



Flash Report for the First-Quarter Period Ended June 30, 2016 [Japan GAAP] (on a consolidated basis)

August 5, 2016

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 10, 2016

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

Prepared earnings results briefing material: No

Held 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, 2016 to June 30, 2016)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
1st quarter ended June 30, 2016	¥21,924	(14.7)%	¥ 1,024	(38.2)%	¥ 561	(69.2)%	¥ 421	(66.4)%
1st quarter ended June 30, 2015	25,690	0.4	1,657	(36.8)	1,826	(29.9)	1,253	(7.7)

Notes: 1. Percentage figures for net sales, operating income, ordinary income and profit attributable to owners of the parent represent year-on-year comparisons.

2. Comprehensive income (loss)

1st quarter ended June 30, 2016: ¥(1,724) million (—%) 1st quarter ended June 30, 2015: ¥1,250 million (down 11.4%)

	Net income per share (¥) basic	Net income per share (¥) diluted
1st quarter ended June 30, 2016	¥ 4.09	¥—
1st quarter ended June 30, 2015	12.17	—

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio
As of June 30, 2016	¥125,370	¥47,734	38.1%
As of March 31, 2016	133,101	50,751	38.1

Note: Owners' equity

As of June 30, 2016: ¥47,734 million As of March 31, 2016: ¥50,751 million

2. Dividends

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended March 31, 2016	¥—	¥0.00	¥—	¥12.50	¥12.50
Year ended March 31, 2017	—				
Year ending March 31, 2017 (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, 2017

(April 1, 2016 to March 31, 2017)

(¥ million)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share (¥)
First-half period	¥ 47,200	(5.6)%	¥2,100	(33.9)%	¥2,200	(31.3)%	¥1,700	(28.7)%	¥16.50
Full term	98,800	0.7	4,500	462.8	4,500	-	3,600	-	34.94

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

2.Revisions to dividend payment 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

(3) Number of ordinary shares issued, end of period (including treasury stock)

As of June 30, 2016: 103,388,848 shares As of March 31, 2016: 103,388,848 shares

Number of shares in treasury at the end of the period

As of June 30, 2016: 368,584 shares As of March 31, 2016: 367,447 shares

Average number of shares during the period

1st quarter ended June 30, 2016: 103,020,729 shares

1st quarter ended June 30, 2015: 103,030,706 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, 2016	As of June 30, 2016
Assets		
Current assets:		
Cash and deposits	¥ 34,180	¥ 31,237
Notes and accounts receivable – trade	19,507	16,844
Securities	5,000	5,000
Finished products	7,616	7,466
Work in process	3,529	3,598
Raw materials	9,291	8,595
Deferred tax assets	1,109	1,197
Other	4,912	5,288
Allowance for doubtful accounts	(30)	(23)
Total current assets	85,117	79,205
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures	8,426	9,225
Machinery, equipment and vehicles	8,581	8,012
Land	6,117	6,020
Other – net	3,424	2,618
Total tangible fixed assets	26,550	25,876
<i>Intangible assets –</i>		
Goodwill	50	41
Software	680	679
Other	350	395
Total intangible assets	1,081	1,115
<i>Investments and other assets –</i>		
Investment securities	12,794	11,316
Deferred tax assets	6,938	7,211
Other	670	696
Allowance for doubtful accounts	(52)	(52)
Total investments and other assets	20,350	19,172
Total noncurrent assets	47,983	46,164
Total assets	133,101	125,370

Note: Amounts under one million yen are omitted.

Millions of yen

As of March 31, 2016

As of June 30, 2016

Liabilities

Current liabilities:

Notes and accounts payable – trade	¥ 15,779	¥ 15,115
Short-term loans payable	7,438	7,566
Current portion of bonds	2,475	2,400
Income taxes payable	115	90
Provision for bonuses	945	—
Other	7,144	6,106
Total current liabilities	33,898	31,277

Long-term liabilities:

Bonds payable	925	900
Long-term loans payable	23,239	21,415
Net defined benefit liability	17,588	17,475
Provision for product warranties	6,184	5,960
Asset retirement obligations	141	142
Other	371	464
Total long-term liabilities	48,450	46,357
Total liabilities	82,349	77,635

Net assets

Shareholders' equity:

Capital stock	17,823	17,823
Capital surplus	7,738	7,738
Retained earnings	26,922	26,052
Treasury stock	(129)	(129)
Total shareholders' equity	52,354	51,483

Accumulated other comprehensive income (loss):

Valuation difference on available-for-sale securities	1,766	785
Foreign currency translation adjustment	(42)	(1,237)
Remeasurements of defined benefit plans	(3,326)	(3,296)
Total accumulated other comprehensive income (loss)	(1,603)	(3,749)

Total net assets	50,751	47,734
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Total liabilities and net assets	¥133,101	¥125,370
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Consolidated Statements of Income and Comprehensive Income

	Millions of yen	
	1st quarter ended June 30, 2015	1st quarter ended June 30, 2016
Net sales	¥ 25,690	¥ 21,924
Cost of sales	20,751	17,952
Gross profit	4,938	3,972
Selling, general and administrative expenses	3,281	2,947
Operating income	1,657	1,024
Nonoperating income:		
Interest income	24	13
Dividends income	89	98
Royalty income	107	72
Share of profit of entities accounted for using equity method	64	59
Other	55	43
Total nonoperating income	341	287
Nonoperating expenses:		
Interest expenses	130	113
Foreign exchange losses	11	593
Other	30	43
Total nonoperating expenses	171	750
Ordinary income	1,826	561
Extraordinary losses:		
Impairment losses	8	—
Total extraordinary losses	8	—
Income before income taxes	1,818	561
Income taxes – current	155	104
Income taxes – deferred	409	35
Total income taxes	564	140
Net income	¥ 1,253	¥ 421
(Breakdown)		
Profit attributable to owners of parent	1,253	421
Profit attributable to non-controlling interests	—	—
Other comprehensive income (loss):		
Valuation difference on available-for-sale securities	188	(981)
Foreign currency translation adjustment	(230)	(1,054)
Adjustments of defined benefit plans	46	30
Share of other comprehensive income of associates accounted for using equity method	(7)	(140)
Total other comprehensive income (loss)	(3)	(2,146)
Comprehensive income (loss)	¥ 1,250	¥ (1,724)
(Breakdown)		
Comprehensive income (loss) attributable to owners of parent	¥ 1,250	¥ (1,724)
Comprehensive income attributable to non-controlling 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, 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(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

Reporting First-Quarter Period (From April 1, 2016 to June 30, 2016)

Millions of yen

	1st quarter ended June 30, 2016							
	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	¥7,260	¥12,354	¥1,552	¥21,167	¥ 756	¥21,924	¥ —	¥21,924
Inter-segment	1,497	4	—	1,502	—	1,502	(1,502)	—
Total	8,757	12,359	1,552	22,669	756	23,426	(1,502)	21,924
Segment income (loss)	¥576	¥ 1,531	¥ (325)	¥ 1,781	¥ 4	¥ 1,786	¥ (762)	¥ 1,024

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(loss) is adjusted to the operating income stated on the Quarterly Consolidated Statements of Income and Comprehensive Income.