

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 7, 2020

Company name: Shindengen Electric Manufacturing Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 6844 URL <https://www.shindengen.co.jp/>  
 Representative: President Yoshinori Suzuki  
 Inquiries: Manager of Corporate Planning Group, Yoshiaki Matsumoto TEL 03-3279-4431  
 Planning Dept.  
 Scheduled date to file Quarterly Securities Report: February 13, 2020  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

#### (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, 2019	69,096	(2.5)	1,989	(55.3)	2,001	(57.9)	1,626	(54.2)
Nine months ended December 31, 2018	70,881	4.4	4,446	(26.5)	4,750	(26.2)	3,547	(28.4)

Note: Comprehensive income  
 Nine months ended December 31, 2019 ¥2,342 million [166.1%]  
 Nine months ended December 31, 2018 ¥880 million [(86.5)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	157.86		–	
Nine months ended December 31, 2018	344.44		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	130,227	60,533	46.5
As of March 31, 2019	128,669	59,470	46.2

Reference: Equity  
 As of December 31, 2019 ¥60,533 million  
 As of March 31, 2019 ¥59,470 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, 2019	–	0.00	–	125.00	125.00
Year ending March 31, 2020	–	0.00	–		
Year ending March 31, 2020 (Forecast)				125.00	125.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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
Full year	94,100	(0.6)	1,500	(73.4)	1,700	(71.6)	1,400	(63.9)	135.90

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019 (changes in specified subsidiaries resulting in the change in scope of consolidation): 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: No
- 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, 2019	10,338,884 shares	As of March 31, 2019	10,338,884 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	37,084 shares	As of March 31, 2019	39,387 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, 2019	10,301,098 shares	Nine months ended December 31, 2018	10,299,782 shares
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\* Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

\* 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, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	25,505	26,416
Notes and accounts receivable - trade	19,044	18,696
Securities	7,000	3,000
Merchandise and finished goods	8,430	7,767
Work in process	4,704	4,717
Raw materials and supplies	10,624	10,920
Other	4,583	3,974
Allowance for doubtful accounts	(18)	(17)
Total current assets	79,874	75,475
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,094	8,304
Machinery, equipment and vehicles, net	8,699	9,485
Land	5,769	5,712
Leased assets, net	948	1,176
Construction in progress	2,201	5,489
Other, net	1,782	1,627
Total property, plant and equipment	27,495	31,796
Intangible assets		
Software	955	843
Leased assets	0	20
Other	553	460
Total intangible assets	1,509	1,324
Investments and other assets		
Investment securities	13,673	15,065
Deferred tax assets	5,505	5,553
Other	659	1,061
Allowance for doubtful accounts	(48)	(48)
Total investments and other assets	19,789	21,631
Total non-current assets	48,795	54,752
Total assets	128,669	130,227

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	15,283	14,886
Short-term borrowings	5,750	4,625
Current portion of bonds	975	1,350
Lease obligations	280	345
Income taxes payable	62	59
Provision for bonuses	1,111	–
Other	6,668	8,574
<b>Total current liabilities</b>	<b>30,131</b>	<b>29,841</b>
<b>Non-current liabilities</b>		
Bonds payable	6,300	5,225
Long-term borrowings	13,725	16,000
Lease obligations	745	946
Deferred tax liabilities	128	219
Retirement benefit liability	15,305	14,894
Provision for product warranties	2,690	2,381
Asset retirement obligations	141	141
Other	32	44
<b>Total non-current liabilities</b>	<b>39,067</b>	<b>39,853</b>
<b>Total liabilities</b>	<b>69,199</b>	<b>69,694</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	17,823	17,823
Capital surplus	7,738	7,738
Retained earnings	35,695	36,034
Treasury shares	(145)	(137)
<b>Total shareholders' equity</b>	<b>61,111</b>	<b>61,458</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,719	2,551
Foreign currency translation adjustment	(1,659)	(1,960)
Remeasurements of defined benefit plans	(1,702)	(1,517)
<b>Total accumulated other comprehensive income</b>	<b>(1,641)</b>	<b>(925)</b>
<b>Total net assets</b>	<b>59,470</b>	<b>60,533</b>
<b>Total liabilities and net assets</b>	<b>128,669</b>	<b>130,227</b>

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

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	70,881	69,096
Cost of sales	56,158	57,690
Gross profit	14,723	11,405
Selling, general and administrative expenses	10,277	9,416
Operating profit	4,446	1,989
Non-operating income		
Interest income	115	102
Dividend income	304	315
Share of profit of entities accounted for using equity method	352	180
Royalty income	22	19
Other	107	95
Total non-operating income	903	712
Non-operating expenses		
Interest expenses	186	141
Foreign exchange losses	231	357
Other	180	201
Total non-operating expenses	598	700
Ordinary profit	4,750	2,001
Extraordinary losses		
Impairment loss	–	12
Business restructuring expenses	164	–
Total extraordinary losses	164	12
Profit before income taxes	4,586	1,989
Income taxes - current	791	776
Income taxes - deferred	248	(413)
Total income taxes	1,039	363
Profit	3,547	1,626
Profit attributable to		
Profit attributable to owners of parent	3,547	1,626
Profit attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,174)	832
Foreign currency translation adjustment	(644)	(212)
Remeasurements of defined benefit plans, net of tax	208	185
Share of other comprehensive income of entities accounted for using equity method	(56)	(88)
Total other comprehensive income	(2,667)	716
Comprehensive income	880	2,342
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	880	2,342
Comprehensive income attributable to non-controlling interests	–	–

## Notes Pertaining to Going Concern Assumption

None

## Notes on Significant Changes in the Amount of Shareholders' Equity

None

## Segment Information

Year ended December 31, 2019 (April 1, 2019 to December 31, 2019)

### 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 December 31, 2019						
	Electronic Device	Car Electronics	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	
Net Sales							
Outside customers	¥23,333	¥38,446	¥61,780	¥ 7,316	¥ 69,096	¥ —	¥ 69,096
Inter-segment	4,766	2	4,769	—	4,769	(4,769)	—
Total	28,100	38,448	66,549	7,316	73,866	(4,769)	69,096
Segment income (loss)	¥ (2)	¥5,059	¥ 5,056	¥ (273)	¥4,782	¥ (2,793)	¥ 1,989

Notes: 1. The "Other" category includes activities not included in the reporting segments, such as the Energy Systems & Solutions Business and solenoids.

2. ¥ (2,793) 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.