



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

August 6, 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 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<br>(loss)               |    | Ordinary income<br>(loss) |                                     | Net income<br>(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 (¥)<br>basic |    |                           | Net income per share (¥)<br>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<br>(¥) |
|----------------------|--------------|------------|--------------|-----------------------------|
| 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<br>June 30, 2010 | 1st quarter ended<br>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<br>June 30, 2010 | 1st quarter ended<br>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<br>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<br>America | Europe | Total   | Elimination<br>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