



Flash Report for the First-Half Period Ended September 30, 2009 (on a consolidated basis)

November 6, 2009

Name: Shindengen Electric Manufacturing Co., Ltd. Securities Exchange: Tokyo Stock Exchange
Code Number: 6844 Registered Head Office: Tokyo

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

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Date for initiation of dividend payments (subject to change): not applicable

* All amounts are rounded down to the nearest million yen.

1. Results for the First-Half Period (April 1 to September 30, 2009)

(1) Operating results

(¥ million)

	Net sales		Operating income		Ordinary income (loss)		Net income (loss)	
1st half ended September 30, 2009	¥33,583	(31.2)%	¥231	(59.1)%	¥(107)	—%	¥(1,949)	—%
1st half ended September 30, 2008	48,841	—	564	—	761	—	197	—
			Net income (loss) per share (¥)			Net income per share (¥)		
			basic			diluted		
1st half ended September 30, 2009			¥(22.34)			¥ —		
1st half ended September 30, 2008			2.28			2.27		

Note: Percentage figures for net sales, operating income, ordinary income (loss) and net income (loss) represent year-on-year declines.

(2) Financial position

(¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of September 30, 2009	¥87,343	¥27,068	30.6%	¥258.98
As of March 31, 2009	90,620	23,764	25.8	269.71

Note: Owners' equity

As of September 30, 2009: ¥26,695 million As of March 31, 2009: ¥23,390 million

2. Dividends

	Cash dividends per share (¥)				
	1st	Quarter-end		Year-end	Annual
		2nd	3rd		
Year ended March 31, 2009	¥ —	¥3.50	¥ —	¥0.00	¥3.50
Year ending March 31, 2010	—	0.00	—	—	—
Year ending March 31, 2010 (forecast)	—	—	—	—	—

Notes: 1. Revisions to dividend payment forecasts during the reporting period: not applicable

2. The term-end dividend to be paid for the year ending March 31, 2010 is undecided.

3. The amounts described above are limited to dividend payments on ordinary shares of the Company's common stock.

Regarding Class shares (unlisted), which are different in nature from ordinary shares in terms of the claims and obligations shareholders, please refer to the following page on the Company's dividend payment forecast.

3. Business Performance Forecasts for the Year Ending March 31, 2010

(April 1, 2009 to March 31, 2010)

(¥ million)

	Net sales		Operating income		Ordinary income		Net loss		Net loss per share (¥)
Full term	¥72,400	(15.1)%	¥4,000	—%	¥3,000	—%	¥(1,100)	—%	¥(11.56)

Notes: 1. Percentage figures represent year-on-year declines.

2. Revisions to performance forecasts during the reporting period: not applicable

4. Others

(1) Changes in the scope of consolidation

Inclusion: none

Exclusion: none

(2) Application of simplified methods for accounting procedures: applicable

(3) Changes in significant accounting policies

Changes in accounting standard: not applicable

Other: applicable

(4) Number of ordinary shares issued at the end of the period

As of September 30, 2009: 103,388,848 shares As of March 31, 2009: 87,027,848 shares

Number of shares in treasury at the end of the period

As of September 30, 2009: 309,745 shares As of March 31, 2009: 304,801 shares

Average number of shares during the period

1st half ended September 30, 2009: 87,255,497 shares

1st half ended September 30, 2008: 86,777,287 shares

5. Explanation of Appropriate Use of Business Performance Forecasts

(1) The above forecasts are based on data available as of the date of release of this document as well as assumptions based on uncertain factors, which might have a material effect on the Company's performance in the future. Readers are advised that actual results may differ substantially from the above forecasts due to various unforeseeable factors.

(2) We have revised our forecast for the Company's net loss per share as the Company issued new shares on September 25, 2009, leading to a change in outstanding number of shares. Assumptions for the calculation of the Company's revised forecast for net loss per share are as follows.

Number of ordinary shares issued at the end of the year: 103,388,848 shares

Number of shares in treasury at the end of the year: 309,745 shares

Average number of shares during the year: 95,145,624 shares

(3) On October 29, 2009 the Company issued Class A preferred shares (11,362,000 shares) to make a fund procurement of ¥2,499 million. The EPS forecast on the Class A preferred shares is as follows.

	Cash dividends per share (¥)				
	1st	Quarter-end 2nd	3rd	Year-end	Annual
Year ending March 31, 2010 (forecast)			¥—	¥6.50	¥6.50

Note: The yen amounts are rounded up/down to the second decimal place.

Consolidated Balance Sheets

Millions of yen

As of September 30, 2009 As of March 31, 2009

Assets

Current assets:

Cash and time deposits	¥16,105	¥14,289
Trade notes and accounts receivable	16,703	17,098
Merchandise and finished products	4,047	6,583
Work in process	4,382	4,553
Raw materials and supplies	6,212	7,427
Deferred tax assets	1,190	1,189
Other current assets	1,396	2,098
Allowance for doubtful accounts	(261)	(263)
Total current assets	49,776	52,976

Noncurrent assets:

Tangible fixed assets –

Buildings and structures – net	9,809	9,769
Machinery, equipment and vehicles – net	6,968	7,587
Land	4,875	4,875
Other – net	3,419	3,838
Total tangible fixed assets	25,073	26,071

Intangible assets –

Software	438	436
Other	177	209
Total intangible assets	615	646

Investments and other assets –

Investments in securities	8,930	7,617
Deferred tax assets	2,060	2,334
Other	965	1,071
Allowance for doubtful accounts	(78)	(96)
Total investments and other assets	11,877	10,926

Total noncurrent assets	37,567	37,644
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Total assets	¥87,343	¥90,620
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Note: Amounts under one million yen are omitted.

Millions of yen

As of September 30, 2009 As of March 31, 2009

Liabilities

Current liabilities:

Trade notes and accounts payable	¥10,706	¥11,764
Short-term borrowings	12,935	11,860
Current portion of bonds	—	2,000
Current portion of bonds with non-detachable warrants	204	204
Income taxes payable	—	28
Accrued bonuses	389	471
Other current liabilities	603	6,929
Total current liabilities	24,838	33,258

Long-term liabilities:

Bonds	10,000	8,000
Long-term borrowings	16,384	16,313
Accrued retirement benefits	7,187	7,421
Accrued retirement benefits for directors	64	59
Deferred tax liabilities	0	0
Other	1,800	1,804
Total long-term liabilities	35,437	33,598
Total liabilities	60,275	66,856

Net assets

Shareholders' equity:

Common stock	16,573	14,773
Capital surplus	12,306	13,981
Accumulated deficit	(1,114)	(2,640)
Treasury stock	(104)	(103)
Total shareholders' equity	27,660	26,010

Valuation and translation adjustments:

Unrealized gain (loss) on available-for-sale securities	107	(1,237)
Foreign currency translation adjustments	(1,071)	(1,382)
Total valuation and translation adjustments	(964)	(2,620)

Minority interests in consolidated subsidiaries

	372	373
Total net assets	27,068	23,764
Total liabilities and net assets	¥87,343	¥90,620

Consolidated Statements of Operations

	Millions of yen	
	1st half ended September 30, 2009	1st half ended September 30, 2008
Net sales	¥33,583	¥48,841
Cost of sales	28,517	41,544
Gross profit	5,065	7,297
Selling, general and administrative expenses	4,834	6,732
Operating income	231	564
Nonoperating income:		
Interest income	22	69
Dividend received	68	150
Foreign exchange gain	28	500
Equity in earnings of affiliates	90	—
Subsidy	202	—
Other	216	360
Total nonoperating income	629	1,081
Nonoperating expenses:		
Interest expenses	387	238
Amortization of transition amount for accrued retirement benefits	308	308
Other	272	336
Total nonoperating expenses	967	884
Ordinary income (loss)	(107)	761
Extraordinary income:		
Gain on sale of investments in securities	—	55
Gain on sale of investments in affiliates	—	54
Total extraordinary income	—	109
Extraordinary losses:		
Corporate restructuring expenses	1,228	—
Loss on valuation of investments in securities	180	—
Loss on impairment of fixed assets	17	—
Total extraordinary losses	1,426	—
Income (loss) before income taxes	(1,534)	870
Income taxes – current	209	446
Income taxes – deferred	201	201
Total income taxes	410	648
Minority interests in net income of consolidated subsidiaries	4	24
Net income (loss)	¥(1,949)	¥ 197

Note: Amounts under one million yen are omitted.

Consolidated Statements of Cash Flows

	Millions of yen	
	1st half ended September 30, 2009	1st half ended September 30, 2008
Cash flows from operating activities:		
Income (loss) before income taxes	¥(1,534)	¥ 870
Depreciation and amortization	2,283	2,445
Increase (decrease) in accrued bonuses	(82)	21
Increase (decrease) in accrued retirement benefits	(235)	115
Increase (decrease) in accrued retirement benefits for directors	4	(505)
Loss on impairment of fixed assets	17	—
Share issue expenses	46	—
Bond issue expenses	51	—
Interest and dividend income	(91)	(219)
Interest expenses	387	238
Gain on sale of investments in securities	—	(55)
Gain on sale of investments in affiliates	—	(54)
Loss on valuation of investments in securities	180	—
Decrease (increase) in notes and accounts receivable	722	(533)
Decrease (increase) in inventories	4,287	(122)
Increase (decrease) in notes and accounts payable	(2,876)	448
Other – net	(4,039)	(1,397)
Sub-total	(878)	1,251
Interest and dividend received	93	239
Interest paid	(424)	(237)
Income taxes paid	(251)	(586)
Net cash provided by (used in) operating activities	(1,459)	666
Cash flows from investing activities:		
Proceeds from sale of investments in securities	—	555
Proceeds from sale of investments in affiliates	—	60
Payment for investments in partnership of affiliates	(97)	—
Purchases of tangible fixed assets	(1,378)	(2,026)
Proceeds from sale of tangible fixed assets	133	1,669
Other – net	74	164
Net cash provided by (used in) investing activities	(1,269)	422
Cash flows from financing activities:		
Net increase (decrease) in short-term loans	1,079	(429)
Proceeds from long-term debt	2,013	6,750
Repayment of long-term debt	(2,084)	(1,758)
Proceeds from issuance of bonds	1,948	—
Redemption of bonds	(2,000)	—
Proceeds from issuance of shares	3,566	—
Cash dividends paid	—	(303)
Cash dividends paid to minority shareholders	(5)	(5)
Other – net	(153)	(15)
Net cash provided by financing activities	4,365	4,237
Effect of exchange rate changes on cash and cash equivalents	179	(280)
Net increase in cash and cash equivalents	1,816	5,046
Cash and cash equivalents at beginning of period	14,243	8,947
Cash and cash equivalents at end of period	¥16,059	¥13,994

Note: Amounts under one million yen are omitted.

Segment Information

Industry segment information

	Millions of yen					
	1st half ended September 30, 2009					
	Devices	Equipment	Other	Total	Elimination or corporate	Consolidated
Net sales:						
Outside customers	¥13,741	¥18,016	¥1,825	¥33,583	¥ —	¥33,583
Inter-group	1,156	5	—	1,161	(1,161)	—
Total	14,897	18,021	1,825	34,744	(1,161)	33,583
Operating income (loss)	(22)	1,670	21	1,669	(1,438)	231

	Millions of yen					
	1st half ended September 30, 2008					
	Devices	Equipment	Other	Total	Elimination or corporate	Consolidated
Net sales:						
Outside customers	¥20,593	¥25,348	¥2,899	¥48,841	¥ —	¥48,841
Inter-group	1,203	11	—	1,215	(1,215)	—
Total	21,797	25,359	2,899	50,056	(1,215)	48,841
Operating income	15	2,179	157	2,352	(1,788)	564

Notes: 1. Amounts under one million yen are omitted.

2. Principal products of each segment:

Devices: Rectifier diodes, Thyristors, Power transistors, Power ICs, Hybrid ICs

Equipment: Rectifiers for information communication, Switching power supplies, High frequency power supply components, DC/DC converters, Automotive electronics components

Other: Solenoids

3. Changes to accounting standards:

a. Change in method of valuation of inventory assets

The Company has adopted the "Accounting Standards for the Valuation of Inventory Assets (ASBJ Statement No. 9, July 5, 2006)" with effect from the previous first-quarter period. In line with this change, compared with the figures that would have resulted from the use of the previous accounting standards, operating income for the previous first-half period, declined by ¥240 million for the Devices segment, ¥244 million for the Equipment segment and ¥3 million for the Other segment.

b. Application of new accounting standards for the accounting procedures of foreign subsidiaries for consolidated financial statements

As of the previous first-quarter period, the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ Practical Issues Task Force Report No. 18, May 17, 2006) is being applied. In line with this change, compared with the figures that would have resulted from the use of the previous accounting standards, operating income for the previous first-half period, declined by ¥11 million for the Devices segment and ¥56 million for the Equipment.

Information by geographic segment

	Millions of yen						
	1st half ended September 30, 2009						
	Japan	Asia	North America	Europe	Total	Elimination or corporate	Consolidated
Net sales:							
Outside customers	¥23,440	¥ 9,128	¥600	¥413	¥33,583	¥ —	¥33,583
Inter-group	9,283	5,952	—	—	15,236	(15,236)	—
Total	32,723	15,081	600	413	48,819	(15,236)	33,583
Operating income (loss)	235	1,475	(50)	9	1,669	(1,438)	231

	Millions of yen						
	1st half ended September 30, 2008						
	Japan	Asia	North America	Europe	Total	Elimination or corporate	Consolidated
Net sales:							
Outside customers	¥32,549	¥14,156	¥1,248	¥887	¥48,841	¥ —	¥48,841
Inter-group	14,409	10,764	4	—	25,177	(25,177)	—
Total	46,958	24,920	1,252	887	74,018	(25,177)	48,841
Operating income (loss)	1,568	780	(28)	33	2,352	(1,788)	564

Notes: 1. Amounts under one million yen are omitted.

2. These countries are classified as follows:

Asia: Thailand, Singapore, Philippines, China, Indonesia

North America: U.S.A.

Europe: U.K.

3. Changes to accounting standards:

a. Change in method of valuation of inventory assets

The Company has adopted the “Accounting Standards for the Valuation of Inventory Assets (ASBJ Statement No. 9, July 5, 2006)” with effect from the previous first-quarter period. In line with this change, compared with the figures that would have resulted from the use of the previous accounting standards, operating income for the previous first-half period, declined by ¥488 million for the Japan segment.

b. Application of new accounting standards for the accounting procedures of foreign subsidiaries for consolidated financial statements

As of the previous first-quarter period, the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ Practical Issues Task Force Report No. 18, May 17, 2006) is being applied. In line with this change, compared with the figures that would have resulted from the use of the previous accounting standards, operating income for the previous first-half period, declined by ¥66 million for the Asia segment and operating loss increased by less than ¥1 million for North America segment.

Overseas sales

	Millions of yen				
	1st half ended September 30, 2009				
	Asia	North America	Europe	Other area	Total
Overseas sales	¥13,816	¥1,056	¥952	¥17	¥15,843
Consolidated net sales					¥33,583
Overseas sales as a percentage of consolidated net sales	41.1%	3.2%	2.8%	0.1%	47.2%

	Millions of yen				
	1st half ended September 30, 2008				
	Asia	North America	Europe	Other area	Total
Overseas sales	¥18,257	¥1,797	¥1,731	¥39	¥21,825
Consolidated net sales					¥48,841
Overseas sales as a percentage of consolidated net sales	37.4%	3.7%	3.5%	0.1%	44.7%

Notes: 1. Amounts under one million yen are omitted.

2. The term “overseas sales” refers to sales posted by the reporting entity (“the Company”) and its consolidated subsidiaries registered in countries outside of Japan.

3. These countries are classified as follows:

Asia: Thailand, Singapore, Philippines, China, Indonesia

North America: U.S.A.

Europe: U.K.

Other area: Brazil

Notice Concerning Significant Change in Shareholders' Equity

On September 25, 2009 the Company implemented a capital increase through private placement of shares, which resulted in increases of ¥1,799 million in both the common stock and capital surplus of the Company as of the end of the reporting first-half period.