

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 6, 2019

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: August 8, 2019  
 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 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	%
Three months ended June 30, 2019	22,445	(3.4)	703	(59.5)	802	(58.4)	727	(45.8)
Three months ended June 30, 2018	23,238	4.6	1,739	(24.2)	1,929	(22.1)	1,341	(37.2)

Note: Comprehensive income Three months ended June 30, 2019 ¥678 million [–%]  
 Three months ended June 30, 2018 ¥(475) million [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	70.63		–	
Three months ended June 30, 2018	130.24		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	124,935	58,860	47.1
As of March 31, 2019	128,669	59,470	46.2

Reference: Equity As of June 30, 2019 ¥58,860 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				
Year ended March 31, 2019	–	0.00	–	125.00	125.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	0.00	–	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
Six months ending September 30, 2019	45,500	(2.4)	500	(83.0)	700	(78.0)	500	(78.5)	48.55
Full year	97,700	3.2	3,300	(41.5)	3,800	(36.5)	2,800	(27.8)	271.86

Note: Revision of consolidated financial results forecast most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 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 June 30, 2019	39,464 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)

Three months ended June 30, 2019	10,299,424 shares	Three months ended June 30, 2018	10,299,941 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 June 30, 2019
Assets		
Current assets		
Cash and deposits	25,505	25,490
Notes and accounts receivable - trade	19,044	17,634
Securities	7,000	6,000
Merchandise and finished goods	8,430	8,654
Work in process	4,704	4,901
Raw materials and supplies	10,624	10,520
Other	4,583	2,660
Allowance for doubtful accounts	(18)	(18)
Total current assets	79,874	75,843
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,094	8,626
Machinery, equipment and vehicles, net	8,699	8,391
Land	5,769	5,761
Leased assets, net	948	1,114
Construction in progress	2,201	2,359
Other, net	1,782	1,693
Total property, plant and equipment	27,495	27,945
Intangible assets		
Software	955	911
Leased assets	0	0
Other	553	489
Total intangible assets	1,509	1,401
Investments and other assets		
Investment securities	13,673	13,344
Deferred tax assets	5,505	5,821
Other	659	625
Allowance for doubtful accounts	(48)	(46)
Total investments and other assets	19,789	19,744
Total non-current assets	48,795	49,091
Total assets	128,669	124,935

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	15,283	14,401
Short-term borrowings	5,750	5,325
Current portion of bonds	975	1,100
Lease obligations	280	319
Income taxes payable	62	85
Provision for bonuses	1,111	–
Other	6,668	7,096
<b>Total current liabilities</b>	<b>30,131</b>	<b>28,327</b>
<b>Non-current liabilities</b>		
Bonds payable	6,300	6,025
Long-term borrowings	13,725	12,650
Lease obligations	745	884
Deferred tax liabilities	128	127
Retirement benefit liability	15,305	15,251
Provision for product warranties	2,690	2,628
Asset retirement obligations	141	141
Other	32	39
<b>Total non-current liabilities</b>	<b>39,067</b>	<b>37,747</b>
<b>Total liabilities</b>	<b>69,199</b>	<b>66,075</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	35,135
Treasury shares	(145)	(145)
<b>Total shareholders' equity</b>	<b>61,111</b>	<b>60,551</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,719	1,462
Foreign currency translation adjustment	(1,659)	(1,510)
Remeasurements of defined benefit plans	(1,702)	(1,642)
<b>Total accumulated other comprehensive income</b>	<b>(1,641)</b>	<b>(1,691)</b>
<b>Total net assets</b>	<b>59,470</b>	<b>58,860</b>
<b>Total liabilities and net assets</b>	<b>128,669</b>	<b>124,935</b>

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

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	23,238	22,445
Cost of sales	18,067	18,604
Gross profit	5,171	3,841
Selling, general and administrative expenses	3,431	3,137
Operating profit	1,739	703
Non-operating income		
Interest income	28	31
Dividend income	125	130
Share of profit of entities accounted for using equity method	159	105
Royalty income	22	19
Other	39	46
Total non-operating income	374	333
Non-operating expenses		
Interest expenses	66	47
Foreign exchange losses	64	157
Other	53	29
Total non-operating expenses	184	234
Ordinary profit	1,929	802
Extraordinary losses		
Business restructuring expenses	162	–
Total extraordinary losses	162	–
Profit before income taxes	1,767	802
Income taxes - current	141	309
Income taxes - deferred	283	(234)
Total income taxes	425	75
Profit	1,341	727
Profit attributable to		
Profit attributable to owners of parent	1,341	727
Profit attributable to non-controlling interests	–	–
Other comprehensive income		
Valuation difference on available-for-sale securities	(910)	(257)
Foreign currency translation adjustment	(951)	211
Remeasurements of defined benefit plans, net of tax	68	59
Share of other comprehensive income of entities accounted for using equity method	(22)	(63)
Total other comprehensive income	(1,816)	(49)
Comprehensive income	(475)	678
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(475)	678
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 June 30, 2019 (April 1, 2019 to June 30, 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 June 30, 2019						
	Electronic Device	Car Electronics	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	
Net Sales							
Outside customers	¥ 7,771	¥12,974	¥20,745	¥ 1,669	¥ 22,445	¥ —	¥ 22,445
Inter-segment	1,506	1	1,507	—	1,507	(1,507)	—
Total	9,277	12,975	22,253	1,699	23,952	(1,507)	22,445
Segment income (loss)	¥ 163	¥ 1,651	¥ 1,814	¥ (183)	¥1,631	¥ (927)	¥ 703

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

2. ¥ (927) 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.