

**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 Year Ended March 31, 2021 (Based on Japanese GAAP)

May 12, 2021

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 048-483-5311  
 Planning Dept.  
 Scheduled date of ordinary general meeting of shareholders: June 29, 2021  
 Scheduled date to file Securities Report: June 30, 2021  
 Scheduled date to commence dividend payments: –  
 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, 2021 (from April 1, 2020 to March 31, 2021)

#### (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, 2021	80,437	(13.5)	(1,080)	–	(1,164)	–	(5,561)	–
Year ended March 31, 2020	92,965	(1.8)	1,757	(68.8)	1,598	(73.3)	(4,156)	–

Note: Comprehensive income Year ended March 31, 2021 ¥(3,163) million [–%]  
 Year ended March 31, 2020 ¥(4,978) million [–%]

	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, 2021	(539.73)	–	(10.8)	(0.9)	(1.3)
Year ended March 31, 2020	(403.48)	–	(7.4)	1.3	1.9

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

Year ended March 31, 2021 ¥103 million  
 Year ended March 31, 2020 ¥203 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, 2021	127,806	49,413	38.7	4,794.83
As of March 31, 2020	121,560	53,211	43.8	5,165.32

Reference: Equity As of March 31, 2021 ¥49,413 million  
 As of March 31, 2020 ¥53,211 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, 2021	(3,618)	(5,675)	9,936	26,646
Year ended March 31, 2020	5,828	(9,649)	(2,335)	26,337

## 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, 2020	–	0.00	–	62.50	62.50	643	–	1.1
Year ended March 31, 2021	–	0.00	–	0.00	0.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	0.00	–	100.00	100.00		26.4	

## 3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	42,900	21.6	1,700	–	1,800	–	2,300	–	223.20
Full year	87,900	9.3	4,100	–	4,200	–	3,900	–	378.47

## 4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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, 2021	∴	10,338,884 shares	As of March 31, 2020	∴	10,338,884 shares
----------------------	---	-------------------	----------------------	---	-------------------

Number of treasury shares at the end of the period

As of March 31, 2021	∴	33,380 shares	As of March 31, 2020	∴	37,120 shares
----------------------	---	---------------	----------------------	---	---------------

Average number of shares during the period

Year ended March 31, 2021	∴	10,304,706 shares	Year ended March 31, 2020	∴	10,301,264 shares
---------------------------	---	-------------------	---------------------------	---	-------------------

(Reference)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	68,742	(11.3)	(2,510)	—	2,815	—	(234)	—
Year Ended March 31, 2020	77,481	(3.6)	(2,706)	—	(181)	—	(4,693)	—

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year Ended March 31, 2021	(22.73)		—	
Year Ended March 31, 2020	(455.67)		—	

(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, 2021	111,345	38,930	35.0	3,777.60
As of March 31, 2020	94,844	37,694	39.7	3,659.03

Reference: Equity As of March 31, 2021 ¥38,930 million  
As of March 31, 2020 ¥37,694 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 19, 2021.

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, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	26,337	26,646
Notes and accounts receivable - trade	18,957	18,589
Merchandise and finished goods	7,638	7,593
Work in process	4,559	4,500
Raw materials and supplies	11,184	10,976
Other	4,836	5,989
Allowance for doubtful accounts	(18)	(21)
Total current assets	73,494	74,273
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,045	6,594
Machinery, equipment and vehicles, net	9,948	8,596
Land	5,372	4,535
Leased assets, net	1,102	1,237
Construction in progress	5,326	13,217
Other, net	1,594	1,909
Total property, plant and equipment	31,388	36,090
Intangible assets		
Software	819	648
Leased assets	19	13
Other	449	294
Total intangible assets	1,287	956
Investments and other assets		
Investment securities	12,455	15,370
Deferred tax assets	2,137	334
Other	843	829
Allowance for doubtful accounts	(48)	(48)
Total investments and other assets	15,388	16,485
Total non-current assets	48,065	53,532
Total assets	121,560	127,806

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	16,094	14,443
Short-term borrowings	4,525	5,125
Current portion of bonds payable	1,475	1,525
Lease obligations	336	464
Income taxes payable	150	48
Provision for bonuses	931	763
Other	5,917	9,301
<b>Total current liabilities</b>	<b>29,429</b>	<b>31,670</b>
<b>Non-current liabilities</b>		
Bonds payable	4,825	5,300
Long-term borrowings	15,200	25,075
Lease obligations	873	1,065
Deferred tax liabilities	777	406
Retirement benefit liability	14,781	12,760
Provision for product warranties	2,276	1,897
Asset retirement obligations	140	170
Other	44	47
<b>Total non-current liabilities</b>	<b>38,918</b>	<b>46,722</b>
<b>Total liabilities</b>	<b>68,348</b>	<b>78,393</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	17,823	17,823
Capital surplus	7,738	7,731
Retained earnings	30,251	24,046
Treasury shares	(137)	(122)
<b>Total shareholders' equity</b>	<b>55,675</b>	<b>49,478</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	792	2,897
Foreign currency translation adjustment	(1,759)	(2,678)
Remeasurements of defined benefit plans	(1,496)	(284)
<b>Total accumulated other comprehensive income</b>	<b>(2,463)</b>	<b>(65)</b>
<b>Total net assets</b>	<b>53,211</b>	<b>49,413</b>
<b>Total liabilities and net assets</b>	<b>121,560</b>	<b>127,806</b>

## Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	92,965	80,437
Cost of sales	78,413	69,017
Gross profit	14,552	11,419
Selling, general and administrative expenses	12,794	12,499
Operating profit (loss)	1,757	(1,080)
Non-operating income		
Interest income	138	79
Dividend income	381	326
Share of profit of entities accounted for using equity method	203	103
Subsidies for employment adjustment	–	148
Royalty income	19	15
Other	148	161
Total non-operating income	891	835
Non-operating expenses		
Interest expenses	199	216
Foreign exchange losses	567	45
Financing expenses	2	548
Other	280	108
Total non-operating expenses	1,050	919
Ordinary profit (loss)	1,598	(1,164)
Extraordinary income		
Gain on sale of investment securities	–	333
Gain on sale of non-current assets	–	2
Total extraordinary income	–	335
Extraordinary losses		
Impairment losses	472	1,586
Office relocation expenses	–	1,025
Extra retirement payments	–	901
Loss on sale of non-current assets	–	368
Loss related to COVID-19	–	147
Loss on valuation of shares of subsidiaries and associates	–	99
Loss on support to subsidiaries and associates	–	77
Loss on valuation of investment securities	–	41
Total extraordinary losses	472	4,248
Profit (loss) before income taxes	1,125	(5,076)
Income taxes - current	1,004	533
Income taxes - deferred	4,277	(49)
Total income taxes	5,281	484
Loss	(4,156)	(5,561)
Profit attributable to		
Loss attributable to owners of parent	(4,156)	(5,561)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Other comprehensive income		
Valuation difference on available-for-sale securities	(927)	2,105
Foreign currency translation adjustment	104	(996)
Remeasurements of defined benefit plans, net of tax	205	1,212
Share of other comprehensive income of entities accounted for using equity method	(204)	77
Total other comprehensive income	(822)	2,398
Comprehensive income	(4,978)	(3,163)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,978)	(3,163)
Comprehensive income attributable to non-controlling interests	–	–

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(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	7,738	35,695	(145)	61,111	1,719	(1,659)	(1,702)	(1,641)	59,470
Changes during period										
Dividends of surplus			(1,287)		(1,287)					(1,287)
Loss attributable to owners of parent			(4,156)		(4,156)					(4,156)
Purchase of treasury shares				(1)	(1)					(1)
Disposal of treasury shares		(0)		10	9					9
Net changes in items other than shareholders' equity						(927)	(100)	205	(822)	(822)
Total changes during period	–	(0)	(5,443)	8	(5,436)	(927)	(100)	205	(822)	(6,258)
Balance at end of period	17,823	7,738	30,251	(137)	55,675	792	(1,759)	(1,496)	(2,463)	53,211

Fiscal year ended March 31, 2021

(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	7,738	30,251	(137)	55,675	792	(1,759)	(1,496)	(2,463)	53,211
Changes during period										
Dividends of surplus			(643)		(643)					(643)
Loss attributable to owners of parent			(5,561)		(5,561)					(5,561)
Purchase of treasury shares				(1)	(1)					(1)
Disposal of treasury shares		(6)		15	9					9
Net changes in items other than shareholders' equity						2,105	(918)	1,212	2,398	2,398
Total changes during period	–	(6)	(6,205)	14	(6,197)	2,105	(918)	1,212	2,398	(3,798)
Balance at end of period	17,823	7,731	24,046	(122)	49,478	2,897	(2,678)	(284)	(65)	49,413



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	1,125	(5,076)
Depreciation	5,176	4,735
Loss on retirement of property, plant and equipment	27	48
Increase (decrease) in provision for bonuses	(179)	(167)
Increase (decrease) in provision for product warranties	(413)	(379)
Increase (decrease) in retirement benefit liability	(201)	(241)
Interest and dividend income	(519)	(406)
Interest expenses	199	216
Bond issuance costs	5	53
Decrease (increase) in trade receivables	110	40
Decrease (increase) in inventories	346	(31)
Increase (decrease) in trade payables	933	(1,358)
Decrease (increase) in consumption taxes refund receivable	241	(1,219)
Decrease (increase) in accounts receivable - other	(9)	(344)
Impairment losses	472	1,586
Loss related to COVID-19	–	147
Loss (gain) on sale of investment securities	–	(333)
Other, net	(920)	(462)
Subtotal	6,394	(3,191)
Interest and dividends received	517	419
Interest paid	(204)	(216)
Income taxes paid	(878)	(629)
Net cash provided by (used in) operating activities	5,828	(3,618)
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,048)	(6,197)
Proceeds from sale of property, plant and equipment	21	326
Purchase of intangible assets	(212)	(184)
Purchase of investment securities	–	(49)
Proceeds from sale of investment securities	–	507
Other, net	(410)	(78)
Net cash provided by (used in) investing activities	(9,649)	(5,675)
Cash flows from financing activities		
Proceeds from long-term borrowings	6,000	15,000
Repayments of long-term borrowings	(5,750)	(4,525)
Proceeds from issuance of bonds	–	1,946
Redemption of bonds	(980)	(1,475)
Purchase of treasury shares	(1)	(1)
Repayments of lease obligations	(315)	(364)
Dividends paid	(1,287)	(643)
Net cash provided by (used in) financing activities	(2,335)	9,936
Effect of exchange rate change on cash and cash equivalents	(11)	(333)
Net increase (decrease) in cash and cash equivalents	(6,167)	308
Cash and cash equivalents at beginning of period	32,505	26,337
Cash and cash equivalents at end of period	26,337	26,646

## Segment Information

Year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

### 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's 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, recharging stands for electric vehicles and power conditioners for photovoltaic generators.

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.

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

	Millions of yen							
	Year ended March 31, 2021							
	Electronic Devices Business	Car Electronics Business	Energy Systems & Solutions Business	Total	Other (Notes 2)	Total	Adjustments (Notes 3)	Financial Statement Amount (Notes 4)
Net Sales								
Outside customers	¥ 29,213	¥41,630	¥ 8,763	¥ 79,607	¥829	¥80,437	¥ —	¥ 80,437
Inter-segment	5,066	1	—	5,068	—	5,068	(5,068)	—
<b>Total</b>	<b>34,279</b>	<b>41,632</b>	<b>8,763</b>	<b>84,675</b>	<b>829</b>	<b>85,505</b>	<b>(5,068)</b>	<b>80,437</b>
Segment income (loss)	85	2,195	603	2,884	23	2,907	(3,987)	(1,080)
Segment assets	35,101	31,377	6,901	73,380	243	73,623	54,182	127,806
Other items								
Depreciation and amortization	2,708	1,576	168	4,453	—	4,453	282	4,735
Increases in property, plant and equipment and intangible assets	1,863	744	26	2,633	—	2,633	9,186	11,820

- Notes:
1. Amounts under one million yen are omitted.
  2. The "Other" category includes activities not included in the reporting segments, such as solenoids.
  3. Details of adjustments are below:
    - (1) ¥ (3,987) 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 ¥ 54,182 million posted under "Adjustments" comprise corporate assets of ¥ 54,169 million not allocated to each reporting segment and other adjustments of ¥ 13 million.
    - (3) Depreciation and amortization totaling ¥ 282 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 ¥ 9,186 million posted under "Adjustments" primarily comprises corporate assets not attributable to each reporting segment.
  4. Segment income (loss) is adjusted to the operating income stated on the consolidated statements of income and consolidated statements of comprehensive income.