

**Translation**

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 9, 2023

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, Isao matsubara TEL 048-483-5311  
 Planning Dept.  
 Scheduled date to file Quarterly Securities Report: February 10, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

## (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	%
Nine months ended December 31, 2022	74,209	8.9	2,920	(30.4)	3,655	(14.9)	2,440	(41.1)
Nine months ended December 31, 2021	68,144	18.9	4,197	–	4,294	–	4,146	–

Note: Comprehensive income Nine months ended December 31, 2022 ¥7,358 million [74.0%]  
 Nine months ended December 31, 2021 ¥4,230 million [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	236.79		–	
Nine months ended December 31, 2021	402.35		–	

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	140,418	63,564	45.3
As of March 31, 2022	135,041	57,229	42.4

Reference: Equity As of December 31, 2022 ¥63,564 million  
 As of March 31, 2022 ¥57,229 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, 2022	–	0.00	–	100.00	100.00
Year ending March 31, 2023	–	0.00	–		
Year ending March 31, 2023 (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, 2023 (from April 1, 2022 to March 31, 2023)

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	107,400	16.5	4,800	(13.7)	5,400	(7.4)	4,300	(27.2)	417.12

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022  
(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: Yes
- 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 December 31, 2022	10,338,884 shares	As of March 31, 2022	10,338,884 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	29,620 shares	As of March 31, 2022	31,820 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	10,308,599 shares	Nine months ended December 31, 2021	10,306,606 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.

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

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	29,613	27,607
Notes and accounts receivable - trade	18,919	19,477
Merchandise and finished goods	8,790	13,252
Work in process	5,561	6,554
Raw materials and supplies	13,938	16,375
Other	5,156	5,217
Allowance for doubtful accounts	(22)	(25)
Total current assets	81,958	88,458
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,962	17,596
Machinery, equipment and vehicles, net	8,907	9,754
Land	4,560	4,606
Leased assets, net	905	789
Construction in progress	1,753	1,303
Other, net	1,984	2,131
Total property, plant and equipment	36,073	36,181
Intangible assets		
Software	454	605
Leased assets	8	4
Other	284	62
Total intangible assets	747	672
Investments and other assets		
Investment securities	14,807	13,684
Deferred tax assets	703	594
Other	797	869
Allowance for doubtful accounts	(46)	(42)
Total investments and other assets	16,262	15,106
Total non-current assets	53,083	51,959
Total assets	135,041	140,418

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	16,657	17,786
Short-term borrowings	5,100	5,855
Current portion of bonds payable	1,450	1,400
Lease liabilities	331	400
Income taxes payable	414	313
Provision for bonuses	951	–
Other	4,907	6,776
<b>Total current liabilities</b>	<b>29,813</b>	<b>32,532</b>
<b>Non-current liabilities</b>		
Bonds payable	3,850	2,800
Long-term borrowings	28,275	28,295
Lease liabilities	874	734
Deferred tax liabilities	334	1,377
Retirement benefit liability	12,217	8,842
Provision for product warranties	1,589	1,430
Asset retirement obligations	803	794
Other	55	46
<b>Total non-current liabilities</b>	<b>47,999</b>	<b>44,321</b>
<b>Total liabilities</b>	<b>77,812</b>	<b>76,853</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	17,823	17,823
Capital surplus	7,733	7,733
Retained earnings	29,949	31,359
Treasury shares	(117)	(109)
<b>Total shareholders' equity</b>	<b>55,388</b>	<b>56,806</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,396	1,726
Foreign currency translation adjustment	(871)	2,072
Remeasurements of defined benefit plans	314	2,958
<b>Total accumulated other comprehensive income</b>	<b>1,840</b>	<b>6,757</b>
<b>Total net assets</b>	<b>57,229</b>	<b>63,564</b>
<b>Total liabilities and net assets</b>	<b>135,041</b>	<b>140,418</b>

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	68,144	74,209
Cost of sales	54,200	60,642
Gross profit	13,943	13,567
Selling, general and administrative expenses	9,746	10,646
Operating profit	4,197	2,920
Non-operating income		
Interest income	44	85
Dividend income	359	399
Foreign exchange gains	–	524
Share of profit of entities accounted for using equity method	143	77
Royalty income	3	3
Other	110	110
Total non-operating income	662	1,201
Non-operating expenses		
Interest expenses	182	187
Foreign exchange losses	100	–
Restoration Cost	–	69
Other	282	210
Total non-operating expenses	565	467
Ordinary profit	4,294	3,655
Extraordinary income		
Gain on sale of investment securities	1,033	65
Gain on sale of non-current assets	64	–
Total extraordinary income	1,098	65
Extraordinary losses		
Loss on valuation of investment securities	36	–
Loss on sale of investment securities	0	–
Total extraordinary losses	37	–
Profit before income taxes	5,354	3,720
Income taxes - current	1,015	988
Income taxes - deferred	192	291
Total income taxes	1,208	1,279
Profit	4,146	2,440
Profit attributable to		
Profit attributable to owners of parent	4,146	2,440
Profit attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	(891)	(670)
Foreign currency translation adjustment	851	2,956
Remeasurements of defined benefit plans, net of tax	83	2,644
Share of other comprehensive income of entities accounted for using equity method	39	(12)
Total other comprehensive income	83	4,917
Comprehensive income	4,230	7,358
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,230	7,358
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

### **Changes in accounting estimates**

#### **Changes to number of years of expense processing for differences in actuarial valuation related to retirement benefits**

The number of years of expense processing related to retirement benefits was previously processed as 15 years based on the average remaining number of years of employment of employees, however in some consolidated subsidiaries where the average remaining number of years of employment of employees is less than 15 years, this has been changed to 12 years from the relevant 1st quarter consolidated accounting period.

As a result the operating profit, ordinary profit, and tax, etc. adjusted previous quarter net earnings for the current 3rd quarter consolidated accounting period have each been reduced by 22 million yen.

### **Additional Information**

#### **Impact of COVID-19 infections on accounting estimates**

There have been no significant changes during the 3rd quarter consolidated accounting period regarding to the impact of COVID-19 infections on operations noted in the FY2021 Annual Securities Report (Important Accounting Estimates).

### **Revision of retirement benefit system**

Our company and some consolidated subsidiaries have revised portions of the retirement benefit system on September 1, 2022.

As a result, liabilities for retirement benefits and retirement benefit expenses decreased by 3,898 million yen and 182 million yen, respectively, while accumulated retirement benefit adjustments and deferred tax liabilities increased by 2,578 million yen and 1,137 million yen, respectively, during the current 3rd quarter consolidated accounting period.

## Segment Information

Year ended December 31, 2022 (April 1, 2022 to December 31, 2022)

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

Millions of yen							
Year ended December 31, 2022							
	Electronic Device	Car Electronics	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	Quarterly Consolidated Statements of Income and Comprehensive Income (Notes 3)
Net Sales							
Outside customers	¥ 28,380	¥41,500	¥69,880	¥ 4,329	¥ 74,209	—	¥74,209
Inter-segment	4,906	—	4,906	—	4,906	(4,906)	—
<b>Total</b>	<b>33,286</b>	<b>41,500</b>	<b>74,787</b>	<b>4,329</b>	<b>79,116</b>	<b>(4,906)</b>	<b>74,209</b>
Segment income							
	¥2,702	¥ 4,013	¥6,715	¥(298)	¥6,417	¥ (3,496)	¥ 2,920

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

2. ¥ (3,496) 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 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, 2022, the segmentation of product administration was changed in part.

As a result, some product groups were transferred from the Car Electronics Business to the Other Business, starting in the first quarter ended June 30, 2022.