



## Flash Report for the First-Quarter Period Ended June 30, 2010 (on a consolidated basis)

August 6, 2010

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 Code Number: 6844      Registered Head Office: Tokyo  
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 Scheduled date for submission of Quarterly Report: August 10, 2010  
 Date for initiation of dividend payments (subject to change): not applicable  
 Prepared quarterly earnings results briefing material: not applicable  
 Held quarterly earnings results briefing (for institutional investors and securities analysts): not applicable

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

### 1. Results for the First-Quarter Period (April 1 to June 30, 2010)

(1) Operating results (¥ million)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
1st quarter ended June 30, 2010	¥22,004	(43.5)%	¥1,604	—%	¥1,429	—%	¥ 800	—%
1st quarter ended June 30, 2009	15,338	(33.9)	(2,125)	—	(2,263)	—	(3,306)	—
			Net income (loss) per share (¥) basic		Net income per share (¥) diluted			
1st quarter ended June 30, 2010			¥ 7.77		¥ —			
1st quarter ended June 30, 2009			(38.13)		—			

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

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of June 30, 2010	¥98,946	¥31,437	31.3%	¥275.90
As of March 31, 2010	97,965	31,829	32.0	279.60

Note: Owners' equity

As of June 30, 2010: ¥30,981 million      As of March 31, 2010: ¥31,393 million

### 2. Dividends

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended March 31, 2010	¥—	¥0.00	¥—	¥0.00	¥0.00
Year ending March 31, 2011	—	—	—	—	—
Year ending March 31, 2011 (forecast)	—	—	—	—	—

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

No decision has yet been taken regarding the dividend for the fiscal year ending March 31, 2011 (as of June 30, 2010).

“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 “5. 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		Net income per share (¥)
First-half period	¥44,600	32.8%	¥3,200	—%	¥2,500	—%	¥1,700	—%	¥16.49
Full term	81,900	5.1	5,000	(10.1)	4,000	(16.7)	2,500	—	24.25

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

2. Revisions to performance forecasts during the reporting period: Yes

For further information, please refer to "Revision of Performance Projection" announced at August 6, 2010.

### 4. Others

#### (1) Changes in the scope of consolidation

Inclusion: none

Exclusion: none

(Note) Any changes in specific subsidiaries causing a change in the scope of consolidation during the fiscal quarter under review.

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

(Note) Application of any simplified accounting methods or special accounting methods for the preparation of consolidated quarterly financial statements.

#### (3) Changes in significant accounting policies

Changes in accounting standard: applicable

Other: not applicable

(Note) Any changes in accounting principles, procedures or presentation methods related to the preparation of quarterly consolidated financial statements noted in "Changes in material matters basic to the preparation of consolidated financial statements."

#### (4) Number of shares issued, end of period (including treasury stock)

As of June 30, 2010: 103,388,848 shares

As of March 31, 2010: 103,388,848 shares

Number of shares in treasury at the end of the period

As of June 30, 2010: 316,726 shares

As of March 31, 2010: 314,520 shares

Average number of shares during the period

1st quarter ended June 30, 2010: 103,072,502 shares

1st quarter ended June 30, 2009: 86,720,201 shares

#### \*Disclosure of Implementation Status of Quarterly Review Procedures

Quarterly review procedures under the Financial Instruments and Exchange Law had not been completed as of the release of this financial report. (This quarterly financial report is not subject to quarterly review procedures under Japan's Financial Instruments and Exchange Law.)

#### \*Appropriate use of earnings forecasts and other matters

The earnings forecasts and other forward-looking statement noted in this document are based on information available at the time and on assumptions deemed rational. Actual earnings may differ significantly due to various factors.

## 5. 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 June 30, 2010	As of March 31, 2010
<b>Assets</b>		
Current assets:		
Cash and deposits	¥25,368	¥23,882
Notes and accounts receivable	21,150	20,683
Finished products	4,086	3,339
Work in process	4,796	4,333
Raw materials	8,119	7,062
Deferred tax assets	126	219
Other	1,106	2,262
Allowance for doubtful accounts	(329)	(341)
Total current assets	64,423	61,441
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures	9,008	9,123
Machinery, equipment and vehicles	5,800	6,151
Land	4,884	4,875
Other – net	3,437	3,266
Total tangible fixed assets	23,131	23,415
<i>Intangible assets –</i>		
Software	517	374
Other	112	215
Total intangible assets	630	590
<i>Investments and other assets –</i>		
Investment securities	8,377	10,324
Deferred tax assets	1,425	1,370
Other	1,028	900
Allowance for doubtful accounts	(69)	(77)
Total investments and other assets	10,761	12,517
Total noncurrent assets	34,522	36,524
Total assets	¥98,946	¥97,965

Note: Amounts under one million yen are omitted.

Millions of yen

As of June 30, 2010    As of March 31, 2010

**Liabilities**

Current liabilities:

Notes and accounts payable – trade	¥17,022	¥16,257
Short-term loans payable	7,535	7,834
Income taxes payable	393	310
Provision for bonuses	—	498
Other	4,560	1,927
<b>Total current liabilities</b>	<b>29,512</b>	<b>26,828</b>

Long-term liabilities:

Bonds payable	12,000	12,000
Long-term loans payable	16,386	17,447
Provision for retirement benefits	7,689	7,251
Provision for directors' retirement benefits	63	69
Asset retirement obligations	146	—
Deferred tax liabilities	7	572
Other	1,702	1,966
<b>Total long-term liabilities</b>	<b>37,996</b>	<b>39,307</b>
<b>Total liabilities</b>	<b>67,509</b>	<b>66,136</b>

**Net assets**

Shareholders' equity:

Capital stock	17,823	17,823
Capital surplus	10,336	13,555
Retained earnings	4,337	390
Treasury stock	(106)	(105)
<b>Total shareholders' equity</b>	<b>32,390</b>	<b>31,663</b>

Valuation and translation adjustments:

Valuation difference on available-for-sale securities	(378)	873
Foreign currency translation adjustment	(1,030)	(1,144)
<b>Total valuation and translation adjustments</b>	<b>(1,408)</b>	<b>(270)</b>

Minority interests

Minority interests	455	436
<b>Total net assets</b>	<b>31,437</b>	<b>31,829</b>
<b>Total liabilities and net assets</b>	<b>¥98,946</b>	<b>¥97,965</b>

## Consolidated Statements of Operations

	Millions of yen	
	1st quarter ended June 30, 2010	1st quarter ended June 30, 2009
Net sales	¥22,004	¥15,338
Cost of sales	17,715	15,032
Gross profit	4,288	306
Selling, general and administrative expenses	2,684	2,431
Operating income (loss)	1,604	(2,125)
Nonoperating income:		
Interest income	18	12
Dividends income	59	49
Royalty income	77	—
Equity in earnings of affiliates	—	65
Other	98	174
Total nonoperating income	254	301
Nonoperating expenses:		
Interest expenses	183	180
Foreign exchange loss	27	41
Amortization of net retirement benefit obligation at transition	154	154
Other	62	63
Total nonoperating expenses	429	439
Ordinary income (loss)	1,429	(2,263)
Extraordinary losses:		
Loss on adjustment for changes of accounting standard for asset retirement obligations	118	—
Loss on valuation of investment securities	57	—
Business structure improvement expenses	—	1,090
Impairment loss	—	17
Total extraordinary losses	175	1,107
Income (loss) before income taxes	1,254	(3,371)
Income taxes – current	360	102
Income taxes – deferred	68	(169)
Total income taxes	428	(66)
Income before minority interests	825	—
Minority interests	24	2
Net income (loss)	¥ 800	¥ (3,306)

Note: Amounts under one million yen are omitted.

## Consolidated Statements of Cash Flows

	Millions of yen	
	1st quarter ended June 30, 2010	1st quarter ended June 30, 2009
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	¥ 1,254	¥(3,371)
Depreciation and amortization	992	1,111
Loss on adjustment for changes of accounting standard for asset retirement obligations	118	—
Decrease in provision for bonuses	(527)	(471)
Increase in provision for retirement benefits	343	2
Increase (decrease) in provision for directors' retirement benefits	(5)	2
Impairment loss	—	17
Interest and dividends income	(78)	(61)
Interest expenses	183	180
Gain on sale of investment securities	57	—
Decrease in notes and accounts receivable – trade	(131)	2,582
Decrease in inventories	(2,118)	2,696
Increase (decrease) in accrued consumption taxes	704	—
Increase (decrease) in notes and accounts payable – trade	372	(2,812)
Other – net	2,625	(1,514)
Sub-total	3,790	(1,637)
Interest and dividends received	86	60
Interest paid	(146)	(146)
Income taxes paid	(230)	(185)
Net cash provided by (used in) operating activities	3,499	(1,907)
Cash flows from investing activities:		
Payment for investments in capital of subsidiaries and affiliates	(92)	(97)
Purchases of tangible fixed assets	(397)	(745)
Proceeds from sale of tangible fixed assets	17	61
Other – net	(15)	(75)
Net cash provided by (used in) investing activities	(487)	(857)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(312)	115
Proceeds from long-term loans payable	—	1,013
Repayment of long-term loans payable	(1,078)	(1,035)
Cash dividends paid	(69)	—
Cash dividends paid to minority shareholders	(5)	(5)
Other – net	(111)	(68)
Net cash provided by (used in) financing activities	(1,577)	20
Effect of exchange rate change on cash and cash equivalents	35	228
Net increase (decrease) in cash and cash equivalents	1,469	(2,517)
Cash and cash equivalents at beginning of period	23,842	14,243
Increase in cash and cash equivalents from newly consolidated subsidiaries and others	26	—
Cash and cash equivalents at end of period	¥25,338	¥11,726

Note: Amounts under one million yen are omitted.

## Notes Pertaining to Going Concern Assumption

None

## Segment Information

### Industry segment information

	Millions of yen					
	1st quarter ended June 30, 2009					
	Devices	Equipment	Other	Total	Elimination or corporate	Consolidated
Net sales:						
Outside customers	¥6,075	¥8,401	¥861	¥15,338	¥ —	¥15,338
Inter-group	194	0	—	195	(195)	—
Total	6,269	8,402	861	15,533	(195)	15,338
Operating income (loss)	(1,651)	210	7	(1,433)	(691)	(2,125)

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

### Information by geographic segment

	Millions of yen						
	1st quarter ended June 30, 2009						
	Japan	Asia	North America	Europe	Total	Elimination or corporate	Consolidated
Net sales:							
Outside customers	¥10,909	¥3,947	¥293	¥187	¥15,338	¥ —	¥15,338
Inter-group	3,871	2,315	—	—	6,186	(6,186)	—
Total	14,781	6,263	293	187	21,524	(6,186)	15,338
Operating income (loss)	(1,756)	332	(17)	7	(1,433)	(691)	(2,125)

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.



## Overseas sales

	Millions of yen				
	1st quarter ended June 30, 2009				
	Asia	North America	Europe	Other area	Total
Overseas sales	¥6,200	¥526	¥437	¥2	¥7,167
Consolidated net sales					15,338
Overseas sales as a percentage of consolidated net sales	40.4%	3.4%	2.9%	0.0%	46.7%

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

## Segment Information

### 1. Reporting Segment Overview

The Company’s reportable operating segments are components of an entity for which separate financial information is available and evaluated regularly by the board of directors in determining the allocation of management resources and in assessing performance.

The Shindengen Group formulates comprehensive domestic and overseas strategies for the products that its business divisions provide.

The Shindengen Group’ business is organized into three reporting segments—Device Business, Module Business and System Business—which form the base of its business divisions.

The Device Business manufactures diodes, thyristors, MOSFET and high-withstand voltage power ICs. The Module Business manufactures electrical components for automobiles, inverters and DC/DC converters. The System Business manufactures rectifiers for communication stations and mobile base stations and switching power supplies for information and industrial equipment.

### 2. Net Sales and Profit or Loss by Reporting Segment

First Quarter Period (From April 1, 2010 to June 30, 2010)

### Industry segment information

	Millions of yen							
	1st quarter ended June 30, 2010							
	Devices Business	Module Business	System Business	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	Quarterly Income Statement Amount (Notes 3)
Net sales:								
Outside customers	¥9,357	¥7,855	¥3,409	¥20,621	¥1,382	¥22,004	¥ —	¥22,004
Inter-group	1,037	13	—	1,050	—	1,050	(1,050)	—
Total	10,394	7,868	3,409	21,672	1,382	23,054	(1,050)	22,004
Operating income	857	1,047	184	2,090	126	2,216	(612)	1,604

Notes:

1. The “Other” category includes activities not included in the reporting segments, such as solenoids.

2. ¥612 million 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 operating income is adjusted to the operating income stated on the quarterly consolidated income statement.

#### Additional Information

Starting with the current reporting period, the Company has implemented “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Statement No. 17, issued on March 27, 2009) and “Implementation Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Implementation Guidance No. 20, issued on March 21, 2008).

#### **Notes on significant changes in the amount of shareholders’ equity**

None