



Flash Report for the Third-Quarter Period Ended December 31, 2010 [Japan GAAP] (on a consolidated basis)

February 7, 2011

Name: Shindengen Electric Manufacturing Co., Ltd. Securities Exchange: Tokyo Stock Exchange
Code Number: 6844 Registered Head Office: Tokyo
(URL <http://www.shindengen.co.jp>)
Representative: Masato Morikawa, President
Inquiries: Shoji Chiba, Manager of Corporate Planning Group, Planning Dept.
Tel: +81-3-3279-4431
Scheduled date for submission of Quarterly Report: February 10, 2011
Date for initiation of dividend payments (subject to change): —
Prepared quarterly earnings results briefing material: not applicable
Held quarterly earnings results briefing: not applicable

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

1. Results for the Third-Quarter Period (April 1 to December 31, 2010)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income		Net income (loss)	
3rd quarter ended December 31, 2010	¥67,129	24.2%	¥6,478	288.3%	¥5,342	430.5%	¥3,950	—%
3rd quarter ended December 31, 2009	54,044	(24.0)	1,668	—	1,007	—	(1,873)	—
			Net income (loss) per share (¥)		Net income per share (¥)			
			basic		diluted			
3rd quarter ended December 31, 2010			¥37.05		¥ —			
3rd quarter ended December 31, 2009			(20.25)		—			

Note: Percentage figures for net sales, operating income, ordinary income 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 December 31, 2010	¥101,612	¥35,203	34.2%	¥311.72
As of March 31, 2010	97,965	31,829	32.0	279.60

Note: Owners' equity

As of December 31, 2010: ¥34,759 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	—	0.00	—		
Year ending March 31, 2011 (forecast)				2.50	2.50

Note: Revisions to dividend payment forecasts during the reporting period: applicable

“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 Class Shares”.

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 (¥)
Full term	¥87,000	11.6%	¥6,500	16.9%	¥5,200	8.3%	¥3,500	—%	¥32.26

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

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

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: Yes

(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: Yes

Other: None

(Note) Any changes in accounting principles, procedures or presentation methods related to the preparation of quarterly consolidated financial statements.

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

As of December 31, 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 December 31, 2010: 323,420 shares As of March 31, 2010: 314,520 shares

Average number of shares during the period

3rd quarter ended December 31, 2010: 103,070,502 shares

3rd quarter ended December 31, 2009: 92,548,715 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	—	¥0.00	—		
Year ending March 31, 2011 (forecast)				¥15.40	¥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 December 31, 2010 As of March 31, 2010

Assets

Current assets:

Cash and deposits	¥ 23,473	¥23,882
Notes and accounts receivable	23,225	20,683
Finished products	5,113	3,339
Work in process	4,322	4,333
Raw materials	7,577	7,062
Deferred tax assets	131	219
Other	1,460	2,262
Allowance for doubtful accounts	(71)	(341)
Total current assets	65,233	61,441

Noncurrent assets:

Tangible fixed assets –

Buildings and structures	8,774	9,123
Machinery, equipment and vehicles	5,966	6,151
Land	4,872	4,875
Other – net	3,318	3,266
Total tangible fixed assets	22,930	23,415

Intangible assets –

Software	390	374
Other	174	215
Total intangible assets	564	590

Investments and other assets –

Investment securities	9,934	10,324
Deferred tax assets	1,430	1,370
Other	1,576	900
Allowance for doubtful accounts	(58)	(77)
Total investments and other assets	12,883	12,517

Total noncurrent assets	36,379	36,524
--------------------------------	---------------	---------------

Total assets	¥101,612	¥97,965
---------------------	-----------------	----------------

Note: Amounts under one million yen are omitted.

Millions of yen

As of December 31, 2010 As of March 31, 2010

Liabilities

Current liabilities:

Notes and accounts payable – trade	¥ 16,581	¥16,257
Short-term loans payable	4,555	7,834
Income taxes payable	412	310
Provision for bonuses	—	498
Other	3,641	1,927
Total current liabilities	25,191	26,828

Long-term liabilities:

Bonds payable	12,000	12,000
Long-term loans payable	18,632	17,447
Provision for retirement benefits	8,126	7,251
Provision for directors' retirement benefits	29	69
Asset retirement obligations	147	—
Deferred tax liabilities	464	572
Other	1,817	1,966
Total long-term liabilities	41,217	39,307
Total liabilities	66,409	66,136

Net assets

Shareholders' equity:

Capital stock	17,823	17,823
Capital surplus	10,336	13,555
Retained earnings	7,487	390
Treasury stock	(108)	(105)
Total shareholders' equity	35,537	31,663

Valuation and translation adjustments:

Valuation difference on available-for-sale securities	692	873
Foreign currency translation adjustment	(1,470)	(1,144)
Total valuation and translation adjustments	(778)	(270)

Minority interests

Minority interests	443	436
Total net assets	35,203	31,829
Total liabilities and net assets	¥101,612	¥97,965

Consolidated Statements of Operations

	Millions of yen	
	3rd quarter ended December 31, 2010	3rd quarter ended December 31, 2009
Net sales	¥54,044	¥67,129
Cost of sales	44,977	52,569
Gross profit	9,066	14,560
Selling, general and administrative expenses	7,398	8,082
Operating income	1,668	6,478
Nonoperating income:		
Interest income	34	48
Dividends income	101	129
Foreign exchange gain	54	—
Equity in earnings of affiliates	119	—
Rental revenues	88	—
Subsidy income	218	—
Other	146	465
Total nonoperating income	764	643
Nonoperating expenses:		
Interest expenses	594	557
Foreign exchange loss	—	442
Amortization of net retirement benefit obligation at transition	463	464
Other	368	315
Total nonoperating expenses	1,425	1,779
Ordinary income	1,007	5,342
Extraordinary losses:		
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	118
Loss on valuation of investment securities	191	112
Loss on sale of investments in affiliates	—	86
Loss on sale of investments in securities	—	3
Business structure improvement expenses	1,283	—
Impairment loss	220	—
Loss on liquidation of affiliates	119	—
Total extraordinary losses	1,815	321
Income (loss) before income taxes	(808)	5,021
Income taxes – current	433	944
Income taxes – deferred	601	55
Total income taxes	1,035	1,000
Income before minority interests	—	4,020
Minority interests	30	69
Net income (loss)	¥(1,873)	¥ 3,950

Note: Amounts under one million yen are omitted.

Consolidated Statements of Cash Flows

	Millions of yen	
	3rd quarter ended December 31, 2010	3rd quarter ended December 31, 2009
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	¥ (808)	¥ 5,021
Depreciation and amortization	3,423	3,107
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	118
Increase (decrease) in provision for bonuses	(471)	(518)
Increase (decrease) in provision for retirement benefits	114	804
Increase (decrease) in provision for directors' retirement benefits	7	(2)
Impairment loss	220	—
Loss on liquidation of affiliates	119	—
Stock issuance cost	64	—
Bond issuance cost	51	—
Interest and dividends income	(136)	(178)
Interest expenses	594	557
Loss on sale of investments in affiliates	—	86
Loss on sale of investments in securities	—	3
Loss on valuation of investment securities	191	112
Decrease (increase) in notes and accounts receivable – trade	(1,812)	(2,963)
Decrease (increase) in inventories	3,370	(2,663)
Decrease in accrued consumption taxes	—	(93)
Increase (decrease) in notes and accounts payable – trade	1,923	1,002
Other – net	(3,372)	1,531
Sub-total	3,480	5,926
Interest and dividends received	144	187
Interest paid	(585)	(512)
Income taxes paid	(484)	(789)
Net cash provided by (used in) operating activities	2,554	4,812

	Millions of yen	
	3rd quarter ended December 31, 2010	3rd quarter ended December 31, 2009
Cash flows from investing activities:		
Payment for investments in capital of subsidiaries and affiliates	(97)	(762)
Proceeds from sale of investments in subsidiaries resulting in change in the scope of consolidation	—	28
Purchases of tangible fixed assets	(1,721)	(1,554)
Proceeds from sale of tangible fixed assets	155	24
Other – net	(12)	(138)
Net cash used in investing activities	(1,675)	(2,402)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	699	(3,337)
Proceeds from long-term loans payable	3,011	4,500
Repayment of long-term loans payable	(3,158)	(3,035)
Proceeds from issuance of bonds	1,948	—
Redemption of bonds	(2,000)	—
Proceeds from issuance of common stock	6,034	—
Cash dividends paid	—	(73)
Cash dividends paid to minority shareholders	(5)	(5)
Other – net	(237)	(397)
Net cash provided by financing activities	6,292	(2,348)
Effect of exchange rate change on cash and cash equivalents	66	(456)
Net increase in cash and cash equivalents	7,237	(395)
Cash and cash equivalents at beginning of period	14,243	23,842
Increase in cash and cash equivalents from newly consolidated subsidiaries and others	—	26
Cash and cash equivalents at end of period	¥21,481	¥23,473

Note: Amounts under one million yen are omitted.

Notes Pertaining to Going Concern Assumption

None

Segment Information

Industry segment information

	Millions of yen					
	3rd quarter ended December 31, 2009					
	Devices	Equipment	Other	Total	Elimination or corporate	Consolidated
Net sales:						
Outside customers	¥22,341	¥28,455	¥3,247	¥54,044	¥ —	¥54,044
Inter-group	1,684	9	—	1,693	(1,693)	—
Total	24,025	28,464	3,247	55,738	(1,693)	54,044
Operating income	621	3,088	166	3,876	(2,207)	1,668

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						
	3rd quarter ended December 31, 2009						
	Japan	Asia	North America	Europe	Total	Elimination or corporate	Consolidated
Net sales:							
Outside customers	¥37,976	¥ 14,497	¥895	¥675	¥54,044	¥ —	¥54,044
Inter-group	14,537	9,221	0	—	23,759	(23,759)	—
Total	52,514	23,718	895	675	77,804	(23,759)	54,044
Operating income (loss)	2,190	1,717	(61)	29	3,876	(2,207)	1,668

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				
	3rd quarter ended December 31, 2009				
	Asia	North America	Europe	Other area	Total
Overseas sales	¥21,646	¥1,552	¥1,426	¥27	¥24,652
Consolidated net sales					54,044
Overseas sales as a percentage of consolidated net sales	40.1%	2.9%	2.6%	0.0%	45.6%

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's 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 automotive electronics components, inverters and DC/DC converters. The System Business manufactures rectifiers for information communication and switching power supplies for information and industrial equipment.

2. Net Sales and Profit or Loss by Reporting Segment

3rd Quarter Period (From April 1, 2010 to December 31, 2010)

Industry segment information

	Millions of yen							
	3rd quarter ended December 31, 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	¥27,613	¥23,961	¥11,460	¥63,034	¥4,094	¥67,129	¥ —	¥67,129
Inter-group	2,864	51	—	2,916	—	2,916	(2,916)	—
Total	30,477	24,013	11,460	65,951	4,094	70,046	(2,916)	67,129
Operating income	4,955	1,779	1,122	7,857	370	8,227	(1,749)	6,478

Notes:

1. The "Other" category includes activities not included in the reporting segments, such as solenoids.
2. "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