

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

February 10, 2025

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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	77,611	2.1	758	(26.6)	568	(57.2)	(656)	–
Nine months ended December 31, 2023	76,038	2.5	1,032	(64.7)	1,327	(63.7)	(819)	–

Note: Comprehensive income Nine months ended December 31, 2024 ¥(1,719) million [–%]
 Nine months ended December 31, 2023 ¥4,837 million [(34.3)%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	(63.65)	–
Nine months ended December 31, 2023	(79.49)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	141,571	67,869	47.9
As of March 31, 2024	144,669	70,917	49.0

Reference: Equity As of December 31, 2024 ¥67,869 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	–	0.00	–		
Year ending March 31, 2025 (Forecast)				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
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	106,300	3.9	2,200	72.0	1,700	2.4	300	—	29.08

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

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended December 31, 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 December 31, 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 December 31, 2024	21,778 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)

Nine months ended December 31, 2024	10,315,689 shares	Nine months ended December 31, 2023	10,311,687 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 December 31, 2024
Assets		
Current assets		
Cash and deposits	26,340	26,999
Notes and accounts receivable - trade	18,066	17,228
Merchandise and finished goods	11,905	12,477
Work in process	6,679	7,065
Raw materials and supplies	19,899	19,257
Other	6,228	5,715
Allowance for doubtful accounts	(25)	(23)
Total current assets	89,095	88,720
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,683	16,175
Machinery, equipment and vehicles, net	9,188	8,546
Land	4,256	4,398
Leased assets, net	606	501
Construction in progress	2,063	2,627
Other, net	2,324	2,394
Total property, plant and equipment	35,121	34,643
Intangible assets		
Software	579	506
Other	35	71
Total intangible assets	614	577
Investments and other assets		
Investment securities	18,473	16,234
Deferred tax assets	324	349
Retirement benefit asset	145	140
Other	935	949
Allowance for doubtful accounts	(41)	(44)
Total investments and other assets	19,837	17,629
Total non-current assets	55,573	52,851
Total assets	144,669	141,571

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,402	14,249
Short-term borrowings	6,355	9,195
Current portion of bonds payable	1,025	650
Lease liabilities	445	341
Income taxes payable	472	183
Provision for bonuses	839	—
Other	5,570	5,395
Total current liabilities	31,110	30,014
Non-current liabilities		
Bonds payable	1,325	1,000
Long-term borrowings	29,225	31,225
Lease liabilities	527	517
Deferred tax liabilities	3,761	3,050
Retirement benefit liability	5,694	5,894
Provision for product warranties	1,207	1,079
Asset retirement obligations	860	870
Other	39	49
Total non-current liabilities	42,641	43,686
Total liabilities	73,752	73,701
Net assets		
Shareholders' equity		
Share capital	17,823	17,823
Capital surplus	7,732	7,729
Retained earnings	28,510	26,513
Treasury shares	(95)	(80)
Total shareholders' equity	53,970	51,985
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,627	5,029
Foreign currency translation adjustment	3,347	4,166
Remeasurements of defined benefit plans	6,971	6,687
Total accumulated other comprehensive income	16,946	15,884
Total net assets	70,917	67,869
Total liabilities and net assets	144,669	141,571

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

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	76,038	77,611
Cost of sales	64,641	66,261
Gross profit	11,397	11,349
Selling, general and administrative expenses	10,365	10,591
Operating profit	1,032	758
Non-operating income		
Interest income	177	268
Dividend income	457	633
Share of profit of entities accounted for using equity method	62	69
Royalty income	2	1
Other	112	128
Total non-operating income	812	1,101
Non-operating expenses		
Interest expenses	208	272
Foreign exchange losses	59	803
Other	249	214
Total non-operating expenses	517	1,290
Ordinary profit	1,327	568
Extraordinary income		
Gain on sale of investment securities	3	2
Total extraordinary income	3	2
Extraordinary losses		
Business restructuring expenses	–	378
Loss on sale of investment securities	296	–
Total extraordinary losses	296	378
Profit before income taxes	1,034	191
Income taxes - current	1,316	834
Income taxes - deferred	537	13
Total income taxes	1,854	848
Loss	(819)	(656)
Profit attributable to		
Loss attributable to owners of parent	(819)	(656)
Profit attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	2,014	(1,597)
Foreign currency translation adjustment	2,287	819
Remeasurements of defined benefit plans, net of tax	1,087	(284)
Share of other comprehensive income of entities accounted for using equity method	267	0
Total other comprehensive income	5,656	(1,062)
Comprehensive income	4,837	(1,719)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,837	(1,719)
Comprehensive income attributable to non-controlling interests	–	–

Notes to 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 half of the current fiscal year.

This change has no impact on the 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 half of the current fiscal year. There is no impact on the consolidated financial statements of the previous first half 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

(Business restructuring expenses)

As a result of the structural reform of the devices business, we have recorded a severance payment of 235 million yen, an impairment loss of 87 million yen, and other expenses of 8 million yen.

(Notes to Consolidated Statement of Cash Flows)

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

(Millions of yen)		
	Year ended December 31, 2023	Year ended December 31, 2024
	(April 1, 2023 to December 31, 2023)	(April 1, 2024 to December 31, 2024)
depreciation and amortization	¥4,093	¥3,978

Segment Information

Year ended December 31, 2024 (April 1, 2024 to December 31, 2024)

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

Millions of yen								
Year ended December 31, 2024								
	Devices Business	Car Electronics Business	Energy systems & solutions Business	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	Quarterly Consolidated Statements of Income and Comprehensive Income (Notes 3)
Net Sales								
Outside customers	¥ 23,271	¥ 48,396	¥ 5,825	¥ 77,493	¥ 117	¥ 77,611	¥ —	¥ 77,611
Inter-segment	6,712	—	—	6,712	—	6,712	(6,712)	—
Total	29,984	48,396	5,825	84,205	117	84,323	(6,712)	77,611
Segment income (loss)	¥ (348)	¥ 4,325	¥ 336	¥ 4,313	¥ 31	¥ 4,345	¥ (3,587)	¥ 758

Notes: 1. The “Other” category includes activities not included in the reporting segments, such as solenoids.
 2. ¥ (3,587) 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.

2. An impairment loss on Fixed Assets by reporting segments

In the current interim consolidated accounting period, an impairment loss of 87 million yen was recorded in association with the structural reform of the devices business, and this is included in the business restructuring expenses under extraordinary losses.