

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 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 Group, Isao Matsubara TEL 048-483-5311  
 Planning Dept.  
 Scheduled date to file Quarterly Securities Report: August 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 three months ended June 30, 2023 (from April 1, 2023 to June 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	%
Three months ended June 30, 2023	24,455	3.8	425	(68.6)	819	(58.6)	(468)	–
Three months ended June 30, 2022	23,566	4.7	1,356	(17.1)	1,977	26.8	1,332	(23.5)

Note: Comprehensive income Three months ended June 30, 2023 ¥3,620 million [37.4%]  
 Three months ended June 30, 2022 ¥2,635 million [21.4%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	(45.48)	–
Three months ended June 30, 2022	129.28	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	138,318	64,819	46.9
As of March 31, 2023	138,092	62,539	45.3

Reference: Equity As of June 30, 2023 ¥64,819 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	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	0.00	–	130.00	130.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		0.00	–	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
Six months ending September 30, 2023	49,500	2.9	(500)	–	(100)	–	(1,500)	–	(145.50)
Full year	107,400	6.3	2,200	(39.3)	2,600	(39.9)	700	(57.4)	67.90

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

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 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 June 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 June 30, 2023	29,793 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)

Three months ended June 30, 2023	10,309,152 shares	Three months ended June 30, 2022	10,307,011 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, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	25,147	27,882
Notes and accounts receivable - trade	19,421	17,078
Merchandise and finished goods	11,318	12,195
Work in process	6,085	6,541
Raw materials and supplies	17,465	18,592
Other	6,026	3,067
Allowance for doubtful accounts	(23)	(19)
Total current assets	85,440	85,338
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,287	17,208
Machinery, equipment and vehicles, net	9,266	9,208
Land	4,357	4,406
Leased assets, net	693	706
Construction in progress	1,820	1,865
Other, net	2,126	2,212
Total property, plant and equipment	35,553	35,607
Intangible assets		
Software	622	616
Leased assets	2	1
Other	59	38
Total intangible assets	684	656
Investments and other assets		
Investment securities	14,876	15,258
Deferred tax assets	659	547
Other	921	952
Allowance for doubtful accounts	(42)	(42)
Total investments and other assets	16,414	16,716
Total non-current assets	52,652	52,980
Total assets	138,092	138,318

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	17,668	17,720
Short-term borrowings	5,895	5,810
Current portion of bonds payable	1,500	1,400
Lease liabilities	375	452
Income taxes payable	239	145
Provision for bonuses	965	–
Asset retirement obligations	80	80
Other	5,737	6,568
<b>Total current liabilities</b>	<b>32,462</b>	<b>32,178</b>
<b>Non-current liabilities</b>		
Bonds payable	2,350	2,100
Long-term borrowings	26,780	25,265
Lease liabilities	629	632
Deferred tax liabilities	2,707	2,629
Retirement benefit liability	8,594	8,678
Provision for product warranties	1,180	1,142
Asset retirement obligations	801	814
Other	47	59
<b>Total non-current liabilities</b>	<b>43,091</b>	<b>41,321</b>
<b>Total liabilities</b>	<b>75,553</b>	<b>73,499</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	17,823	17,823
Capital surplus	7,733	7,733
Retained earnings	30,563	28,754
Treasury shares	(109)	(109)
<b>Total shareholders' equity</b>	<b>56,010</b>	<b>54,201</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,559	4,229
Foreign currency translation adjustment	893	2,209
Remeasurements of defined benefit plans	3,076	4,178
<b>Total accumulated other comprehensive income</b>	<b>6,528</b>	<b>10,617</b>
<b>Total net assets</b>	<b>62,539</b>	<b>64,819</b>
<b>Total liabilities and net assets</b>	<b>138,092</b>	<b>138,318</b>

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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	23,566	24,455
Cost of sales	18,584	20,531
Gross profit	4,982	3,924
Selling, general and administrative expenses	3,626	3,498
Operating profit	1,356	425
Non-operating income		
Interest income	26	49
Dividend income	208	198
Foreign exchange gains	429	206
Share of profit of entities accounted for using equity method	42	36
Royalty income	3	4
Other	41	28
Total non-operating income	750	523
Non-operating expenses		
Interest expenses	62	62
Other	66	66
Total non-operating expenses	129	129
Ordinary profit	1,977	819
Extraordinary losses		
Loss on sale of investment securities	–	296
Total extraordinary losses	–	296
Profit before income taxes	1,977	523
Income taxes - current	313	671
Income taxes - deferred	331	320
Total income taxes	645	992
Profit	1,332	(468)
Profit attributable to		
Profit attributable to owners of parent	1,332	(468)
Profit attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	(344)	1,670
Foreign currency translation adjustment	1,480	1,049
Remeasurements of defined benefit plans, net of tax	21	1,101
Share of other comprehensive income of entities accounted for using equity method	144	267
Total other comprehensive income	1,302	4,089
Comprehensive income	2,635	3,620
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,635	3,620
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 June 30, 2023 (April 1, 2023 to June 30, 2023)

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

	Millions of yen							
	Year ended June 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	¥ 8,317	¥ 15,321	¥ 778	¥ 24,417	¥ 38	¥ 24,455	¥ —	¥ 24,455
Inter-segment	1,746	2	—	1,748	—	1,748	(1,748)	—
Total	10,063	15,324	778	26,166	38	26,204	(1,748)	24,455
Segment income (loss)	¥ 248	¥ 1,618	¥ (261)	¥ 1,604	¥ 13	¥ 1,618	¥ (1,192)	¥ 425

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

2. ¥ (1,192) 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.