



Flash Report for the First-Half Period Ended September 30, 2013 [Japan GAAP] (on a consolidated basis)

November 8, 2013

Name: Shindengen Electric Manufacturing Co., Ltd. Securities Exchange: Tokyo Stock Exchange
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Scheduled date for submission of Quarterly Report: November 13, 2013
Date for initiation of dividend payments (subject to change): —
Prepared quarterly earnings results briefing material: Yes
Held quarterly earnings results briefing (for institutional investors and securities analysts): Yes

* All amounts are rounded down to the nearest million yen.

1. Results for the First-Half Period (April 1 to September 30, 2013)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income (loss)		Net income (loss)	
1st half ended September 30, 2013	¥50,574	24.2%	¥5,970	—%	¥6,330	—%	¥5,337	—%
1st half ended September 30, 2012	40,723	(3.7)	216	(93.9)	(778)	—	(905)	—

Notes: 1. Percentage figures for net sales, operating income, ordinary income (loss) and net income (loss) represent year-on-year comparisons.

2. Comprehensive income

1st half ended September 30, 2013: ¥6,807 million (—%)

1st half ended September 30, 2012: ¥(2,348) million (—%)

	Net income (loss) per share (¥)	
	basic	diluted
1st half ended September 30, 2013	¥ 51.80	¥—
1st half ended September 30, 2012	(9.21)	—

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio
As of September 30, 2013	¥127,919	¥44,831	35.0%
As of March 31, 2013	118,700	39,746	33.5

Note: Owners' equity

As of September 30, 2013: ¥44,831 million As of March 31, 2013: ¥39,746 million

2. Dividends

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended March 31, 2013	¥—	¥0.00	¥—	¥ 3.50	¥ 3.50
Year ending March 31, 2014	—	0.00	—	—	—
Year ending March 31, 2014 (forecast)	—	—	—	10.00	10.00

Note: Revisions to dividend payment forecasts during the reporting period: Not applicable

3. Business Performance Forecasts for the Year Ending March 31, 2014

(April 1, 2013 to March 31, 2014)

(¥ million)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (¥)
Full term	¥105,800	19.6%	¥11,000	230.0%	¥10,300	210.5%	¥7,500	87.0%	¥72.78

Notes: 1. Percentage figures represent year-on-year comparisons.

2. Revisions to performance forecasts during the reporting period: Not applicable

Note

(1) Significant changes in the scope of consolidation

Inclusion: None

Exclusion: None

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements

Not applicable

(3) Changes in accounting policies, accounting estimates and correction of errors

Changes in accounting policies due to revision of the accounting standards: Not applicable

Changes in accounting policies other than above: Not applicable

Changes in accounting estimates: Not applicable

Correction of errors: Not applicable

(4) Number of ordinary shares issued, end of period (including treasury stock)

As of September 30, 2013: 103,388,848 shares As of March 31, 2013: 103,388,848 shares

Number of shares in treasury at the end of the period

As of September 30, 2013: 344,902 shares As of March 31, 2013: 339,982 shares

Average number of shares during the period

1st half ended September 30, 2013: 103,046,635 shares

1st half ended September 30, 2012: 103,055,152 shares

*Disclosure of Implementation Status of Quarterly Review Procedures

Quarterly review procedures under the Financial Instruments and Exchange Law had not been completed as of the release of this financial report. (This quarterly financial report is not subject to quarterly review procedures under Japan's Financial Instruments and Exchange Law.)

*Appropriate use of earnings forecasts and other matters

The earnings forecasts and other forward-looking statements noted in this document are based on information available at the time and on assumptions deemed rational. The Company makes absolutely no promises regarding the achievement of said earnings forecasts and other forward-looking statements. Actual earnings may differ significantly due to various factors.

Consolidated Balance Sheets

Millions of yen

	As of March 31, 2013	As of September 30, 2013
Assets		
Current assets:		
Cash and deposits	¥ 34,193	¥ 40,960
Notes and accounts receivable – trade	20,816	21,634
Securities	3,500	—
Finished products	6,125	8,447
Work in process	3,386	3,748
Raw materials	9,101	10,011
Deferred tax assets	471	717
Other	2,062	1,346
Allowance for doubtful accounts	(21)	(25)
Total current assets	79,635	86,842
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures	8,396	8,500
Machinery, equipment and vehicles	6,906	7,226
Land	4,839	4,859
Other – net	2,937	2,989
Total tangible fixed assets	23,080	23,575
<i>Intangible assets –</i>		
Goodwill	156	138
Software	464	478
Other	310	308
Total intangible assets	930	925
<i>Investments and other assets –</i>		
Investment securities	13,160	14,603
Deferred tax assets	1,346	1,373
Other	596	650
Allowance for doubtful accounts	(49)	(51)
Total investments and other assets	15,054	16,575
Total noncurrent assets	39,065	41,077
Total assets	¥118,700	¥127,919

Note: Amounts under one million yen are omitted.

Millions of yen

As of March 31, 2013 As of September 30, 2013

Liabilities

Current liabilities:

Notes and accounts payable – trade	¥ 18,596	¥ 20,180
Short-term loans payable	5,939	7,062
Current portion of bonds	400	3,400
Income taxes payable	15	1,251
Provision for bonuses	707	898
Other	3,280	5,697
Total current liabilities	28,938	38,490

Long-term liabilities:

Bonds payable	6,200	3,000
Long-term loans payable	31,752	29,016
Provision for retirement benefits	10,177	10,679
Provision for directors' retirement benefits	6	7
Asset retirement obligations	145	147
Deferred tax liabilities	942	1,140
Other	791	607
Total long-term liabilities	50,015	44,598
Total liabilities	78,954	83,088

Net assets

Shareholders' equity:

Capital stock	17,823	17,823
Capital surplus	9,009	7,738
Retained earnings	12,652	17,541
Treasury stock	(114)	(116)
Total shareholders' equity	39,371	42,986

Accumulated other comprehensive income:

Valuation difference on available-for-sale securities	1,713	2,107
Foreign currency translation adjustment	(1,338)	(262)
Total accumulated other comprehensive income	375	1,844
Total net assets	39,746	44,831
Total liabilities and net assets	¥118,700	¥127,919

Quarterly Consolidated Statements of Income and Comprehensive Income

	Millions of yen	
	1st half ended September 30, 2012	1st half ended September 30, 2013
Net sales	¥40,723	¥50,574
Cost of sales	35,214	38,844
Gross profit	5,508	11,729
Selling, general and administrative expenses	5,292	5,759
Operating income	216	5,970
Nonoperating income:		
Interest income	42	29
Dividends income	110	123
Equity in earnings of affiliates	118	138
Foreign exchange gain	—	577
Other	253	304
Total nonoperating income	525	1,172
Nonoperating expenses:		
Interest expenses	392	381
Foreign exchange loss	647	—
Amortization of net retirement benefit obligation at transition	309	309
Other	170	122
Total nonoperating expenses	1,520	813
Ordinary income (loss)	(778)	6,330
Extraordinary income:		
Insurance income	—	447
Total extraordinary income	—	447
Extraordinary losses:		
Impairment losses	6	14
Loss on valuation of investment securities	105	—
Total extraordinary losses	111	14
Income (loss) before income taxes	(889)	6,763
Income taxes – current	293	1,694
Income taxes – refunded	(244)	—
Income taxes – deferred	(33)	(268)
Total income taxes	15	1,425
Income (loss) before minority interests	(905)	5,337
Net income (loss)	¥ (905)	¥ 5,337
Income (loss) before minority interests	(905)	5,337
Other comprehensive income (loss):		
Valuation difference on available-for-sale securities	(1,416)	393
Foreign currency translation adjustment	48	1,182
Share of other comprehensive income of associates accounted for using equity method	(75)	(106)
Total other comprehensive income (loss)	(1,443)	1,469
Comprehensive income (loss)	¥ (2,348)	¥ 6,807
(Breakdown)		
Comprehensive income (loss) attributable to owners of the parent company	¥ (2,348)	¥ 6,807
Comprehensive income attributable to minority interests	—	—

Note: Amounts under one million yen are omitted.

Notes Pertaining to Going Concern Assumption

None

Notes on Significant Changes in the Amount of Shareholders' Equity

The Company reacquired and cancelled its outstanding Class A preferred shares on June 28, 2013. As a result, during the first half of the fiscal year ending March 31, 2014, capital surplus decreased ¥1,271 million to ¥7,738 million as of September 30, 2013.

Segment Information

1. Net Sales and Profit or Loss by Reporting Segment

Previous First Half Period (From April 1, 2012 to September 30, 2012)

Millions of yen								
1st half ended September 30, 2012								
	Devices Business	Car Electronics Business	Next Generation Energy Business	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	Quarterly Consolidated Statements of Income and Comprehensive Income (Notes 3)
Net sales:								
Outside customers	¥14,557	¥16,843	¥7,856	¥39,257	¥1,466	¥40,723	¥ —	¥40,723
Inter-segment	1,894	15	18	1,928	—	1,928	(1,928)	—
Total	16,451	16,859	7,874	41,185	1,466	42,651	(1,928)	40,723
Segment income (loss)	¥ 1,407	¥ 607	¥ (514)	¥ 1,500	¥ 15	¥ 1,515	¥(1,298)	¥ 216

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

2. ¥(1,298) million 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 or loss is adjusted to the operating income stated on the Quarterly Consolidated Statements of Income and Comprehensive Income.

2. Net Sales and Profit or Loss by Reporting Segment

1. Reporting First Half Period (From April 1, 2013 to September 30, 2013)

Millions of yen

1st half ended September 30, 2013								
	Devices Business	Car Electronics Business	Next Generation Energy Business	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	Quarterly Consolidated Statements of Income and Comprehensive Income (Notes 3)
Net sales:								
Outside customers	¥15,555	¥21,102	¥12,393	¥49,051	¥1,522	¥50,574	¥ —	¥50,574
Inter-segment	2,204	12	—	2,217	—	2,217	(2,217)	—
Total	17,759	21,115	12,393	51,268	1,522	52,791	(2,217)	50,574
Segment income	¥ 2,063	¥ 4,045	¥ 1,149	¥ 7,258	¥ 30	¥ 7,289	¥(1,318)	¥ 5,970

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

2. ¥(1,318) million 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 Quarterly Consolidated Statements of Income and Comprehensive Income.

2. Items Concerning Changes to Reportable Segments

The Shindengen Group reclassified its reportable segments, which form the base of its business divisions, accompanying organizational changes implemented on April 1, 2013.

As a result, from the first quarter of the fiscal year ending March 31, 2014 onward, the previous reportable segments—Devices Business, Module Business and System Business—have been changed to the following three reportable segments: Devices Business, Car Electronics Business, and Next Generation Energy Business.

The Devices Business manufactures diodes, thyristors, MOSFET, high-withstand voltage power ICs, power modules and other items. The Car Electronics Business manufactures electrical components used in motorcycles and automobiles, and other items. The Next Generation Energy Business manufactures rectifiers for communication stations and mobile base stations, universal inverters, power conditioners used in photovoltaic generation equipment and other items.

Segment information for the first half of the previous fiscal year is listed based on the new reportable segment classifications.