

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 8, 2023

Company name: Shindengen Electric Manufacturing Co., Ltd
 Stock exchange listing: Tokyo
 Stock code: 6844 URL <https://www.shindengen.co.jp/>
 Representative: President Nobuyoshi Tanaka
 Inquiries: Manager of Corporate Planning Isao Matsubara TEL 048-483-5311
 Group, Planning Dept.
 Scheduled date to file Quarterly Securities Report: November 10, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	49,602	3.1	406	(72.5)	673	(70.0)	(958)	–
Six months ended September 30, 2022	48,124	4.9	1,479	(57.6)	2,244	(33.8)	1,540	(54.8)

Note: Comprehensive income Six months ended September 30, 2023 ¥5,995 million [(12.8)%]
 Six months ended September 30, 2022 ¥6,878 million [84.1%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	(92.95)		–	
Six months ended September 30, 2022	149.42		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	147,683	67,207	45.5
As of March 31, 2023	138,092	62,539	45.3

Reference: Equity As of September 30, 2023 ¥67,207 million
 As of March 31, 2023 ¥62,539 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	0.00	–	130.00	130.00
Year ending March 31, 2024	–	0.00			
Year ending March 31, 2024 (Forecast)			–	130.00	130.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	100,900	(0.1)	1,000	(72.4)	1,300	(70.0)	(700)	-	(67.88)

Note: Revision of consolidated financial results forecast most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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, 2023	10,338,884 shares	As of March 31, 2023	10,338,884 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	25,920 shares	As of March 31, 2023	29,678 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	10,311,069 shares	Six months ended September 30, 2022	10,308,251 shares
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* 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 meeting for analysts and institutional investors on November 15, 2023 (Wednesday). 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, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	25,147	31,870
Notes and accounts receivable - trade	19,421	18,222
Merchandise and finished goods	11,318	12,205
Work in process	6,085	6,919
Raw materials and supplies	17,465	19,305
Other	6,026	3,871
Allowance for doubtful accounts	(23)	(21)
Total current assets	85,440	92,372
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,287	17,076
Machinery, equipment and vehicles, net	9,266	9,583
Land	4,357	4,442
Leased assets, net	693	679
Construction in progress	1,820	1,877
Other, net	2,126	2,287
Total property, plant and equipment	35,553	35,947
Intangible assets		
Software	622	593
Leased assets	2	–
Other	59	50
Total intangible assets	684	643
Investments and other assets		
Investment securities	14,876	17,102
Deferred tax assets	659	685
Other	921	973
Allowance for doubtful accounts	(42)	(41)
Total investments and other assets	16,414	18,719
Total non-current assets	52,652	55,310
Total assets	138,092	147,683

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,668	17,274
Short-term borrowings	5,895	6,180
Current portion of bonds payable	1,500	1,275
Lease liabilities	375	454
Income taxes payable	239	371
Provision for bonuses	965	989
Asset retirement obligations	80	10
Other	5,737	5,122
Total current liabilities	32,462	31,677
Non-current liabilities		
Bonds payable	2,350	1,775
Long-term borrowings	26,780	32,395
Lease liabilities	629	635
Deferred tax liabilities	2,707	3,221
Retirement benefit liability	8,594	8,763
Provision for product warranties	1,180	1,121
Asset retirement obligations	801	818
Other	47	67
Total non-current liabilities	43,091	48,798
Total liabilities	75,553	80,475
Net assets		
Shareholders' equity		
Share capital	17,823	17,823
Capital surplus	7,733	7,732
Retained earnings	30,563	28,264
Treasury shares	(109)	(95)
Total shareholders' equity	56,010	53,724
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,559	5,502
Foreign currency translation adjustment	893	3,721
Remeasurements of defined benefit plans	3,076	4,259
Total accumulated other comprehensive income	6,528	13,482
Total net assets	62,539	67,207
Total liabilities and net assets	138,092	147,683

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	48,124	49,602
Cost of sales	39,539	42,308
Gross profit	8,584	7,293
Selling, general and administrative expenses	7,105	6,887
Operating profit	1,479	406
Non-operating income		
Interest income	53	123
Dividend income	212	203
Foreign exchange gains	695	89
Share of profit of entities accounted for using equity method	35	48
Royalty income	3	2
Other	88	80
Total non-operating income	1,088	547
Non-operating expenses		
Interest expenses	122	122
Restoration cost	69	–
Other	130	158
Total non-operating expenses	323	281
Ordinary profit	2,244	673
Extraordinary losses		
Loss on sale of investment securities	–	296
Total extraordinary losses	–	296
Profit before income taxes	2,244	377
Income taxes - current	805	973
Income taxes - deferred	(101)	361
Total income taxes	703	1,335
Profit (loss)	1,540	(958)
Profit attributable to		
Profit (loss) attributable to owners of parent	1,540	(958)
Profit attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	(597)	2,943
Foreign currency translation adjustment	3,053	2,560
Remeasurements of defined benefit plans, net of tax	2,673	1,183
Share of other comprehensive income of entities accounted for using equity method	208	267
Total other comprehensive income	5,338	6,954
Comprehensive income	6,878	5,995
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,878	5,995
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, 2023 (April 1, 2023 to September 30, 2023)

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

Millions of yen								
Year ended September 30, 2023								
	Devices Business	Car Electronics Business	Energy systems & solutions Business	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	Quarterly Consolidated Statements of Income and Comprehensive Income (Notes 3)
Net Sales								
Outside customers	¥ 16,398	¥ 30,765	¥ 2,367	¥ 49,531	¥ 70	¥ 49,602	¥ —	¥ 49,602
Inter-segment	3,605	2	—	3,608	—	3,608	(3,608)	—
Total	20,004	30,768	2,367	53,140	70	53,210	(3,608)	49,602
Segment income (loss)	¥ (196)	¥ 3,158	¥ (285)	¥ 2,676	¥ 23	¥ 2,700	¥ (2,293)	¥ 406

Notes: 1. The “Other” category includes activities not included in the reporting segments, such as solenoids.

2. ¥ (2,293) 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.

2. Changes in reporting segments, etc.

The Company's reporting segments comprise product segments based on the business divisions. Effective April 1, 2023, the segmentation of product administration was changed in part.

As a result, the Company changed its reportable segments. Prior to this change, the reportable segments were the Power Device, Car Electronics. Following the change, the reportable segments are the Power Device and Car Electronics and Energy systems & solutions segments.