



September 10, 2012

Company Name: SHINDENGEN ELECTRIC MANUFACTURING CO. LTD

Representative Name: Masato Morikawa, President and Representative Director

(Securities Code: 6844, First Section, Tokyo Stock Exchange)

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## Notice of Revision of Earnings Forecast

To whom it may concern,

This Notice is to inform you that, in consideration of recent earnings trends, we have decided to revise our Second Quarter Earnings Forecast (initially released on May 11, 2012) as follows:

### 1. Revisions to Our Consolidated Earnings Forecast

Revised Consolidated Earnings Forecast Figures (Totals) for the Second Quarter of the Fiscal Year Ending in March 2013 (covering the period from April 1<sup>st</sup>, 2012 to September 30<sup>th</sup>, 2012)

	Sales (Million Yen)	Operating Profit (Million Yen)	Ordinary Profit (Million Yen)	Quarterly Net Profit (Million Yen)	Quarterly Net Profit per Share (Yen)
Previous Earnings Forecast (A) (Announced May 11, 2012)	43,200	1,500	700	300	2.49
Revised Earnings Forecast (B)	40,900	300	1,300	1,500	14.98
Amount of Difference (B-A)	2,300	1,800	2,000	1,800	
Rate of Difference (%)	5.3%	—	—	—	
(For Reference) Actual Performance during the Same Quarter Last Year (the Second Half of the Fiscal Year Ending in March of 2012)	42,277	3,582	2,527	1,786	16.49

### 2. Reasons for Revision

In addition to the continuing downturn in the market for digital consumer electronics and the slow recovery in the market for industrial equipment, sales of two-wheeled vehicles in Indonesia and Vietnam and other developing countries, markets that had until now maintained strong growth, have stagnated due to lending restrictions and other financial restraints intended to curb inflation. These market factors, coupled with increased parts and distribution costs brought about by substitute production, which was implemented at the end of last year, and other lingering effects of last year's flooding in Thailand, have led us to conclude that we are now facing a substantial deterioration in our business performance for the current quarter of this fiscal year.

Therefore, we have made the above revisions to our Consolidated Second Quarter Performance Forecast in order to reflect our updated performance outlook, which is significantly lower than the figures that we released on May 11, 2012.

In terms of our future outlook, while harsh market conditions are anticipated to continue, the market for two-wheeled vehicles in Asia, which had been in a temporary slump, is already beginning to show signs of recovery and we are also seeing a steady increase in orders in the "new energy" field, an area in which we have been intensifying our efforts as part of our company's growth strategy. In addition, we are currently undertaking various companywide measures in order to recover our profitability, including accelerating the pace of structural changes in our less profitable business divisions.

With regard to our performance forecast for the entire fiscal year, we intend to release our updated forecast as soon as our outlook becomes clear, upon careful examination of the aforementioned trends and tendencies.

The above forecast was created based on the latest available information as of the date of publication of this Notice. However, please be aware that, due to a wide variety of factors, our actual business performance may differ from the figures forecast herein.