



## Flash Report for the Third-Quarter Period Ended December 31, 2013 [Japan GAAP] (on a consolidated basis)

February 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: February 13, 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 Three Quarters (April 1 to December 31, 2013)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income		Net income	
Three quarters ended December 31, 2013	¥74,202	20.9 %	¥9,631	671.6%	¥9,944	—%	¥7,740	536.1%
Three quarters ended December 31, 2012	61,370	(1.3)	1,248	(70.7)	676	(77.7)	1,216	(36.0)

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

2. Comprehensive income

Three quarters ended December 31, 2013: ¥9,868 million 720.0%

Three quarters ended December 31, 2012: ¥1,203 million —%

	Net income per share (¥)	
	basic	diluted
Three quarters ended December 31, 2013	¥ 75.12	¥—
Three quarters ended December 31, 2012	11.17	—

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio
As of December 30, 2013	¥127,629	¥47,891	37.5%
As of March 31, 2013	118,700	39,746	33.5

Note: Owners' equity

As of December 31, 2013: ¥47,891 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 December 31, 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 December 31, 2013: 346,851 shares      As of March 31, 2013: 339,982 shares

Average number of shares during the period

Three quarters ended December 31, 2013: 103,045,392 shares

Three quarters ended December 31, 2012: 103,053,693 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 December 31, 2013
<b>Assets</b>		
Current assets:		
Cash and deposits	¥ 34,193	¥ 39,469
Notes and accounts receivable – trade	20,816	21,394
Securities	3,500	—
Finished products	6,125	8,919
Work in process	3,386	3,697
Raw materials	9,101	9,110
Deferred tax assets	471	666
Other	2,062	2,017
Allowance for doubtful accounts	(21)	(22)
<b>Total current assets</b>	<b>79,635</b>	<b>85,253</b>
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures	8,396	8,328
Machinery, equipment and vehicles	6,906	7,270
Land	4,839	4,847
Other – net	2,937	2,534
<b>Total tangible fixed assets</b>	<b>23,080</b>	<b>22,980</b>
<i>Intangible assets –</i>		
Goodwill	156	129
Software	464	594
Other	310	325
<b>Total intangible assets</b>	<b>930</b>	<b>1,049</b>
<i>Investments and other assets –</i>		
Investment securities	13,160	16,356
Deferred tax assets	1,346	1,384
Other	596	657
Allowance for doubtful accounts	(49)	(52)
<b>Total investments and other assets</b>	<b>15,054</b>	<b>18,346</b>
<b>Total noncurrent assets</b>	<b>39,065</b>	<b>42,376</b>
<b>Total assets</b>	<b>¥118,700</b>	<b>¥127,629</b>

Note: Amounts under one million yen are omitted.

Millions of yen

As of March 31, 2013      As of December 31, 2013

**Liabilities**

Current liabilities:

Notes and accounts payable – trade	¥ 18,596	¥ 18,782
Short-term loans payable	5,939	7,365
Current portion of bonds	400	3,400
Income taxes payable	15	2,093
Provision for bonuses	707	—
Other	3,280	3,470
<b>Total current liabilities</b>	<b>28,938</b>	<b>35,111</b>

Long-term liabilities:

Bonds payable	6,200	2,900
Long-term loans payable	31,752	28,320
Provision for retirement benefits	10,177	10,976
Provision for directors' retirement benefits	6	8
Asset retirement obligations	145	147
Deferred tax liabilities	942	1,691
Other	791	582
<b>Total long-term liabilities</b>	<b>50,015</b>	<b>44,627</b>
<b>Total liabilities</b>	<b>78,954</b>	<b>79,738</b>

**Net assets**

Shareholders' equity:

Capital stock	17,823	17,823
Capital surplus	9,009	7,738
Retained earnings	12,652	19,944
Treasury stock	(114)	(117)
<b>Total shareholders' equity</b>	<b>39,371</b>	<b>45,388</b>

Accumulated other comprehensive income:

Valuation difference on available-for-sale securities	1,713	3,132
Foreign currency translation adjustment	(1,338)	(629)
<b>Total accumulated other comprehensive income</b>	<b>375</b>	<b>2,502</b>
<b>Total net assets</b>	<b>39,746</b>	<b>47,891</b>
<b>Total liabilities and net assets</b>	<b>¥118,700</b>	<b>¥127,629</b>

## Quarterly Consolidated Statements of Income and Comprehensive Income

	Millions of yen	
	Three quarters ended December 31, 2012	Three quarters ended December 31, 2013
Net sales	¥61,370	¥74,202
Cost of sales	52,168	55,950
Gross profit	9,202	18,252
Selling, general and administrative expenses	7,954	8,620
Operating income	1,248	9,631
Nonoperating income:		
Interest income	57	44
Dividends income	174	191
Equity in earnings of affiliates	1	680
Foreign exchange gain	213	230
Other	319	349
Total nonoperating income	766	1,495
Nonoperating expenses:		
Interest expenses	586	563
Amortization of net retirement benefit obligation at transition	464	464
Other	287	155
Total nonoperating expenses	1,337	1,183
Ordinary income	676	9,944
Extraordinary income:		
Insurance income	881	439
Total extraordinary income	881	439
Extraordinary losses:		
Impairment losses	6	18
Loss on valuation of investment securities	59	—
Total extraordinary losses	66	18
Income before income taxes	1,492	10,364
Income taxes – current	406	2,854
Income taxes – refunded	(244)	—
Income taxes – deferred	113	(230)
Total income taxes	275	2,624
Income before minority interests	1,216	7,740
Net income	¥ 1,216	¥ 7,740
Income before minority interests	1,216	7,740
Other comprehensive income (loss):		
Valuation difference on available-for-sale securities	42	1,418
Foreign currency translation adjustment	(38)	730
Share of other comprehensive income of associates accounted for using equity method	(17)	(21)
Total other comprehensive income (loss)	(13)	2,127
Comprehensive income	¥ 1,203	¥ 9,868
(Breakdown)		
Comprehensive income attributable to owners of the parent company	¥ 1,203	¥ 9,868
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 three quarters of the fiscal year ending March 31, 2014, capital surplus decreased ¥1,271 million to ¥7,738 million as of December 31, 2013.

## Segment Information

### 1. Net Sales and Profit or Loss by Reporting Segment

Previous Three Quarters (From April 1, 2012 to December 31, 2012)

Millions of yen								
Three quarters ended December 31, 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	¥21,542	¥24,852	¥12,798	¥59,193	¥2,177	¥61,370	¥ —	¥61,370
Inter-segment	2,946	25	29	3,000	—	3,000	(3,000)	—
Total	24,488	24,878	12,828	62,194	2,177	64,371	(3,000)	61,370
Segment income (loss)	¥ 2,223	¥ 1,518	¥ (561)	¥ 3,179	¥ 21	¥ 3,201	¥(1,953)	¥1,248

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

2. ¥(1,953) 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 (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 Three Quarters (From April 1, 2013 to December 31, 2013)

Millions of yen

	Three quarters ended December 31, 2013							Quarterly Consolidated Statements of Income and Comprehensive Income (Notes 3)
	Devices Business	Car Electronics Business	Next Generation Energy Business	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	
Net sales:								
Outside customers	¥23,464	¥30,005	¥18,454	¥71,924	¥2,278	¥74,202	¥ —	¥74,202
Inter-segment	3,301	18	0	3,320	—	3,320	(3,320)	—
Total	26,766	30,023	18,454	75,244	2,278	77,523	(3,320)	74,202
Segment income	¥ 3,369	¥ 6,585	¥ 1,623	¥ 11,578	¥ 44	¥ 11,623	¥(1,991)	¥ 9,631

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

2. ¥(1,991) 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 third quarter of the previous fiscal year is listed based on the new reportable segment classifications.