



## Flash Report for the term ended March 31, 2005 (on a non-consolidated basis)

May 13, 2005

Name: Shindengen Electric Manufacturing Co., Ltd. Securities Exchange: Tokyo Stock Exchange

Code Number: 6844

Registered Head Office: Tokyo

(URL <http://www.shindengen.co.jp>)

Representative: Kojiroh Oda, President

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Date of directors' meeting for account settlement: May 13, 2005

Date of dividend payment: June 30, 2005 or after Date of general shareholders' meeting: June 29, 2005

Interim dividend : paid Unit share system for trading purposes: 1 trading unit = 1,000 shares

### 1. Business Results (from April 1, 2004 to March 31, 2005)

#### (1) Operating Results

(millions of yen: amounts less than ¥1 million rounded down to the nearest million; YoY % change)

	Net sales (millions of yen)		Operating income (millions of yen)		Ordinary income (millions of yen)		Net income (loss) (millions of yen)	
Reporting term	¥80,364	1.4%	¥1,756	288.3%	¥2,986	—%	¥1,591	—%
Previous term	79,231	(4.2)	452	—	236	—	(1,352)	—

  

	Net income (loss) per share (yen)		Net income (loss) to shareholders' equity (%)	Ordinary income to total assets (%)	Ordinary income to net sales (%)
	Basic	Diluted			
Reporting term	¥19.61	¥18.96	4.1%	3.4%	3.7%
Previous term	(16.66)	—	(3.7)	0.3	0.3

Notes: 1. Average number of shares outstanding:

81,160,858 shares for the year ended March 31, 2005

81,182,202 shares for the year ended March 31, 2004

2. Changes in accounting standards: none

#### (2) Dividend Payment

	Annual dividends per share (yen)			Total dividends (Full term) (millions of yen)	Payout ratio (%)	Dividends to shareholders' equity (%)
	Interim	Year-end	Total			
Reporting term	¥0.00	¥2.50	¥2.50	¥202	12.7%	0.5%
Previous term	0.00	0.00	0.00	0	—	—

Note: Breakdown of dividends as of March 31, 2005: Ordinary dividend ¥2.50

#### (3) Financial Position

	Total assets (millions of yen)	Shareholders' equity (millions of yen)	Ratio of shareholders' equity to total assets (%)	Shareholders' equity per share (yen)
Reporting term	¥86,946	¥38,448	44.2%	¥473.82
Previous term	85,889	36,498	42.5	449.63

Notes: 1. Number of shares outstanding at term-end:

81,145,902 shares as of March 31, 2005

81,175,091 shares as of March 31, 2004

2. Number of treasury shares outstanding at term-end:

130,712 shares as of March 31, 2005

101,523 shares as of March 31, 2004

## 2. Business Forecast (from April 1, 2005 to March 31, 2006)

	Net sales (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)	Annual dividends per share (yen)		
				Interim	Year-end	Total
First half period	¥39,800	¥ 500	¥ 200	¥2.50	¥ —	¥ —
Full term	83,500	2,000	1,000	—	2.50	5.00

(Reference) Estimated earnings per share for the current term ending March 31, 2006: ¥12.32

\* The above projections of business performance are based on information available to the Company's management as of the date of publication, and the reader should be aware that actual results may differ from the projections as a result of a variety of factors.

## Non-consolidated Balance Sheets

As of March 31	Million of yen			
	2005	Ratio to total assets	2004	Ratio to total assets
<b>Assets</b>				
Current assets:				
Cash and time deposits	¥ 3,684		¥ 3,644	
Trade notes receivable	170		462	
Trade accounts receivable	26,051		26,732	
Marketable securities	—		9	
Finished products	5,790		4,811	
Semi-finished products	513		705	
Raw materials	2,198		1,819	
Work in process	1,861		2,051	
Deferred tax assets	1,400		838	
Short-term loans to affiliates	4,801		3,931	
Other accounts receivable	5,197		5,283	
Consumption tax receivable	1,011		913	
Other current assets	57		169	
Allowance for doubtful accounts	(11)		(19)	
<b>Total current assets</b>	<b>52,728</b>	<b>60.7 %</b>	<b>51,355</b>	<b>59.8 %</b>
Noncurrent assets:				
<i>Tangible fixed assets –</i>				
Buildings	3,389		3,683	
Structures	303		311	
Machinery and equipment	1,913		1,775	
Vehicles	0		0	
Tool, furniture and fixtures	475		506	
Land	3,078		3,078	
Construction in progress	696		413	
<b>Total tangible fixed assets</b>	<b>9,857</b>	<b>11.3</b>	<b>9,770</b>	<b>11.4</b>
<i>In tangible assets –</i>				
Software	317		300	
Rights to use of facilities	1		1	
Telephone subscription rights	20		20	
<b>Total intangible assets</b>	<b>339</b>	<b>0.4</b>	<b>323</b>	<b>0.4</b>
<i>Investments and other assets –</i>				
Investment securities	10,283		8,811	
Investments in affiliates	5,642		5,255	
Investments in capital	769		769	
Long-term loans to employees	523		404	
Long-term loans to affiliates	4,023		4,169	
Claims on bankrupt obligors	10		5	
Long-term prepaid expenses	133		255	
Deferred tax assets	2,192		4,410	
Other investments	513		567	
Allowance for doubtful accounts	(82)		(86)	
Reserve for loss on investment	—		(147)	
<b>Total investments and other assets</b>	<b>24,010</b>	<b>27.6</b>	<b>24,418</b>	<b>28.4</b>
<b>Total noncurrent assets</b>	<b>34,207</b>	<b>39.3</b>	<b>34,511</b>	<b>40.2</b>
Deferred charges:				
Bond issuance costs	11		22	
<b>Total deferred charges</b>	<b>11</b>	<b>0.0</b>	<b>22</b>	<b>0.0</b>
<b>Total assets</b>	<b>¥ 86,946</b>	<b>100.0 %</b>	<b>¥ 85,889</b>	<b>100.0 %</b>

Note: Amounts under one million yen are omitted.

As of March 31	Millions of yen			
	2005	Ratio to total assets	2004	Ratio to total assets
<b>Liabilities and shareholders' equity</b>				
Current liabilities:				
Trade notes payable	¥ 1,414		¥ 1,524	
Trade accounts payable	11,537		12,349	
Short-term borrowings	3,477		5,016	
Current portion of long-term borrowings	2,475		2,212	
Current portion of bonds	4,000		—	
Current portion of convertible bonds	2,191		—	
Other accounts payable	1,319		1,673	
Accrued expenses	237		213	
Advances received	0		1	
Deposits received	3,687		2,097	
Other notes payable	366		494	
Accrued bonuses	412		121	
Additional retirement benefits	—		800	
Other	121		24	
<b>Total current liabilities</b>	<b>31,241</b>	<b>35.9 %</b>	<b>26,529</b>	<b>30.9 %</b>
Long-term liabilities:				
Bonds	4,000		8,000	
Bonds with non-detachable warrants	3,000		—	
Convertible bonds	—		2,191	
Long-term borrowings	5,327		7,803	
Reserve for employees' retirement benefits	4,559		4,386	
Reserve for directors' retirement allowances	370		481	
<b>Total long-term liabilities</b>	<b>17,257</b>	<b>19.9</b>	<b>22,861</b>	<b>26.6</b>
<b>Total liabilities</b>	<b>48,498</b>	<b>55.8</b>	<b>49,390</b>	<b>57.5</b>
Shareholders' equity:				
Common stock	13,617	15.7	13,617	15.9
Capital surplus:				
Appropriation for legal reserve	12,825		12,825	
Gain on disposal of treasury stock	0		—	
<b>Total capital surplus</b>	<b>12,826</b>	<b>14.7</b>	<b>12,825</b>	<b>14.9</b>
Retained earnings:				
Appropriation for legal reserve	1,246		1,246	
Voluntary reserve	8,678		8,678	
Unappropriated retained earnings (deficit)	709		(874)	
<b>Total retained earnings</b>	<b>10,634</b>	<b>12.2</b>	<b>9,050</b>	<b>10.5</b>
Unrealized gain on available-for-sale securities	1,406	1.6	1,029	1.2
Treasury stock	(35)	(0.0)	(24)	(0.0)
<b>Total shareholders' equity</b>	<b>38,448</b>	<b>44.2</b>	<b>36,498</b>	<b>42.5</b>
<b>Total liabilities and shareholders' equity</b>	<b>¥ 86,946</b>	<b>100.0 %</b>	<b>¥ 85,889</b>	<b>100.0 %</b>

## Non-consolidated Statements of Operations

Years ended March 31	Millions of yen			
	2005	Ratio to net sales	2004	Ratio to net sales
Net sales	¥ 80,364	100.0 %	¥ 79,231	100.0 %
Cost of sales:				
Finished products at beginning of year	4,811		4,605	
Cost of finished products manufactured during year	22,582		20,633	
Procurement cost for outsourced products	50,247		51,249	
Sub-total	77,641		76,489	
Transfer to other account	242		63	
Finished products at end of year	5,790		4,811	
Total cost of sales	71,608	89.1	71,613	90.4
Gross profit	8,755	10.9	7,617	9.6
Selling, general and administrative expenses	6,999	8.7	7,165	9.0
Operating income	1,756	2.2	452	0.6
Nonoperating income:				
Interest income	199		251	
Interest income on securities	0		0	
Dividend received	1,904		1,102	
Rental revenues	424		470	
Royalty	387		567	
Gain on sale of investment securities	—		307	
Other	296		219	
Total nonoperating income	3,211	4.0	2,918	3.7
Nonoperating expenses:				
Interest expenses	217		231	
Interest on bonds	218		260	
Loss on disposal of inventories	173		141	
Depreciation and amortization	339		335	
Foreign exchange loss	—		1,096	
Amortization of transition amount for accrued retirement benefits	515		515	
Other	516		553	
Total nonoperating expenses	1,981	2.5	3,134	4.0
Recurring profit	2,986	3.7	236	0.3
Extraordinary income:				
Gain on sale of investment securities	486		—	
Reversal of additional retirement benefits	329		—	
Gain on sale of sales rights	300		—	
Total extraordinary income	1,115	1.4	—	—
Extraordinary losses:				
Loss on disposal of inventories	518		—	
Provision for additional retirement benefits	—		800	
Loss on support for affiliates	259		650	
Loss on valuation of affiliate shares	176		150	
Total extraordinary losses	954	1.2	1,600	2.0
Income (loss) before income taxes	3,147	3.9	(1,363)	(1.7)
Income taxes – current	142		148	
Income taxes – deferred	1,413		(159)	
Net income (loss)	1,591	2.0	(1,352)	(1.7)
Retained earnings (deficit) brought forward	(874)		478	
Unappropriated deficit resulting from merger	7		—	
Unappropriated retained earnings (deficit)	¥ 709		¥ (874)	

Note: Amounts under one million yen are omitted.