Segment Information

Year ended September 30, 2019 (April 1, 2019 to September 30, 2019)

### 1. Net sales, income (loss), identifiable assets/liabilities and other items by reporting segments

	Millions of yen						Quarterly Consolidated Statements of Income and Comprehensive Income (Notes 3)
	Year ended September 30, 2019						
	Electronic Device	Car Electronics	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	
Net Sales							
Outside customers	¥15,447	¥25,573	¥41,021	¥ 4,410	¥ 45,431	¥ —	¥ 45,431
Inter-segment	3,144	1	3,146	—	3,146	(3,146)	—
Total	18,591	25,575	44,167	4,410	48,578	(3,146)	45,431
Segment income (loss)	¥ (52)	¥ 3,219	¥ 3,166	¥ (298)	¥2,867	¥ (1,873)	¥ 994

Notes: 1. The "Other" category includes activities not included in the reporting segments, such as the Energy Systems & Solutions Business and solenoids.

2. ¥ (1,873) million posted under "Adjustments" includes "Corporate expenses" that have not been allocated to each reporting segment. "Corporate expenses" are primarily general and administrative expenses that cannot be attributed to any reporting segment.

3. Segment income (loss) is adjusted to the operating income stated on the consolidated statements of income and consolidated statements of comprehensive income.