



Flash Report for the First-Half Period Ended September 30, 2012 [Japan GAAP] (on a consolidated basis)

November 7, 2012

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: November 13, 2012

Date for initiation of dividend payments (subject to change): —

Prepared quarterly earnings results briefing material: Yes

Held quarterly earnings results briefing (for institutional investors and securities analysts): Yes

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

1. Results for the First-Half Period (April 1 to September 30, 2012)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income (loss)		Net income (loss)	
1st half ended September 30, 2012	¥40,723	(3.7)%	¥ 216	(93.9)%	¥ (778)	—%	¥ (905)	—%
1st half ended September 30, 2011	42,277	(6.6)	3,582	(16.9)	2,527	(25.4)	1,786	(27.8)

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

2. Comprehensive income

1st half ended September 30, 2012: ¥ (2,348) million (—%)

1st half ended September 30, 2011: ¥ 196 million (down 88.3%)

	Net income (loss) per share (¥)	
	basic	diluted
1st half ended September 30, 2012	¥ (9.21)	¥—
1st half ended September 30, 2011	16.49	—

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio
As of September 30, 2012	¥108,870	¥31,524	29.0%
As of March 31, 2012	111,920	34,541	30.9

Note: Owners' equity

As of September 30, 2012: ¥31,524 million As of March 31, 2012: ¥34,541 million

2. Dividends

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended March 31, 2012	¥—	¥0.00	¥—	¥3.50	¥3.50
Year ending March 31, 2013	—	0.00	—	—	—
Year ending March 31, 2013 (forecast)	—	—	—	3.50	3.50

Note: Revisions to dividend payment forecasts during the reporting period: Not 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 “Dividends by Class Shares.”

3. Business Performance Forecasts for the Year Ending March 31, 2013

(April 1, 2012 to March 31, 2013)

(¥ million)

	Net sales		Operating income		Ordinary loss		Net income		Net income per share (¥)
Full term	¥86,300	4.5%	¥1,500	(70.1)%	¥(300)	—%	¥100	(93.3)%	¥0.12

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

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

Note

(1) Significant changes in the scope of consolidation

Inclusion: None

Exclusion: None

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements

Not applicable

(3) Changes in accounting policies, accounting estimates and correction of errors

Changes in accounting policies due to revision of the accounting standards: Applicable

Changes in accounting policies other than above: Not applicable

Changes in accounting estimates: Applicable

Correction of errors: Not applicable

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

As of September 30, 2012: 103,388,848 shares As of March 31, 2012: 103,388,848 shares

Number of shares in treasury at the end of the period

As of September 30, 2012: 335,441 shares As of March 31, 2012: 332,730 shares

Average number of shares during the period

1st half ended September 30, 2012: 103,055,152 shares

1st half ended September 30, 2011: 103,060,910 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 statements 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.

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, 2012	¥—	¥0.00	¥—	¥15.40	¥15.40
Year ending March 31, 2013	—	0.00			
Year ending March 31, 2013 (forecast)			—	15.40	15.40

Consolidated Balance Sheets

Millions of yen

	As of September 30, 2012	As of March 31, 2012
Assets		
Current assets:		
Cash and deposits	¥ 35,794	¥ 35,501
Notes and accounts receivable – trade	18,503	20,549
Finished products	6,083	4,754
Work in process	3,369	3,320
Raw materials	9,041	9,150
Deferred tax assets	287	280
Other	1,772	3,117
Allowance for doubtful accounts	(21)	(24)
Total current assets	74,831	76,649
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures	8,164	7,766
Machinery, equipment and vehicles	6,498	5,656
Land	4,825	4,824
Other – net	2,991	2,746
Total tangible fixed assets	22,478	20,993
<i>Intangible assets –</i>		
Goodwill	173	—
Software	516	510
Other	283	190
Total intangible assets	973	700
<i>Investments and other assets –</i>		
Investment securities	8,748	10,667
Deferred tax assets	1,329	1,303
Other	558	1,655
Allowance for doubtful accounts	(50)	(49)
Total investments and other assets	10,586	13,577
Total noncurrent assets	34,039	35,271
Total assets	¥108,870	¥111,920

Note: Amounts under one million yen are omitted.

Millions of yen

As of September 30, 2012 As of March 31, 2012

Liabilities

Current liabilities:

Notes and accounts payable – trade	¥ 15,703	¥ 17,902
Short-term loans payable	5,420	4,787
Current portion of bonds	400	5,400
Deferred taxes liabilities	3	3
Provision for bonuses	700	716
Asset retirement obligations	2	—
Other	6,833	4,549
Total current liabilities	29,064	33,360

Long-term liabilities:

Bonds payable	6,400	6,600
Long-term loans payable	31,031	26,458
Provision for retirement benefits	9,696	9,152
Provision for directors' retirement benefits	5	5
Asset retirement obligations	144	144
Deferred tax liabilities	4	428
Other	997	1,230
Total long-term liabilities	48,281	44,019
Total liabilities	77,346	77,379

Net assets

Shareholders' equity:

Capital stock	17,823	17,823
Capital surplus	9,009	9,009
Retained earnings	7,737	9,182
Treasury stock	(113)	(112)
Total shareholders' equity	34,457	35,902

Accumulated other comprehensive income (loss):

Valuation difference on available-for-sale securities	(703)	713
Foreign currency translation adjustment	(2,229)	(2,074)
Total accumulated other comprehensive loss	(2,932)	(1,361)
Total net assets	31,524	34,541
Total liabilities and net assets	¥108,870	¥111,920

Quarterly Consolidated Statements of Operations and Comprehensive Income

	Millions of yen	
	1st half ended September 30, 2012	1st half ended September 30, 2011
Net sales	¥40,723	¥42,277
Cost of sales	35,214	33,642
Gross profit	5,508	8,635
Selling, general and administrative expenses	5,292	5,052
Operating income	216	3,582
Nonoperating income:		
Interest income	42	36
Dividends income	110	100
Equity in earnings of affiliates	118	62
Royalty	74	85
Other	178	110
Total nonoperating income	525	396
Nonoperating expenses:		
Interest expenses	392	380
Foreign exchange loss	647	570
Amortization of net retirement benefit obligation at transition	309	309
Other	170	191
Total nonoperating expenses	1,520	1,451
Ordinary income (loss)	(778)	2,527
Extraordinary losses:		
Loss on valuation of investment securities	105	57
Impairment losses	6	—
Total extraordinary losses	111	57
Income (loss) before income taxes	(889)	2,469
Income taxes – current	293	699
Income taxes – refunded	(244)	—
Income taxes – deferred	(33)	(66)
Total income taxes	15	632
Income (loss) before minority interests	(905)	1,837
Minority interests	—	50
Net income (loss)	(905)	1,786
Minority interests	—	50
Income (loss) before minority interests	(905)	1,837
Other comprehensive income (loss):		
Valuation difference on available-for-sale securities	(1,416)	(1,521)
Foreign currency translation adjustment	48	4
Share of other comprehensive income of associates accounted for using equity method	(75)	(123)
Total other comprehensive loss	(1,443)	(1,640)
Comprehensive income (loss)	¥ (2,348)	¥ 196
(Breakdown)		
Comprehensive income (loss) attributable to owners of the parent company	¥ (2,348)	¥ 146
Comprehensive income attributable to minority interests	—	50

Note: Amounts under one million yen are omitted.

Notes Pertaining to Going Concern Assumption

None

Notes on Significant Changes in the Amount of Shareholders' Equity

None

Segment Information

1. Net Sales and Profit or Loss by Reporting Segment

Previous First Half Period (From April 1, 2011 to September 30, 2011)

	Millions of yen							
	1st half ended September 30, 2011							
	Devices Business	Module Business	System Business	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	Quarterly Consolidated Statements of Operations and Comprehensive Income (Notes 3)
Net sales:								
Outside customers	¥16,537	¥19,133	¥4,432	¥40,103	¥2,174	¥42,277	¥ —	¥42,277
Inter-segment	2,188	29	—	2,217	—	2,217	(2,217)	—
Total	18,726	19,162	4,432	42,320	2,174	44,495	(2,217)	42,277
Segment income (loss)	¥ 2,825	¥ 1,807	¥ (75)	¥ 4,557	¥ 252	¥ 4,809	¥(1,227)	¥ 3,582

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

2. ¥(1,227) 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 income or loss is adjusted to the operating income stated on the Quarterly Consolidated Statements of Operations and Comprehensive Income.

2. Net Sales and Profit or Loss by Reporting Segment

Reporting First Half Period (From April 1, 2012 to September 30, 2012)

	Millions of yen							
	1st half ended September 30, 2012							
	Devices Business	Module Business	System Business	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	Quarterly Consolidated Statements of Operations and Comprehensive Income (Notes 3)
Net sales:								
Outside customers	¥14,557	¥20,011	¥4,687	¥39,257	¥1,466	¥40,723	¥ —	¥40,723
Inter-segment	1,894	34	—	1,928	—	1,928	(1,928)	—
Total	16,451	20,046	4,687	41,185	1,466	42,651	(1,928)	40,723
Segment income	¥ 1,407	¥ 57	¥ 35	¥ 1,500	¥ 15	¥ 1,515	¥(1,298)	¥ 216

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

2. ¥(1,298) 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 income is adjusted to the operating income stated on the Quarterly Consolidated Statements of Operations and Comprehensive Income.