



Flash Report for the Third-Quarter Period Ended December 31, 2014 [Japan GAAP] (on a consolidated basis)

February 6, 2015

Name: Shindengen Electric Manufacturing Co., Ltd. Securities Exchange: Tokyo Stock Exchange
 Code Number: 6844 Registered Head Office: Tokyo
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 Scheduled date for submission of Quarterly Report: February 12, 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 Three Quarters (April 1 to December 31, 2014)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income		Net income	
Three quarters ended December 31, 2014	¥76,768	3.5%	¥7,546	(21.6)%	¥8,029	(19.3)%	¥5,437	(29.8)%
Three quarters ended December 31, 2013	74,202	20.9	9,631	671.6	9,944	—	7,740	536.1

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, 2014: ¥6,789 million (31.2)%

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

	Net income per share (¥)	
	basic	diluted
Three quarters ended December 31, 2014	¥ 52.77	¥—
Three quarters ended December 31, 2013	75.12	—

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio
As of December 31, 2014	¥129,420	¥54,387	42.0%
As of March 31, 2014	132,823	49,662	37.4

Note: Owners' equity

As of December 31, 2014: ¥54,387 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, 2014

(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: 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 December 31, 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 December 31, 2014: 354,356 shares As of March 31, 2014: 348,612 shares

Average number of shares during the period

Three quarters ended December 31, 2014: 103,037,114 shares

Three quarters ended December 31, 2013: 103,045,392 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 December 31, 2014
Assets		
Current assets:		
Cash and deposits	¥ 40,063	¥ 31,606
Notes and accounts receivable – trade	23,604	20,958
Securities	—	5,000
Finished products	6,422	8,758
Work in process	3,576	3,879
Raw materials	10,236	9,500
Deferred tax assets	1,695	1,092
Other	2,458	2,998
Allowance for doubtful accounts	(23)	(37)
Total current assets	88,033	83,757
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures	8,572	9,184
Machinery, equipment and vehicles	7,176	8,360
Land	4,830	5,349
Other – net	2,505	2,769
Total tangible fixed assets	23,084	25,663
<i>Intangible assets –</i>		
Goodwill	120	94
Software	583	578
Other	387	463
Total intangible assets	1,092	1,135
<i>Investments and other assets –</i>		
Investment securities	15,361	13,502
Deferred tax assets	4,624	4,670
Other	680	743
Allowance for doubtful accounts	(52)	(52)
Total investments and other assets	20,613	18,862
Total noncurrent assets	44,790	45,662
Total assets	¥132,823	¥129,420

Note: Amounts under one million yen are omitted.

Millions of yen

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	¥ 17,633	¥ 18,313
Short-term loans payable	7,965	7,676
Current portion of bonds	3,400	400
Income taxes payable	2,852	433
Provision for bonuses	1,070	—
Other	6,043	3,057
Total current liabilities	38,965	29,881
Long-term liabilities:		
Bonds payable	2,800	3,000
Long-term loans payable	26,288	26,106
Net defined benefit liability	14,462	15,436
Asset retirement obligations	147	150
Deferred tax liabilities	0	31
Other	496	426
Total long-term liabilities	44,195	45,151
Total liabilities	83,161	75,032
Net assets		
Shareholders' equity:		
Capital stock	17,823	17,823
Capital surplus	7,738	7,738
Retained earnings	24,333	27,932
Treasury stock	(118)	(122)
Total shareholders' equity	49,776	53,371
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	2,077	2,278
Foreign currency translation adjustment	(138)	286
Remeasurements of defined benefit plans	(2,052)	(1,549)
Total accumulated other comprehensive income	(113)	1,015
Total net assets	49,662	54,387
Total liabilities and net assets	¥132,823	¥129,420

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	¥74,202	¥76,768
Cost of sales	55,950	59,987
Gross profit	18,252	16,780
Selling, general and administrative expenses	8,620	9,233
Operating income	9,631	7,546
Nonoperating income:		
Interest income	44	52
Dividends income	191	212
Equity in earnings of affiliates	680	893
Foreign exchange gain	230	194
Other	349	229
Total nonoperating income	1,495	1,582
Nonoperating expenses:		
Interest expenses	563	468
Amortization of net retirement benefit obligation at transition	464	464
Other	155	168
Total nonoperating expenses	1,183	1,100
Ordinary income	9,944	8,029
Extraordinary income:		
Insurance income	439	—
Total extraordinary income	439	—
Extraordinary losses:		
Impairment losses	18	—
Total extraordinary losses	18	—
Income before income taxes	10,364	8,029
Income taxes – current	2,854	1,990
Income taxes – deferred	(230)	601
Total income taxes	2,624	2,591
Income before minority interests	7,740	5,437
Net income	¥ 7,740	¥ 5,437
Income before minority interests	7,740	5,437
Other comprehensive income (loss):		
Valuation difference on available-for-sale securities	1,418	201
Foreign currency translation adjustment	730	525
Adjustments of defined benefit plans	—	502
Share of other comprehensive income of associates accounted for using equity method	(21)	122
Total other comprehensive income	2,127	1,352
Comprehensive income	¥ 9,868	¥ 6,789
(Breakdown)		
Comprehensive income attributable to owners of the parent company	¥ 9,868	¥ 6,789
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 Three Quarters (From April 1, 2013 to December 31, 2013)

	Millions of yen							
	Three quarters ended December 31, 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	¥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. Net Sales and Profit or Loss by Reporting Segment

1. Reporting Three Quarters (From April 1, 2014 to December 31, 2014)

Millions of yen

	Three quarters ended December 31, 2014							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	¥24,321	¥32,255	¥17,728	¥74,305	¥2,462	¥76,768	¥ —	¥76,768
Inter-segment	3,613	15	—	3,628	—	3,628	(3,628)	—
Total	27,934	32,271	17,728	77,934	2,462	80,397	(3,628)	76,768
Segment income	¥ 3,346	¥ 4,826	¥ 1,618	¥ 9,791	¥ 40	¥ 9,831	¥(2,284)	¥ 7,546

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

2. ¥(2,284) 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 three quarters.