



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

August 4, 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: August 7, 2014

Date for initiation of dividend payments (subject to change): —

Prepared quarterly earnings results briefing material: No

Held quarterly earnings results briefing (for institutional investors and securities analysts): No

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

1. Results for the First-Quarter Period (April 1 to June 30, 2014)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income		Net income	
1st quarter ended June 30, 2014	¥25,590	4.0%	¥2,621	7.1%	¥2,606	(18.6)%	¥1,359	(48.7)%
1st quarter ended June 30, 2013	24,598	18.8	2,449	860.0	3,201	—	2,650	—

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

2. Comprehensive income

1st quarter ended June 30, 2014: ¥ 1,411 million (61.8)%

1st quarter ended June 30, 2013: ¥ 3,691 million —%

	Net income per share (¥)	
	basic	diluted
1st quarter ended June 30, 2014	¥13.19	¥—
1st quarter ended June 30, 2013	25.72	—

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio
As of June 30, 2014	¥129,736	¥49,012	37.8%
As of March 31, 2014	132,823	49,662	37.4

Note: Owners' equity

As of June 30, 2014: ¥49,012 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	—				
Year ending March 31, 2015 (forecast)		0.00	—	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 (¥)
First-half period	¥ 51,500	1.8%	¥4,000	(33.0)%	¥3,700	(41.5)%	¥2,400	(55.0)%	¥23.29
Full term	109,000	4.2	7,300	(35.5)	6,500	(40.7)	4,500	(62.9)	43.67

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 June 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 June 30, 2014: 349,756 shares As of March 31, 2014: 348,612 shares

Average number of shares during the period

1st quarter ended June 30, 2014: 103,039,334 shares

1st quarter ended June 30, 2013: 103,047,905 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 June 30, 2014
Assets		
Current assets:		
Cash and deposits	¥ 40,063	¥ 35,380
Notes and accounts receivable – trade	23,604	21,559
Securities	—	5,000
Finished products	6,422	7,655
Work in process	3,576	3,579
Raw materials	10,236	9,770
Deferred tax assets	1,695	820
Other	2,458	1,616
Allowance for doubtful accounts	(23)	(22)
Total current assets	88,033	85,358
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures	8,572	8,464
Machinery, equipment and vehicles	7,176	7,327
Land	4,830	5,321
Other – net	2,505	3,745
Total tangible fixed assets	23,084	24,858
<i>Intangible assets –</i>		
Goodwill	120	112
Software	583	630
Other	387	336
Total intangible assets	1,092	1,079
<i>Investments and other assets –</i>		
Investment securities	15,361	13,014
Deferred tax assets	4,624	4,837
Other	680	641
Allowance for doubtful accounts	(52)	(52)
Total investments and other assets	20,613	18,440
Total noncurrent assets	44,790	44,378
Total assets	¥132,823	¥129,736

Note: Amounts under one million yen are omitted.

Millions of yen

As of March 31, 2014 As of June 30, 2014

Liabilities

Current liabilities:

Notes and accounts payable – trade	¥ 17,633	¥ 18,538
Short-term loans payable	7,965	8,451
Current portion of bonds	3,400	3,400
Income taxes payable	2,852	—
Provision for bonuses	1,070	—
Other	6,043	7,212
Total current liabilities	38,965	37,602

Long-term liabilities:

Bonds payable	2,800	2,700
Long-term loans payable	26,288	24,241
Net defined benefit liability	14,462	15,560
Asset retirement obligations	147	148
Other	496	471
Total long-term liabilities	44,195	43,121
Total liabilities	83,161	80,724

Net assets

Shareholders' equity:

Capital stock	17,823	17,823
Capital surplus	7,738	7,738
Retained earnings	24,333	23,854
Treasury stock	(118)	(119)
Total shareholders' equity	49,776	49,296

Accumulated other comprehensive income:

Valuation difference on available-for-sale securities	2,077	2,090
Foreign currency translation adjustment	(138)	(495)
Remeasurements of defined benefit plans	(2,052)	(1,879)
Total accumulated other comprehensive income	(113)	(284)

Total net assets	49,662	49,012
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Total liabilities and net assets	¥132,823	¥129,736
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Quarterly Consolidated Statements of Income and Comprehensive Income

	Millions of yen	
	1st quarter ended June 30, 2013	1st quarter ended June 30, 2014
Net sales	¥24,598	¥25,590
Cost of sales	19,387	19,964
Gross profit	5,211	5,626
Selling, general and administrative expenses	2,762	3,004
Operating income	2,449	2,621
Nonoperating income:		
Interest income	12	15
Dividends income	76	84
Foreign exchange gain	759	39
Royalty income	97	84
Earnings from investments in equity-method affiliates	98	71
Other	90	38
Total nonoperating income	1,136	333
Nonoperating expenses:		
Interest expenses	192	166
Amortization of net retirement benefit obligation at transition	154	154
Other	37	27
Total nonoperating expenses	384	348
Ordinary income	3,201	2,606
Extraordinary losses:		
Impairment losses	11	—
Total extraordinary losses	11	—
Income before income taxes	3,189	2,606
Income taxes – current	382	292
Income taxes – deferred	156	954
Total income taxes	538	1,247
Income before minority interests	2,650	1,359
Net income	¥ 2,650	¥ 1,359
Income before minority interests	2,650	1,359
Other comprehensive income (loss):		
Valuation difference on available-for-sale securities	208	13
Foreign currency translation adjustment	894	(111)
Adjustments of defined benefit plans	—	173
Share of other comprehensive income of associates accounted for using equity method	(62)	(21)
Total other comprehensive income (loss)	1,040	52
Comprehensive income (loss)	¥ 3,691	¥ 1,411
(Breakdown)		
Comprehensive income (loss) attributable to owners of the parent company	¥ 3,691	¥ 1,411
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 Quarter Period (From April 1, 2013 to June 30, 2013)

	Millions of yen							
	1st quarter ended June 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	¥7,490	¥10,331	¥6,020	¥23,843	¥755	¥24,598	¥ —	¥24,598
Inter-segment	1,048	4	—	1,053	—	1,053	(1,053)	—
Total	8,539	10,335	6,020	24,896	755	25,652	(1,053)	24,598
Segment income	¥ 1,043	¥ 1,573	¥ 472	¥ 3,089	¥ 15	¥ 3,105	¥ (656)	¥ 2,449

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

2. ¥(656) 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 Quarter Period (From April 1, 2014 to June 30, 2014)

Millions of yen

1st quarter ended June 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	¥7,906	¥10,567	¥6,285	¥24,759	¥831	¥25,590	¥ —	¥25,590
Inter-segment	1,182	6	—	1,188	—	1,188	(1,188)	—
Total	9,088	10,573	6,285	25,947	831	26,779	(1,188)	25,590
Segment income	¥1,257	¥ 1,413	¥ 697	¥ 3,368	¥ 15	¥ 3,384	¥ (762)	¥ 2,621

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

2. ¥(762) 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 quarter period.