



Flash Report for the Second-Quarter Period Ended September 30, 2008 (on a consolidated basis)

November 7, 2008

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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Scheduled date for submission of Interim Securities Report: November 13, 2008

Date for initiation of dividend payments (subject to change): December 5, 2008

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

1. Results for the First-Half Period (April 1 to September 30, 2008)

(1) Operating results

	(¥ million)							
	Net sales		Operating income		Ordinary income (loss)		Net income (loss)	
2 nd quarter ended September 30, 2008	¥48,841	—%	¥564	—%	¥761	—%	¥197	—%
2 nd quarter ended September 30, 2007	49,516	(0.6)	883	(60.4)	(14)	—	(371)	—
					Earning (loss) per share, basic		Earning per share, diluted	
2 nd quarter ended September 30, 2008					¥2.28		¥2.27	
2 nd quarter ended September 30, 2007					(4.27)		—	

Note: Percentage figures for net sales, operating income, ordinary income and net income represent year-on-year comparisons.

(2) Financial position

	(¥ million)			
	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of September 30, 2008	¥105,655	¥40,050	37.6%	¥457.76
As of March 31, 2008	105,407	40,645	38.2	464.48

Note: Owners' equity

As of September 30, 2008: ¥39,700 million

As of March 31, 2008: ¥40,314 million

2. Dividends

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended March 31, 2008	¥—	¥3.50	¥—	¥3.50	¥7.00
Year ending March 31, 2009	—	3.50	—	—	—
Year ending March 31, 2009 (forecast)	—	—	—	3.50	7.00

Note: Revisions to dividend payment forecasts during the period: not applicable

3. Business Performance Forecasts for the Year Ending March 31, 2009

(April 1, 2008 to March 31, 2009)

(¥ million)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share (¥)
Full term	¥95,300	(5.5)%	¥2,500	9.3%	¥1,800	—%	¥ 700	—%	¥8.07

Note: Percentage figures represent year-on-year comparisons.

4. Others

(1) Changes in the scope of consolidation

Inclusion: none

Exclusion: none

(2) Application of simplified methods for accounting procedures

(3) Changes in significant accounting policies

Changes in accounting standard: applicable

Other: applicable

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

As of September 30, 2008: 87,027,848 shares As of March 31, 2008: 87,027,848 shares

Number of shares in treasury at the end of the period

As of September 30, 2008: 300,051 shares As of March 31, 2008: 234,649 shares

Average number of shares during the period

1st half ended September 30, 2008: 86,777,287 shares 1st half ended September 30, 2007: 86,805,821 shares

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.

Effective from the reporting period, the company has applied Accounting Standards for the Preparation of Quarterly Financial Statements and Application Guidelines for Accounting Standards for the Preparation of Quarterly Financial Statements. In addition, our quarterly financial statements have been prepared in accordance with "Regulations governing the preparation of consolidated quarterly financial statements."

Consolidated Balance Sheets

	Millions of yen	
	September 30, 2008	March 31, 2008
Assets		
Current assets:		
Cash and time deposits	¥ 14,039	¥ 8,993
Trade notes and accounts receivable	23,150	23,252
Inventories	—	—
Merchandise and finished products	10,066	10,268
Work in process	4,050	4,260
Raw materials and supplies	8,270	8,403
Deferred tax assets	1,699	1,510
Other current assets	1,518	2,369
Allowance for doubtful accounts	(43)	(54)
Total current assets	62,752	59,003
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures – net	10,378	10,818
Machinery, equipment and vehicles – net	8,683	9,795
Land	4,924	4,949
Other – net	2,369	3,316
Total tangible fixed assets	26,355	28,879
<i>Intangible assets –</i>		
Software	475	539
Other	130	136
Total intangible assets	605	676
<i>Investments and other assets –</i>		
Investment securities	10,042	10,249
Deferred tax assets	4,721	5,275
Other	1,264	1,417
Allowance for doubtful accounts	(86)	(94)
Total investments and other assets	15,941	16,849
Total noncurrent assets	42,902	46,404
Deferred charges:		
Bond issuance costs	—	—
Total deferred charges	—	—
Total assets	¥105,655	¥105,407

Note: Amounts under one million yen are omitted.

	Millions of yen	
	September 30, 2008	March 31, 2008
Liabilities		
Current liabilities:		
Trade notes and accounts payable	¥ 18,048	¥ 18,869
Short-term borrowings	6,835	7,366
Current portion of bonds	2,000	—
Income taxes payable	103	271
Accrued bonuses	1,030	1,008
Other current liabilities	3,573	6,196
Total current liabilities	31,590	33,712
Long-term liabilities:		
Bonds	8,000	10,000
Bonds with non-detachable warrants	204	204
Long-term borrowings	16,594	11,656
Accrued retirement benefits	8,724	8,609
Accrued retirement benefits for directors	54	560
Provision for accrued compensation for products allowance	—	—
Deferred tax liabilities	6	6
Other	430	12
Total long-term liabilities	34,013	31,049
Total liabilities	65,604	64,762
Net assets		
Shareholders' equity:		
Common stock	14,773	14,773
Capital surplus	13,982	13,982
Retained earnings	11,151	11,257
Treasury stock	(107)	(93)
Total shareholders' equity	39,799	39,920
Valuation and translation adjustments:		
Unrealized gain on available-for-sale securities	382	148
Foreign currency translation adjustments	(481)	245
Total valuation and translation adjustments	(99)	393
Minority interests in consolidated subsidiaries	350	331
Total net assets	40,050	40,645
Total liabilities and net assets	¥105,655	¥105,407

Consolidated Statements of Operations

	Millions of yen	
	6 months ended September 30, 2008	6 months ended September 30, 2007
Net sales	¥48,841	¥49,516
Cost of sales	41,544	42,523
Gross profit	7,297	6,993
Selling, general and administrative expenses	6,732	6,109
Operating income	564	883
Nonoperating income:		
Interest income	69	118
Dividend received	150	135
Foreign exchange gain	500	—
Rental revenues	—	53
Equity in earnings of affiliates	—	121
Other	360	130
Total nonoperating income	1,081	559
Nonoperating expenses:		
Interest expenses	238	244
Foreign exchange loss	—	261
Loss on disposal of inventories	—	52
Amortization of transition amount for accrued retirement benefits	308	308
Loss on valuation of investments in securities	—	233
Other	336	356
Total nonoperating expenses	884	1,457
Ordinary income (loss)	761	(14)
Extraordinary income:		
Gain on sale of investments in securities	55	554
Gain on sale of investments in affiliates	54	—
Total extraordinary income	109	554
Extraordinary losses:		
Extra retirement benefits	—	—
Total extraordinary losses	—	—
Income (loss) before income taxes	870	540
Income taxes – current	446	611
Income taxes – deferred	201	317
Total income taxes	648	928
Minority interests in net income (loss) of consolidated subsidiaries	24	(17)
Net income (loss)	¥ 197	¥ (371)

Note: Amounts under one million yen are omitted.

Segment Information

Industry segment information

	Millions of yen					
	6 months 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

Note: Amounts under one million yen are omitted.

Changes to accounting standards:

1. 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 first quarter of fiscal 2008. 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 reporting six-month period, on a consolidated basis, declined by ¥240 million for the Device business, ¥244 million for the Equipment business and ¥3 million for the Other business.

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

As of the first quarter, 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 reporting six-month period, on a consolidated basis, declined by ¥11 million for the Device business and ¥56 million for the Equipment business.

Information by geographic segment

	Millions of yen						
	6 months 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

Note: Amounts under one million yen are omitted.

Changes to accounting standards:

1. Change in method of valuation of inventory assets

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

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Overseas sales

	Millions of yen				
	6 months 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%

Note: Amounts under one million yen are omitted.