



Flash Report for the First-Half Period Ended September 30, 2014 [Japan GAAP] (on a consolidated basis)

November 7, 2014

Name: Shindengen Electric Manufacturing Co., Ltd. Securities Exchange: Tokyo Stock Exchange
Code Number: 6844 Registered Head Office: Tokyo

(URL <http://www.shindengen.co.jp>)

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Scheduled date for submission of Quarterly Report: November 13, 2014

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, 2014)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income		Net income	
1st half ended September 30, 2014	¥50,438	(0.3)%	¥4,732	(20.7)%	¥4,546	(28.2)%	¥2,989	(44.0)%
1st half ended September 30, 2013	50,574	24.2	5,970	—	6,330	—	5,337	—

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

2. Comprehensive income

1st half ended September 30, 2014: ¥ 3,334 million (51.0)%

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

	Net income per share (¥)	
	basic	diluted
1st half ended September 30, 2014	¥29.01	¥—
1st half ended September 30, 2013	51.80	—

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio
As of September 30, 2014	¥130,665	¥50,932	39.0%
As of March 31, 2014	132,823	49,662	37.4

Note: Owners' equity

As of September 30, 2014: ¥50,932 million As of March 31, 2014: ¥49,662 million

2. Dividends

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended March 31, 2014	¥—	¥0.00	¥—	¥10.00	¥10.00
Year ending March 31, 2015	—	0.00	—	—	—
Year ending March 31, 2015 (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, 2015

(April 1, 2014 to March 31, 2015)

(¥ million)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (¥)
Full term	¥104,000	(0.5)%	¥9,800	(13.4)%	¥9,200	(16.1)%	¥6,500	(46.4)%	¥63.08

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

2. Revisions to performance forecasts during the reporting period: 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: 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, 2014: 103,388,848 shares As of March 31, 2014: 103,388,848 shares

Number of shares in treasury at the end of the period

As of September 30, 2014: 352,996 shares As of March 31, 2014: 348,612 shares

Average number of shares during the period

1st half ended September 30, 2014: 103,038,150 shares

1st half ended September 30, 2013: 103,046,635 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, 2014	As of September 30, 2014
Assets		
Current assets:		
Cash and deposits	¥ 40,063	¥ 34,569
Notes and accounts receivable – trade	23,604	20,605
Securities	—	5,000
Finished products	6,422	7,973
Work in process	3,576	3,586
Raw materials	10,236	9,896
Deferred tax assets	1,695	1,473
Other	2,458	2,387
Allowance for doubtful accounts	(23)	(22)
Total current assets	88,033	85,468
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures	8,572	9,030
Machinery, equipment and vehicles	7,176	7,718
Land	4,830	5,307
Other – net	2,505	3,090
Total tangible fixed assets	23,084	25,146
<i>Intangible assets –</i>		
Goodwill	120	103
Software	583	605
Other	387	360
Total intangible assets	1,092	1,069
<i>Investments and other assets –</i>		
Investment securities	15,361	13,770
Deferred tax assets	4,624	4,527
Other	680	734
Allowance for doubtful accounts	(52)	(52)
Total investments and other assets	20,613	18,980
Total noncurrent assets	44,790	45,196
Total assets	¥132,823	¥130,665

Note: Amounts under one million yen are omitted.

Millions of yen

	As of March 31, 2014	As of September 30, 2014
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	¥ 17,633	¥ 18,732
Short-term loans payable	7,965	7,819
Current portion of bonds	3,400	400
Income taxes payable	2,852	1,201
Provision for bonuses	1,070	1,096
Other	6,043	5,114
Total current liabilities	38,965	34,363
Long-term liabilities:		
Bonds payable	2,800	3,100
Long-term loans payable	26,288	26,169
Net defined benefit liability	14,462	15,453
Asset retirement obligations	147	149
Deferred tax liabilities	0	15
Other	496	481
Total long-term liabilities	44,195	45,369
Total liabilities	83,161	79,733
Net assets		
Shareholders' equity:		
Capital stock	17,823	17,823
Capital surplus	7,738	7,738
Retained earnings	24,333	25,484
Treasury stock	(118)	(121)
Total shareholders' equity	49,776	50,925
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	2,077	2,529
Foreign currency translation adjustment	(138)	(813)
Remeasurements of defined benefit plans	(2,052)	(1,708)
Total accumulated other comprehensive income	(113)	7
Total net assets	49,662	50,932
Total liabilities and net assets	¥132,823	¥130,665

Quarterly Consolidated Statements of Income and Comprehensive Income

	Millions of yen	
	1st half ended September 30, 2013	1st half ended September 30, 2014
Net sales	¥50,574	¥50,438
Cost of sales	38,844	39,689
Gross profit	11,729	10,749
Selling, general and administrative expenses	5,759	6,016
Operating income	5,970	4,732
Nonoperating income:		
Interest income	29	28
Dividends income	123	135
Foreign exchange gain	577	93
Equity in earning of affiliates	138	135
Other	304	186
Total nonoperating income	1,172	580
Nonoperating expenses:		
Interest expenses	381	323
Amortization of net retirement benefit obligation at transition	309	309
Other	122	133
Total nonoperating expenses	813	766
Ordinary income	6,330	4,546
Extraordinary income:		
Insurance income	447	—
Total extraordinary income	447	—
Extraordinary losses:		
Impairment losses	14	—
Total extraordinary losses	14	—
Income before income taxes	6,763	4,546
Income taxes – current	1,694	1,271
Income taxes – deferred	(268)	284
Total income taxes	1,425	1,556
Income before minority interests	5,337	2,989
Net income	¥ 5,337	¥ 2,989
Income before minority interests	5,337	2,989
Other comprehensive income (loss):		
Valuation difference on available-for-sale securities	393	451
Foreign currency translation adjustment	1,182	(498)
Adjustments of defined benefit plans	—	344
Share of other comprehensive income of associates accounted for using equity method	(106)	47
Total other comprehensive income	1,469	344
Comprehensive income	¥ 6,807	¥ 3,334
(Breakdown)		
Comprehensive income attributable to owners of the parent company	¥ 6,807	¥ 3,334
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

None

Segment Information

1. Net Sales and Profit or Loss by Reporting Segment

Previous 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. Net Sales and Profit or Loss by Reporting Segment

1. Reporting First Half Period (From April 1, 2014 to September 30, 2014)

Millions of yen

1st half ended September 30, 2014								
	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	¥15,830	¥20,713	¥12,250	¥48,794	¥1,644	¥50,438	¥ —	¥50,438
Inter-segment	2,236	11	—	2,247	—	2,247	(2,247)	—
Total	18,066	20,724	12,250	51,041	1,644	52,686	(2,247)	50,438
Segment income	¥ 2,179	¥ 2,811	¥ 1,214	¥ 6,205	¥ 26	¥ 6,232	¥(1,499)	¥ 4,732

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

2. ¥(1,499) 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

In accordance with the described change of accounting policies, as a result of the change in the method for calculating retirement benefit obligations and services costs in the consolidated first quarter period, the method for calculating the business segments’ retirement benefit obligations and service costs have similarly changed.

This change had no material impact on segment income during the consolidated first half period.