

Flash Report for the Year Ended March 31, 2010 (on a consolidated basis)

May 7, 2010

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 annual general meeting of shareholders: June 29, 2010

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 Year Ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(1) Operating results (¥ million)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net loss	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Year ended March 31, 2010	¥77,934	(8.6)%	¥5,562	—%	¥4,801	—%	¥(443)	—%
Year ended March 31, 2009	85,239	(15.5)	(4,036)	—	(6,548)	—	(13,271)	—

	Net loss per share (¥)		Net loss on equity	Ordinary income (loss) to total assets	Operating income (loss) to net sales
	Basic	Diluted			
Year ended March 31, 2010	¥(4.66)	—	(1.6)%	5.1%	7.1%
Year ended March 31, 2009	(152.99)	—	(41.7)	(6.9)	(4.7)

Notes: 1. Percentage figures for net sales, operating income (loss), ordinary income (loss) and net loss represent year-on-year comparisons.

2. Earnings from investments in equity-method affiliates

Year ended March 31, 2010: ¥150 million Year ended March 31, 2009: ¥66 million

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of March 31, 2010	¥97,965	¥31,829	32.0%	¥279.60
As of March 31, 2009	90,620	23,764	25.8	269.71

Note: Owners' equity

As of March 31, 2010: ¥31,393 million As of March 31, 2009: ¥23,390 million

(3) Cash flows (¥ million)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Year ended March 31, 2010	¥7,122	¥(2,144)	¥4,497	¥23,842
Year ended March 31, 2009	(820)	(1,430)	8,585	14,243

2. Dividends

	Cash dividends per share (¥)					Total dividends (full term) (¥ million)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	Quarter-end							
	1st	2nd	3rd	Year-end	Annual			
Year ended March 31, 2009	—	¥3.50	—	¥0.00	¥3.50	¥303	—%	1.0%
Year ended March 31, 2010	—	0.00	—	0.00	0.00	—	—	—
Year ending March 31, 2011 (forecast)	—	—	—	—	—	—	—	—

Notes: 1. No decision has yet been taken regarding the dividend for the fiscal year ending March 31, 2011 (first half or year-end).

2. "Dividends" above refers to dividend payments on ordinary shares of the Company's common stock. For information on dividends paid on class shares (unlisted) issued by the Company that are different in nature from ordinary shares in terms of claims and obligations, please see Page 3, "6. Dividends by Share Class."

3. Business Performance Forecasts for the Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(¥ million)

	Net sales		Operating income		Ordinary income		Net income		Income per share (¥)
First-half period	¥38,700	15.2%	¥1,500	549.1%	¥800	—%	¥600	—%	¥5.82
Full term	81,900	5.1	5,000	(10.1)	4,000	(16.7)	2,500	—	24.25

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

4. Others

(1) Changes in the scope of consolidation

Inclusion: none

Exclusion: none

(2) Changes in significant accounting policies

Changes in accounting standard: applicable

Other: applicable

(3) Number of ordinary shares issued at the end of the year

As of March 31, 2010: 103,388,848 shares As of March 31, 2009: 87,027,848 shares

Number of shares in treasury at the end of the year

As of March 31, 2010: 314,520 shares As of March 31, 2009: 304,801 shares

5. Non-Consolidated Results for the Year Ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(1) Operating results

(¥ million)

	Net sales		Operating income (loss)		Ordinary income (loss)	
Year ended March 31, 2010	¥71,678	(8.0)%	¥1,817	—%	¥1,586	—%
Year ended March 31, 2009	77,910	(15.1)	(4,614)	—	(4,710)	—

	Net loss	Net loss per share (¥)	
		Basic	Diluted
Year ended March 31, 2010	¥(3,145) —%	¥(33.06)	—
Year ended March 31, 2009	(13,325) —	(153.61)	—

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

(2) Financial position

(¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of March 31, 2010	¥89,896	¥29,005	32.3%	¥256.43
As of March 31, 2009	79,927	23,942	30.0	276.08

Note: Owners' equity

As of March 31, 2010: ¥29,005 million As of March 31, 2009: ¥23,942 million

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.

6. Dividends by Class Shares

Dividends per share paid on class shares that are different in nature from ordinary shares in terms of claims and obligations are as follows.

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Class A preferred shares					
Year ended March 31, 2010				¥6.50	¥6.50
Year ending March 31, 2011 (forecast)		¥7.70		¥7.70	¥15.40

Note: The above amounts for the dividend per Class A preferred share are rounded to the second decimal place.

Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2010	As of March 31, 2009
Assets		
Current assets:		
Cash and time deposits	¥23,882	¥14,289
Trade notes and accounts receivable	20,683	17,098
Merchandise and finished products	3,339	6,583
Work in process	4,333	4,553
Raw materials and supplies	7,062	7,427
Deferred tax assets	219	1,189
Other current assets	2,262	2,098
Allowance for doubtful accounts	(341)	(263)
Total current assets	61,441	52,976
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures – net	9,123	9,769
Machinery, equipment and vehicles – net	6,151	7,587
Land	4,875	4,875
Leased assets – net	1,743	1,535
Construction in progress	462	858
Other – net	1,060	1,444
Total tangible fixed assets	23,415	26,071
<i>Intangible assets –</i>		
Software	374	436
Leased assets	22	12
Other	193	197
Total intangible assets	590	646
<i>Investments and other assets –</i>		
Investments in securities	10,324	7,617
Deferred tax assets	1,370	2,334
Other	900	1,071
Allowance for doubtful accounts	(77)	(96)
Total investments and other assets	12,517	10,926
Total noncurrent assets	36,524	37,644
Total assets	¥97,965	¥90,620

Note: Amounts under one million yen are omitted.

Millions of yen

As of March 31, 2010 As of March 31, 2009

Liabilities

Current liabilities:

Trade notes and accounts payable	¥16,257	¥11,764
Short-term borrowings	7,834	11,860
Current portion of bonds	—	2,000
Current portion of bonds with non-detachable warrants	—	204
Lease obligations	446	287
Income taxes payable	310	28
Accrued bonuses	498	471
Other current liabilities	1,481	6,641

Total current liabilities	26,828	33,258
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Long-term liabilities:

Bonds	12,000	8,000
Long-term borrowings	17,447	16,313
Lease obligations	1,469	1,374
Deferred tax liabilities	572	0
Accrued retirement benefits	7,251	7,421
Accrued retirement benefits for directors	69	59
Other	497	430

Total long-term liabilities	39,307	33,598
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Total liabilities	66,136	66,856
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Net assets

Shareholders' equity:

Common stock	17,823	14,773
Capital surplus	13,555	13,981
Retained earnings	390	(2,640)
Treasury stock	(105)	(103)

Total shareholders' equity	31,663	26,010
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Valuation and translation adjustments:

Unrealized gain (loss) on available-for-sale securities	873	(1,237)
Foreign currency translation adjustments	(1,144)	(1,382)

Total valuation and translation adjustments	(270)	(2,620)
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Minority interests in consolidated subsidiaries

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Total net assets	31,829	23,764
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Total liabilities and net assets	¥97,965	¥90,620
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Consolidated Statements of Operations

	Millions of yen	
	Year ended March 31, 2010	Year ended March 31, 2009
Net sales	¥77,934	¥85,239
Cost of sales	62,350	76,751
Gross profit	15,583	8,487
Selling, general and administrative expenses	10,021	12,523
Operating income (loss)	5,562	(4,036)
Nonoperating income:		
Interest income	52	129
Dividend received	125	241
Foreign exchange gain	299	—
Rental revenues	120	112
Equity in earnings of affiliates	150	66
Subsidy	218	—
Royalty	—	102
Other	203	189
Total nonoperating income	1,169	842
Nonoperating expenses:		
Interest expenses	794	622
Foreign exchange loss	—	1,574
Amortization of transition amount for accrued retirement benefits	617	617
Other	518	539
Total nonoperating expenses	1,930	3,354
Ordinary income (loss)	4,801	(6,548)
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	1,570	1,834
Loss on impairment of fixed assets	554	199
Loss on valuation of investments in securities	167	579
Loss on liquidation of affiliates	119	—
Total extraordinary losses	2,412	2,614
Income (loss) before income taxes	2,389	(9,053)
Income taxes – current	827	782
Income taxes – deferred	1,937	3,388
Total income taxes	2,765	4,170
Minority interests in net income of consolidated subsidiaries	67	47
Net loss	¥ (443)	¥ (13,271)

Note: Amounts under one million yen are omitted.

Consolidated Statements of Changes in Net Assets

	Millions of yen	
	Year ended March 31, 2010	Year ended March 31, 2009
Shareholders' equities		
Common stock:		
Balance at end of previous year	¥14,773	¥14,773
Changes during year:		
New issue of stock	3,049	—
Total changes during year	3,049	—
Balance at end of year	¥17,823	¥14,773
Capital surplus:		
Balance at end of previous year	¥13,981	¥13,982
Changes during year:		
New issue of stock	3,049	—
Transfer to retained earnings from capital surplus	(3,475)	—
Disposal of treasury stock	(0)	(0)
Total changes during year	(426)	(0)
Balance at end of year	¥13,555	¥13,981
Retained earnings:		
Balance at end of previous year	¥(2,640)	¥11,257
Changes during year:		
Cash dividends	—	(607)
Transfer to retained earnings from capital surplus	3,475	—
Net loss	(443)	(13,271)
Due to decrease in consolidated subsidiary	—	(14)
Disposal of treasury stock	—	(4)
Total changes during year	3,031	(13,898)
Balance at end of year	¥ 390	¥(2,640)
Treasury stock:		
Balance at end of previous year	¥ (103)	¥ (93)
Changes during year:		
Acquisition of treasury stock	(2)	(23)
Disposal of treasury stock	0	12
Total changes during year	(1)	(10)
Balance at end of year	¥ (105)	¥ (103)
Total shareholders' equity:		
Balance at end of previous year	¥26,010	¥39,920
Changes during year:		
New issue of stock	6,099	—
Cash dividends	—	(607)
Net loss	(443)	(13,271)
Due to decrease in consolidated subsidiary	—	(14)
Acquisition of treasury stock	(2)	(23)
Disposal of treasury stock	0	7
Total changes during year	5,653	(13,909)
Balance at end of year	¥31,663	¥26,010

Note: Amounts under one million yen are omitted.

	Millions of yen	
	Year ended March 31, 2010	Year ended March 31, 2009
Valuation and translation adjustments		
Unrealized gain (loss) on available-for-sale securities:		
Balance at end of previous year	¥(1,237)	¥ 148
Changes during year:		
Net changes in items other than shareholders' equity	2,111	(1,385)
Total changes during year	2,111	(1,385)
Balance at end of year	¥ 873	¥(1,237)
Foreign currency translation adjustments:		
Balance at end of previous year	¥(1,382)	¥245
Changes during year:		
Net changes in items other than shareholders' equity	238	(1,628)
Total changes during year	238	(1,628)
Balance at end of year	¥(1,144)	¥(1,382)
Total valuation and translation adjustments:		
Balance at end of previous year	¥ (2,620)	¥ 393
Changes during year:		
Net changes in items other than shareholders' equity	2,349	(3,013)
Total changes during year	2,349	(3,013)
Balance at end of year	¥ (270)	¥(2,620)
Minority interests in consolidated subsidiaries		
Balance at end of previous year	¥ 373	¥ 331
Changes during year:		
Net changes in items other than shareholders' equity	62	42
Total changes during year	62	42
Balance at end of year	¥ 436	¥ 373
Total net assets		
Balance at end of previous year	¥23,764	¥40,645
Changes during year:		
New issue of stock	6,099	—
Cash dividends	—	(607)
Net loss	(443)	(13,271)
Due to decrease in consolidated subsidiary	—	(14)
Acquisition of treasury stock	(2)	(23)
Disposal of treasury stock	0	7
Net changes in items other than shareholders' equity	2,412	(2,971)
Total changes during year	8,065	(16,881)
Balance at end of year	¥31,829	¥23,764

Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended March 31, 2010	Year ended March 31, 2009
Cash flows from operating activities:		
Income (loss) before income taxes	¥ 2,389	¥(9,053)
Depreciation and amortization	4,639	5,121
Loss on impairment of fixed assets	554	199
Loss on liquidation of affiliates	119	—
Bond issue expenses	86	—
Share issue expenses	64	—
Decrease (increase) in allowance for doubtful accounts	(11)	14
Increase (decrease) in accrued bonuses	26	(537)
Decrease in accrued retirement benefits	(172)	(1,182)
Interest and dividend income	(177)	(371)
Interest expenses	794	622
Decrease (increase) in notes and accounts receivable	(3,363)	4,494
Decrease in inventories	4,023	2,639
Increase (decrease) in notes and accounts payable	3,850	(3,428)
Decrease in accounts payable	(1,943)	—
Gain on sale of investments in securities	(3)	(55)
Gain on sale of investments in affiliates	—	(54)
Loss on valuation of investments in securities	167	579
Loss on disposal of tangible fixed assets	71	70
Other – net	(2,820)	1,328
Sub-total	8,297	387
Interest and dividend received	181	384
Interest paid	(798)	(613)
Income taxes paid	(558)	(979)
Net cash provided by (used in) operating activities	7,122	(820)
Cash flows from investing activities:		
Purchases of investments in securities	(71)	(36)
Proceeds from sale of investments in securities	20	555
Proceeds from sale of investments in affiliates	—	60
Payment for investments in partnership of affiliates	(97)	—
Purchases of tangible fixed assets	(2,229)	(3,938)
Proceeds from sale of tangible fixed assets	231	1,689
Purchases of intangible assets	(160)	(187)
Other – net	163	426
Net cash used in investing activities	(2,144)	(1,430)
Cash flows from financing activities:		
Decrease (increase) in short-term loans – net	(4,160)	4,347
Proceeds from long-term debt	5,513	8,750
Repayment of long-term debt	(4,290)	(3,660)
Proceeds from issuance of bonds	3,913	—
Redemption of bonds	(2,000)	—
Redemption of bonds with non-detachable warrants	(204)	—
Proceeds from issuance of shares	6,034	—
Repayment of lease obligations	(339)	(222)
Cash dividends paid	—	(607)
Cash dividends paid to minority shareholders	(5)	(5)
Other – net	35	(16)
Net cash provided by financing activities	4,497	8,585
Effect of exchange rate changes on cash and cash equivalents	123	(974)
Net increase in cash and cash equivalents	9,598	5,359
Cash and cash equivalents at beginning of year	14,243	8,947
Decrease due to exclusion of previously consolidated companies	—	(63)
Cash and cash equivalents at end of year	¥23,842	¥14,243

Note: Amounts under one million yen are omitted.

Segment Information

Industry segment information

	Millions of yen					
	Year ended March 31, 2010					
	Devices	Equipment	Other	Total	Elimination or corporate	Consolidated
Net sales:						
Outside customers	¥31,535	¥41,642	¥4,757	¥77,934	¥ —	¥77,934
Inter-group	2,341	14	—	2,356	(2,356)	—
Total	33,876	41,656	4,757	80,290	(2,356)	77,934
Operating costs and expenses	31,475	35,940	4,426	71,842	529	72,371
Operating income	¥2,401	¥5,716	¥331	¥8,448	¥(2,885)	¥5,562
Assets	¥32,649	¥25,608	¥2,856	¥61,115	¥36,850	¥97,965
Depreciation and amortization	2,879	1,190	122	4,191	447	4,639
Impairment loss	107	371	—	478	75	554
Capital expenditure	1,205	523	106	1,835	1,063	2,898

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, Power supplies for LED lighting, Automotive electronics components, DC/DC converters,

Other: Solenoids

3. Unallocable assets:

Unallocable assets posted under “Elimination or corporate” stood at ¥37,129 million at the end of the reporting term. The main components of these assets consisted of cash on hand and time deposits for fund operation purposes held by the reporting entity, investments in securities, and assets required for administrative work.

4. Unallocable operating expenses:

Unallocable operating expenses posted under “Elimination or corporate” amounted to ¥3,030 million for the reporting term. The principal components were expenses required for administrative work at the headquarters of the parent company and expenses required for research work to establish basic technologies.

Information by geographic segment

	Millions of yen						
	Year ended March 31, 2010						
	Japan	Asia	North America	Europe	Total	Elimination or corporate	Consolidated
Net sales:							
Outside customers	¥54,655	¥21,134	¥1,235	¥909	¥77,934	¥ —	¥77,934
Inter-group	20,526	14,342	3	—	34,872	(34,872)	—
Total	75,181	35,477	1,239	909	112,807	(34,872)	77,934
Operating cost and expenses	69,221	32,937	1,323	877	104,358	(31,986)	72,371
Operating income (loss)	¥5,960	¥2,539	¥(83)	¥32	¥8,448	¥(2,885)	¥5,562
Assets	¥52,777	¥17,000	¥356	¥562	¥70,697	¥27,268	¥97,965

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.

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Unallocable assets posted under “Elimination or corporate” stood at ¥37,129 million at the end of the reporting term. The main components of these assets consisted of cash on hand and time deposits for fund operation purposes held by the reporting entity, investments in securities, and assets required for administrative work.

4. Unallocable operating expenses:

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Overseas sales

	Millions of yen				
	Year ended March 31, 2010				
	Asia	North America	Europe	Other area	Total
Overseas sales	¥31,248	¥2,109	¥2,008	¥36	¥35,402
Consolidated net sales					¥77,934
Overseas sales as a percentage of consolidated net sales	40.1%	2.7%	2.6%	0.0%	45.4%

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