

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 14, 2024

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 Group, Isao Matsubara TEL 048-483-5311
 Planning Dept.
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 28, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	102,261	1.2	1,278	(64.7)	1,660	(61.6)	(712)	–
Year ended March 31, 2023	101,007	9.6	3,621	(34.9)	4,326	(25.8)	1,644	(72.1)

Note: Comprehensive income Year ended March 31, 2024 ¥9,706 million [53.3%]
 Year ended March 31, 2023 ¥6,333 million [(18.9)%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	(69.08)	–	(1.1)	1.2	1.3
Year ended March 31, 2023	159.56	–	2.7	3.2	3.6

Reference: Share of loss (profit) of entities accounted for using equity method

Year ended March 31, 2024 ¥76 million
 Year ended March 31, 2023 ¥25 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	144,669	70,917	49.0	6,876.60
As of March 31, 2023	138,092	62,539	45.3	6,066.34

Reference: Equity As of March 31, 2024 ¥70,917 million
 As of March 31, 2023 ¥62,539 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	2,206	(1,776)	(252)	26,340
Year ended March 31, 2023	2,736	(4,088)	(3,549)	25,147

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	0.00	–	130.00	130.00	1,340	81.5	2.2
Year ended March 31, 2024	–	0.00	–	130.00	130.00	1,340	–	2.0
Year ending March 31, 2025 (Forecast)	–	0.00	–	130.00	130.00		83.8	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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
Six months ending September 30, 2024	50,800	2.4	600	47.5	600	(10.9)	200	–	19.39
Full year	106,600	4.2	2,500	95.5	2,600	56.6	1,600	–	155.15

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	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 March 31, 2024	26,072 shares	As of March 31, 2023	29,678 shares
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Average number of shares during the period

Year ended March 31, 2024	10,311,976 shares	Year ended March 31, 2023	10,308,757 shares
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(Reference)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	80,574	(1.5)	(3,907)	—	(1,617)	—	(1,211)	—
Year ended March 31, 2023	81,793	3.7	(631)	—	1,324	(70.7)	307	(92.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2024	(117.45)		—	
Year ended March 31, 2023	29.88		—	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	112,058	43,687	39.0	4,236.24
As of March 31, 2023	107,926	42,159	39.1	4,089.48

Reference: Equity As of March 31, 2024 ¥43,687 million
 As of March 31, 2023 ¥42,159 million

* Financial results reports are exempt from audit 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 also differ materially due to various factors.

(How to obtain a copy of the supplementary material on financial results and earnings results briefing materials)

The Company plans to hold a presentation of the financial results for securities analysts and institutional investors on May 17, 2024.

The earnings results briefing materials distributed at the meeting will be posted promptly on the Company website after the meeting is held.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	25,147	26,340
Notes and accounts receivable - trade	19,421	18,066
Merchandise and finished goods	11,318	11,905
Work in process	6,085	6,679
Raw materials and supplies	17,465	19,899
Other	6,026	6,228
Allowance for doubtful accounts	(23)	(25)
Total current assets	85,440	89,095
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,287	16,683
Machinery, equipment and vehicles, net	9,266	9,188
Land	4,357	4,256
Leased assets, net	693	606
Construction in progress	1,820	2,063
Other, net	2,126	2,324
Total property, plant and equipment	35,553	35,121
Intangible assets		
Software	622	579
Leased assets	2	–
Other	59	35
Total intangible assets	684	614
Investments and other assets		
Investment securities	14,876	18,473
Deferred tax assets	659	324
Retirement benefit asset	90	145
Other	831	935
Allowance for doubtful accounts	(42)	(41)
Total investments and other assets	16,414	19,837
Total non-current assets	52,652	55,573
Total assets	138,092	144,669

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,668	16,402
Short-term borrowings	5,895	6,355
Current portion of bonds payable	1,500	1,025
Lease liabilities	375	445
Income taxes payable	239	472
Provision for bonuses	965	839
Asset retirement obligations	80	–
Other	5,737	5,570
Total current liabilities	32,462	31,110
Non-current liabilities		
Bonds payable	2,350	1,325
Long-term borrowings	26,780	29,225
Lease liabilities	629	527
Deferred tax liabilities	2,707	3,761
Retirement benefit liability	8,594	5,694
Provision for product warranties	1,180	1,207
Asset retirement obligations	801	860
Other	47	39
Total non-current liabilities	43,091	42,641
Total liabilities	75,553	73,752
Net assets		
Shareholders' equity		
Share capital	17,823	17,823
Capital surplus	7,733	7,732
Retained earnings	30,563	28,510
Treasury shares	(109)	(95)
Total shareholders' equity	56,010	53,970
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,559	6,627
Foreign currency translation adjustment	893	3,347
Remeasurements of defined benefit plans	3,076	6,971
Total accumulated other comprehensive income	6,528	16,946
Total net assets	62,539	70,917
Total liabilities and net assets	138,092	144,669

Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	101,007	102,261
Cost of sales	83,222	87,213
Gross profit	17,784	15,047
Selling, general and administrative expenses	14,163	13,768
Operating profit	3,621	1,278
Non-operating income		
Interest income	198	275
Dividend income	404	465
Share of profit of entities accounted for using equity method	25	76
Foreign exchange gains	428	70
Royalty income	3	2
Other	359	161
Total non-operating income	1,420	1,051
Non-operating expenses		
Interest expenses	253	290
Other	462	380
Total non-operating expenses	715	670
Ordinary profit	4,326	1,660
Extraordinary income		
Gain on sale of investment securities	67	294
Total extraordinary income	67	294
Extraordinary losses		
Impairment losses	320	151
Loss on sale of investment securities	–	296
Total extraordinary losses	320	447
Profit before income taxes	4,073	1,506
Income taxes - current	1,150	1,596
Income taxes for prior periods	–	149
Income taxes - deferred	1,277	472
Total income taxes	2,428	2,219
Profit	1,644	(712)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit attributable to		
Profit attributable to owners of parent	1,644	(712)
Other comprehensive income		
Valuation difference on available-for-sale securities	162	4,067
Foreign currency translation adjustment	1,749	2,186
Remeasurements of defined benefit plans, net of tax	2,761	3,895
Share of other comprehensive income of entities accounted for using equity method	15	268
Total other comprehensive income	4,688	10,418
Comprehensive income	6,333	9,706
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,333	9,706
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	17,823	7,733	29,949	(117)	55,388	2,396	(871)	314	1,840	57,229
Changes during period										
Dividends of surplus			(1,030)		(1,030)					(1,030)
Profit attributable to owners of parent			1,644		1,644					1,644
Purchase of treasury shares				(1)	(1)					(1)
Disposal of treasury shares		(0)		9	9					9
Net changes in items other than shareholders' equity						162	1,764	2,761	4,688	4,688
Total changes during period	–	(0)	614	7	621	162	1,764	2,761	4,688	5,310
Balance at end of period	17,823	7,733	30,563	(109)	56,010	2,559	893	3,076	6,528	62,539

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	17,823	7,733	30,563	(109)	56,010	2,559	893	3,076	6,528	62,539
Changes during period										
Dividends of surplus			(1,340)		(1,340)					(1,340)
Profit attributable to owners of parent			(712)		(712)					(712)
Purchase of treasury shares				(0)	(0)					(0)
Disposal of treasury shares		(1)		14	12					12
Net changes in items other than shareholders' equity						4,068	2,454	3,895	10,418	10,418
Total changes during period	–	(1)	(2,052)	13	(2,040)	4,068	2,454	3,895	10,418	8,377
Balance at end of period	17,823	7,732	28,510	(95)	53,970	6,627	3,347	6,971	16,946	70,917

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,073	1,506
Depreciation	5,714	5,528
Increase (decrease) in provision for bonuses	13	(125)
Increase (decrease) in provision for product warranties	(409)	27
Increase (decrease) in retirement benefit liability	213	(125)
Interest and dividend income	(603)	(740)
Interest expenses	253	290
Decrease (increase) in trade receivables	352	2,059
Decrease (increase) in inventories	(5,470)	(2,590)
Increase (decrease) in trade payables	(470)	(2,305)
Decrease (increase) in consumption taxes refund receivable	(1,656)	–
Increase (decrease) in accrued consumption taxes	–	144
Decrease (increase) in accounts receivable - other	395	(87)
Impairment losses	320	151
Loss (gain) on sale of investment securities	(67)	1
Other, net	739	(499)
Subtotal	3,398	3,233
Interest and dividends received	611	747
Interest paid	(253)	(288)
Income taxes paid	(1,020)	(1,485)
Net cash provided by (used in) operating activities	2,736	2,206
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,731)	(4,290)
Proceeds from sale of property, plant and equipment	48	26
Purchase of intangible assets	(188)	(157)
Proceeds from sale of investment securities	123	2,716
Proceeds from sale of shares of subsidiaries and associates	149	–
Other, net	511	(72)
Net cash provided by (used in) investing activities	(4,088)	(1,776)
Cash flows from financing activities		
Proceeds from long-term borrowings	4,400	8,800
Repayments of long-term borrowings	(5,100)	(5,895)
Redemption of bonds	(1,455)	(1,504)
Purchase of treasury shares	(1)	(0)
Repayments of lease liabilities	(361)	(311)
Dividends paid	(1,030)	(1,340)
Net cash provided by (used in) financing activities	(3,549)	(252)
Effect of exchange rate change on cash and cash equivalents	886	1,015
Net increase (decrease) in cash and cash equivalents	(4,014)	1,193
Cash and cash equivalents at beginning of period	29,161	25,147
Cash and cash equivalents at end of period	25,147	26,340

Notes Pertaining to Going Concern Assumption

None

Segment Information

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

1. Reporting segment overview

The Company's reportable operating segments are components of an entity for which separate financial information is available and evaluated regularly by the board of directors in determining the allocation of management resources and in assessing performance.

The Shindengen Group formulates comprehensive domestic and overseas strategies for the products that its business divisions provide.

The Shindengen Group' business is organized into three reportable segments—Electronic Device Business, Car Electronics Business and Energy Systems & Solutions Business —which form the base of its business divisions. The Electronic Device Business manufactures diodes, thyristors, power MOSFETs, power ICs and power modules. The Car Electronics Business mainly manufactures electronics components for motorcycles and automobiles, along with general purpose sine wave inverters. The Energy Systems & Solutions Business manufactures power supplies for telecommunication equipment and recharging stands for electric vehicles.

The classification of the Company's reportable segments has changed. Prior to this change, the reportable segments were the Electronic Device Business and Car Electronics Business. Following the change, the reportable segments are the Electronic Device Business, Car Electronics Business segments and Energy Systems & Solutions Business. The Energy Systems & Solutions Business has been classified as a reportable segment due to its increased accounting importance based on monetary standards.

Year ended March 31, 2024(April 1, 2023 to March 31, 2024)

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

	Millions of yen							
	Year ended March 31, 2024							
	Electronic Device	Car Electronics	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	¥ 32,242	¥63,281	¥6,600	¥102,124	¥ 136	¥ 102,261	—	¥102,261
Inter-segment	7,387	2	—	7,389	—	7,389	(7,389)	—
Total	39,629	63,283	6,600	109,513	136	109,650	(7,389)	102,261
Segment income								
	¥(1,193)	¥ 7,020	¥ (115)	¥5,712	¥44	¥5,757	¥ (4,478)	¥ 1,278
Segment assets	48,791	50,919	8,125	107,836	365	108,202	36,467	144,669
Other items								
Depreciation and amortization	2,957	2,206	196	5,361	—	5,361	166	5,528
Increases in property, plant and equipment and intangible assets	3,019	1,309	125	4,454	—	4,454	136	4,591

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

2. Details of adjustments are below:

- (1) ¥ (4,478) 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.
- (2) Segment assets totaling ¥36,467 million posted under “Adjustments” comprise corporate assets of ¥ 36,445 million not allocated to each reporting segment and other adjustments of ¥ 21 million.
- (3) Depreciation and amortization totaling ¥ 166 million posted under “Adjustments” mainly comprises corporate expenses not attributable to each reporting segment.
- (4) The increases in property, plant and equipment and intangible assets amounting to ¥ 136 million posted under “Adjustments” primarily comprises corporate assets not attributable to each reporting segment.

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