



Flash Report for the First-Quarter Period Ended June 30, 2015 [Japan GAAP] (on a consolidated basis)

August 5, 2015

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, 2015

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, 2015)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
1st quarter ended June 30, 2015	¥25,690	0.4%	¥1,657	(36.8)%	¥1,826	(29.9)%	¥1,253	(7.7)%
1st quarter ended June 30, 2014	25,590	4.0	2,621	7.1	2,606	(18.6)	1,359	(48.7)

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

2. Comprehensive income

1st quarter ended June 30, 2015: ¥ 1,250 million (11.4)%

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

	Net income per share (¥)	
	basic	diluted
1st quarter ended June 30, 2015	¥12.17	¥—
1st quarter ended June 30, 2014	13.19	—

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio
As of June 30, 2015	¥132,463	¥56,885	42.9%
As of March 31, 2015	134,002	56,664	42.3

Note: Owners' equity

As of June 30, 2015: ¥56,885 million

As of March 31, 2015: ¥56,664 million

2. Dividends

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended March 31, 2015	¥—	¥0.00	¥—	¥10.00	¥10.00
Year ending March 31, 2016	—				
Year ending March 31, 2016 (forecast)		0.00	—	12.50	12.50

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

3. Business Performance Forecasts for the Year Ending March 31, 2016

(April 1, 2015 to March 31, 2016)

(¥ million)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share (¥)
First-half period	¥ 52,700	4.5%	¥4,200	(11.3)%	¥4,100	(9.8)%	¥2,800	(6.3)%	¥27.18
Full term	109,000	0.7	9,500	23.8	9,300	18.3	6,300	19.9	61.15

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: 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, 2015: 103,388,848 shares As of March 31, 2015: 103,388,848 shares

Number of shares in treasury at the end of the period

As of June 30, 2015: 359,676 shares As of March 31, 2015: 356,557 shares

Average number of shares during the period

1st quarter ended June 30, 2015: 103,030,706 shares

1st quarter ended June 30, 2014: 103,039,334 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, 2015	As of June 30, 2015
Assets		
Current assets:		
Cash and deposits	¥ 33,337	¥ 33,274
Notes and accounts receivable – trade	22,287	20,054
Securities	5,000	5,000
Finished products	7,604	9,088
Work in process	3,740	3,704
Raw materials	10,096	9,967
Deferred tax assets	1,429	1,173
Other	3,322	2,428
Allowance for doubtful accounts	(33)	(38)
Total current assets	86,784	84,653
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures	9,223	9,045
Machinery, equipment and vehicles	8,466	8,222
Land	5,395	6,174
Other – net	3,008	3,174
Total tangible fixed assets	26,093	26,617
<i>Intangible assets –</i>		
Goodwill	85	76
Software	563	800
Other	574	390
Total intangible assets	1,223	1,267
<i>Investments and other assets –</i>		
Investment securities	14,661	14,980
Deferred tax assets	4,529	4,227
Other	772	774
Allowance for doubtful accounts	(63)	(58)
Total investments and other assets	19,900	19,924
Total noncurrent assets	47,217	47,809
Total assets	¥134,002	¥132,463

Note: Amounts under one million yen are omitted.

	Millions of yen	
	As of March 31, 2015	As of June 30, 2015
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	¥ 17,856	¥ 17,179
Short-term loans payable	7,628	7,281
Current portion of bonds	400	400
Income taxes payable	936	164
Provision for bonuses	1,039	—
Other	3,873	7,150
Total current liabilities	31,735	32,175
Long-term liabilities:		
Bonds payable	2,900	2,800
Long-term loans payable	24,658	22,954
Net defined benefit liability	14,931	14,870
Provision for product warranties	2,518	2,266
Asset retirement obligations	147	147
Other	448	362
Total long-term liabilities	45,602	43,401
Total liabilities	77,337	75,577
Net assets		
Shareholders' equity:		
Capital stock	17,823	17,823
Capital surplus	7,738	7,738
Retained earnings	27,747	27,974
Treasury stock	(123)	(125)
Total shareholders' equity	53,185	53,410
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	3,113	3,302
Foreign currency translation adjustment	1,519	1,280
Remeasurements of defined benefit plans	(1,154)	(1,107)
Total accumulated other comprehensive income	3,478	3,475
Total net assets	56,664	56,885
Total liabilities and net assets	¥134,002	¥132,463

Quarterly Consolidated Statements of Income and Comprehensive Income

	Millions of yen	
	1st quarter ended June 30, 2014	1st quarter ended June 30, 2015
Net sales	¥25,590	¥25,690
Cost of sales	19,964	20,751
Gross profit	5,626	4,938
Selling, general and administrative expenses	3,004	3,281
Operating income	2,621	1,657
Nonoperating income:		
Interest income	15	24
Dividends income	84	89
Foreign exchange gain	39	—
Royalty income	84	107
Earnings from investments in equity-method affiliates	71	64
Other	38	55
Total nonoperating income	333	341
Nonoperating expenses:		
Interest expenses	166	130
Foreign exchange losses	—	11
Amortization of net retirement benefit obligation at transition	154	—
Other	27	30
Total nonoperating expenses	348	171
Ordinary income	2,606	1,826
Extraordinary losses:		
Impairment losses	—	8
Total extraordinary losses	—	8
Income before income taxes	2,606	1,818
Income taxes – current	292	155
Income taxes – deferred	954	409
Total income taxes	1,247	564
Net income	¥ 1,359	¥ 1,253
(Breakdown)		
Profit attributable to owners of parent	1,359	1,253
Profit attributable to non-controlling interests	—	—
Other comprehensive income (loss):		
Valuation difference on available-for-sale securities	13	188
Foreign currency translation adjustment	(111)	(230)
Adjustments of defined benefit plans	173	46
Share of other comprehensive income of associates accounted for using equity method	(21)	(7)
Total other comprehensive income (loss)	52	(3)
Comprehensive income	¥ 1,411	¥ 1,250
(Breakdown)		
Comprehensive income attributable to owners of the parent company	¥ 1,411	¥ 1,250
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, 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	¥11,481	¥5,370	¥24,759	¥831	¥25,590	¥ —	¥25,590
Inter-segment	1,182	6	—	1,188	—	1,188	(1,188)	—
Total	9,088	11,487	5,370	25,947	831	26,779	(1,188)	25,590
Segment income	¥1,257	¥ 1,348	¥ 763	¥ 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. Net Sales and Profit or Loss by Reporting Segment

1. Reporting First Quarter Period (From April 1, 2015 to June 30, 2015)

Millions of yen

1st quarter ended June 30, 2015								
	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	¥7,674	¥13,961	¥3,281	¥24,917	¥773	¥25,690	¥ —	¥25,690
Inter-segment	1,541	5	—	1,546	—	1,546	(1,546)	—
Total	9,215	13,966	3,281	26,464	773	27,237	(1,546)	25,690
Segment income (loss)	¥ 244	¥ 2,079	¥ (14)	¥ 2,308	¥ 9	¥ 2,318	¥ (661)	¥ 1,657

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

2. ¥(661) 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. Change in reporting segment

The Company's reporting segments comprise product segments based on the business divisions. Effective April 1, 2015, the segmentation of product administration was changed in part.

As a result, some product groups were transferred from the Next Generation Energy Business to the Car Electronics Business, starting in the first quarter ended June 30, 2015.

Consolidated segment information provided for the first quarter of the previous fiscal year in this report was restated based on this change in the segmentation of product administration.

(Additional information)

(Change in fiscal year of a consolidated subsidiary)

The fiscal year-end of consolidated subsidiary Shindengen India Pvt. Ltd. was changed from December 31 to March 31. As a result, six-month financial results of the subsidiary (from January 1 through June 30, 2015) were consolidated for reporting with the first quarter results in this report. Previously, the subsidiary's quarterly results for consolidation were based on a fiscal year ending in December, and the Company had made adjustments as needed for the material transactions of the subsidiary that had taken place in the three months leading up to the consolidation date.

The financial results Shindengen India Pvt. Ltd. had recorded from January 1 through June 30, 2015 were ¥742 million in net sales, ¥84 million in operating income, ¥103 million in ordinary income and ¥103 million in income before income taxes.