

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 6, 2024

Company name: Shindengen Electric Manufacturing Co., Ltd
 Stock exchange listing: Tokyo
 Stock code: 6844 URL <https://www.shindengen.co.jp/>
 Representative: President Nobuyoshi Tanaka
 Inquiries: Manager of Corporate Planning Group, Isao Matsubara TEL 048-483-5311
 Planning Dept.
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	24,951	2.0	112	(73.7)	505	(38.3)	224	–
Three months ended June 30, 2023	24,455	3.8	425	(68.6)	819	(58.6)	(468)	–

Note: Comprehensive income Three months ended June 30, 2024 ¥634 million [(82.5)%]
 Three months ended June 30, 2023 ¥3,620 million [37.4%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	21.78	–
Three months ended June 30, 2023	(45.48)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	138,518	70,210	50.7
As of March 31, 2024	144,669	70,917	49.0

Reference: Equity As of June 30, 2024 ¥70,210 million
 As of March 31, 2024 ¥70,917 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	0.00	–	130.00	130.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		0.00	–	130.00	130.00

Note: Revision of cash dividend forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	50,800	2.4	600	47.5	600	(10.9)	200	–	19.39
Full year	106,600	4.2	2,500	95.5	2,600	56.6	1,600	–	155.15

Note: Revision of consolidated financial results forecast most recently announced: No

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2024	10,338,884 shares	As of March 31, 2024	10,338,884 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	26,093 shares	As of March 31, 2024	26,072 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	10,312,806 shares	Three months ended June 30, 2023	10,309,152 shares
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* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: No

* Explanation of proper use of financial results forecast, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including the financial results forecast shown in this document, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	26,340	25,850
Notes and accounts receivable - trade	18,066	16,435
Merchandise and finished goods	11,905	12,464
Work in process	6,679	6,985
Raw materials and supplies	19,899	19,280
Other	6,228	3,329
Allowance for doubtful accounts	(25)	(23)
Total current assets	89,095	84,321
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,683	16,568
Machinery, equipment and vehicles, net	9,188	9,010
Land	4,256	4,290
Leased assets, net	606	587
Construction in progress	2,063	2,104
Other, net	2,324	2,327
Total property, plant and equipment	35,121	34,888
Intangible assets		
Software	579	551
Other	35	39
Total intangible assets	614	591
Investments and other assets		
Investment securities	18,473	17,341
Deferred tax assets	324	331
Retirement benefit asset	145	148
Other	935	939
Allowance for doubtful accounts	(41)	(43)
Total investments and other assets	19,837	18,717
Total non-current assets	55,573	54,197
Total assets	144,669	138,518

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,402	14,499
Short-term borrowings	6,355	6,400
Current portion of bonds payable	1,025	900
Lease liabilities	445	424
Income taxes payable	472	209
Provision for bonuses	839	–
Other	5,570	5,208
Total current liabilities	31,110	27,641
Non-current liabilities		
Bonds payable	1,325	1,200
Long-term borrowings	29,225	27,665
Lease liabilities	527	546
Deferred tax liabilities	3,761	3,387
Retirement benefit liability	5,694	5,755
Provision for product warranties	1,207	1,195
Asset retirement obligations	860	872
Other	39	44
Total non-current liabilities	42,641	40,666
Total liabilities	73,752	68,308
Net assets		
Shareholders' equity		
Share capital	17,823	17,823
Capital surplus	7,732	7,732
Retained earnings	28,510	27,394
Treasury shares	(95)	(95)
Total shareholders' equity	53,970	52,854
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,627	5,837
Foreign currency translation adjustment	3,347	4,594
Remeasurements of defined benefit plans	6,971	6,924
Total accumulated other comprehensive income	16,946	17,356
Total net assets	70,917	70,210
Total liabilities and net assets	144,669	138,518

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	24,455	24,951
Cost of sales	20,531	21,376
Gross profit	3,924	3,575
Selling, general and administrative expenses	3,498	3,463
Operating profit	425	112
Non-operating income		
Interest income	49	78
Dividend income	198	331
Foreign exchange gains	206	115
Share of profit of entities accounted for using equity method	36	14
Royalty income	4	–
Other	28	19
Total non-operating income	523	558
Non-operating expenses		
Interest expenses	62	79
Other	66	85
Total non-operating expenses	129	165
Ordinary profit	819	505
Extraordinary losses		
Loss on sale of investment securities	296	–
Total extraordinary losses	296	–
Profit before income taxes	523	505
Income taxes - current	671	265
Income taxes - deferred	320	15
Total income taxes	992	280
Profit (loss)	(468)	224
Profit attributable to		
Profit (loss) attributable to owners of parent	(468)	224
Profit attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	1,670	(790)
Foreign currency translation adjustment	1,049	1,246
Remeasurements of defined benefit plans, net of tax	1,101	(46)
Share of other comprehensive income of entities accounted for using equity method	267	0
Total other comprehensive income	4,089	409
Comprehensive income	3,620	634
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,620	634
Comprehensive income attributable to non-controlling interests	–	–

Notes to Quarterly Consolidated Financial Statements

(Notes on Changes in Accounting Policies)

(Application of "Accounting Standards for Corporate Taxes, Resident Taxes, and Business Taxes," etc.)

The "Accounting Standards for Corporate Taxes, Resident Taxes, and Business Taxes, etc." (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as "2022 Revised Accounting Standards") have been applied from the beginning of the first quarter of the current fiscal year.

This change has no impact on the quarterly consolidated financial statements.

Additionally, regarding the amendments related to the review of the treatment of gains and losses arising from the sale of shares of subsidiaries and other securities among consolidated companies when deferred for tax purposes, the 2022 Revised Implementation Guidance has been applied from the beginning of the first quarter of the current fiscal year. There is no impact on the quarterly consolidated financial statements of the previous quarter or the consolidated financial statements of the previous fiscal year due to this change.

(Notes Pertaining to Going Concern Assumption)

None

(Notes on Significant Changes in the Amount of Shareholders' Equity)

None

(Notes to Quarterly Consolidated Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the first quarter of the current fiscal year has not been prepared. However, depreciation and amortization expenses (including amortization of intangible assets) for the first quarter are as follows:

	(Millions of yen)	
	Year ended June 30, 2023 (April 1, 2023 to June 30, 2023)	Year ended June 30, 2024 (April 1, 2024 to June 30, 2024)
depreciation and amortization	¥1,299	¥1,288

Segment Information

Year ended June 30, 2024 (April 1, 2024 to June 30, 2024)

1. Net sales, income (loss), identifiable assets/liabilities and other items by reporting segments

	Millions of yen							Quarterly Consolidated Statements of Income and Comprehensive Income (Notes 3)
	Year ended June 30, 2024							
	Devices Business	Car Electronics Business	Energy systems & solutions Business	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	
Net Sales								
Outside customers	¥ 7,603	¥ 16,406	¥ 894	¥ 24,904	¥ 46	¥ 24,951	¥ —	¥ 24,951
Inter-segment	2,232	—	—	2,232	—	2,232	(2,232)	—
Total	9,835	16,406	894	27,136	46	27,183	(2,232)	24,951
Segment income (loss)	¥ (93)	¥ 1,652	¥ (247)	¥ 1,311	¥ 7	¥ 1,319	¥ (1,207)	¥ 112

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

2. ¥ (1,207) million posted 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 consolidated statements of income and consolidated statements of comprehensive income.