



Flash Report for the First-Quarter Period Ended June 30, 2013 [Japan GAAP] (on a consolidated basis)

August 5, 2013

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 8, 2013

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

Prepared quarterly earnings results briefing material: No

Held quarterly earnings results briefing (for institutional investors and securities analysts): No

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

1. Results for the First-Quarter Period (April 1 to June 30, 2013)

(1) Operating results (¥ million)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|---------------------------------|-----------|-------|------------------|--------|-----------------|--------|------------|--------|
| 1st quarter ended June 30, 2013 | ¥24,598 | 18.8% | ¥2,449 | 860.0% | ¥3,201 | —% | ¥2,650 | —% |
| 1st quarter ended June 30, 2012 | 20,699 | (1.4) | 255 | (86.1) | 51 | (96.6) | 90 | (92.3) |

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

2. Comprehensive income

1st quarter ended June 30, 2013: ¥ 3,691 million (—%)

1st quarter ended June 30, 2012: ¥ (221) million (—%)

| | Net income per share (¥) | |
|---------------------------------|--------------------------|---------|
| | basic | diluted |
| 1st quarter ended June 30, 2013 | ¥25.72 | ¥— |
| 1st quarter ended June 30, 2012 | 0.67 | — |

(2) Financial position (¥ million)

| | Total assets | Net assets | Equity ratio |
|----------------------|--------------|------------|--------------|
| As of June 30, 2013 | ¥122,494 | ¥41,717 | 34.1% |
| As of March 31, 2013 | 118,700 | 39,746 | 33.5 |

Note: Owners' equity

As of June 30, 2013: ¥41,717 million

As of March 31, 2013: ¥39,746 million

2. Dividends

| | Cash dividends per share (¥) | | | | |
|---------------------------------------|------------------------------|-------|-----|----------|--------|
| | Quarter-end | | | Year-end | Annual |
| | 1st | 2nd | 3rd | | |
| Year ended March 31, 2013 | ¥— | ¥0.00 | ¥— | ¥3.50 | ¥3.50 |
| Year ending March 31, 2014 | — | | | | |
| Year ending March 31, 2014 (forecast) | | 0.00 | — | 5.00 | 5.00 |

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

3. Business Performance Forecasts for the Year Ending March 31, 2014

(April 1, 2013 to March 31, 2014)

(¥ million)

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share (¥) |
|-------------------|-----------|-------|------------------|----|-----------------|----|------------|----|--------------------------|
| First-half period | ¥52,200 | 28.2% | ¥5,800 | —% | ¥6,200 | —% | ¥5,000 | —% | ¥48.52 |
| Full term | — | — | — | — | — | — | — | — | — |

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

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

The earnings forecast for the first-half period has been revised upward. Since performance forecasts for the full fiscal year are currently under review, the forecasted performance figures released on May 10, 2013 are no longer fixed. For more details, please refer to Notice of Revision of Earnings Forecast released on August 5, 2013.

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: Not applicable

Changes in accounting policies other than above: Not applicable

Changes in accounting estimates: Not applicable

Correction of errors: Not applicable

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

As of June 30, 2013: 103,388,848 shares As of March 31, 2013: 103,388,848 shares

Number of shares in treasury at the end of the period

As of June 30, 2013: 341,533 shares As of March 31, 2013: 339,982 shares

Average number of shares during the period

1st quarter ended June 30, 2013: 103,047,905 shares

1st quarter ended June 30, 2012: 103,056,018 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. The Company makes absolutely no promises regarding the achievement of said earnings forecasts and other forward-looking statements. Actual earnings may differ significantly due to various factors.

Consolidated Balance Sheets

| | Millions of yen | |
|---|----------------------|---------------------|
| | As of March 31, 2013 | As of June 30, 2013 |
| Assets | | |
| Current assets: | | |
| Cash and deposits | ¥ 34,193 | ¥ 38,597 |
| Notes and accounts receivable – trade | 20,816 | 21,225 |
| Securities | 3,500 | — |
| Finished products | 6,125 | 7,123 |
| Work in process | 3,386 | 3,832 |
| Raw materials | 9,101 | 9,797 |
| Deferred tax assets | 471 | 300 |
| Other | 2,062 | 1,238 |
| Allowance for doubtful accounts | (21) | (20) |
| Total current assets | 79,635 | 82,095 |
| Noncurrent assets: | | |
| <i>Tangible fixed assets –</i> | | |
| Buildings and structures | 8,396 | 8,501 |
| Machinery, equipment and vehicles | 6,906 | 7,137 |
| Land | 4,839 | 4,858 |
| Other – net | 2,937 | 2,989 |
| Total tangible fixed assets | 23,080 | 23,487 |
| <i>Intangible assets –</i> | | |
| Goodwill | 156 | 147 |
| Software | 464 | 442 |
| Other | 310 | 337 |
| Total intangible assets | 930 | 927 |
| <i>Investments and other assets –</i> | | |
| Investment securities | 13,160 | 14,027 |
| Deferred tax assets | 1,346 | 1,363 |
| Other | 596 | 645 |
| Allowance for doubtful accounts | (49) | (52) |
| Total investments and other assets | 15,054 | 15,984 |
| Total noncurrent assets | 39,065 | 40,399 |
| Total assets | ¥118,700 | ¥122,494 |

Note: Amounts under one million yen are omitted.

Millions of yen

As of March 31, 2013 As of June 30, 2013

Liabilities

Current liabilities:

| | | |
|------------------------------------|---------------|---------------|
| Notes and accounts payable – trade | ¥ 18,596 | ¥ 20,229 |
| Short-term loans payable | 5,939 | 5,900 |
| Current portion of bonds | 400 | 400 |
| Income taxes payable | 15 | — |
| Provision for bonuses | 707 | — |
| Other | 3,280 | 4,559 |
| Total current liabilities | 28,938 | 31,089 |

Long-term liabilities:

| | | |
|--|---------------|---------------|
| Bonds payable | 6,200 | 6,100 |
| Long-term loans payable | 31,752 | 31,184 |
| Provision for retirement benefits | 10,177 | 10,491 |
| Provision for directors' retirement benefits | 6 | 7 |
| Asset retirement obligations | 145 | 147 |
| Deferred tax liabilities | 942 | 1,045 |
| Other | 791 | 712 |
| Total long-term liabilities | 50,015 | 49,687 |
| Total liabilities | 78,954 | 80,777 |

Net assets

Shareholders' equity:

| | | |
|-----------------------------------|---------------|---------------|
| Capital stock | 17,823 | 17,823 |
| Capital surplus | 9,009 | 7,738 |
| Retained earnings | 12,652 | 14,854 |
| Treasury stock | (114) | (114) |
| Total shareholders' equity | 39,371 | 40,301 |

Accumulated other comprehensive income:

| | | |
|---|-----------------|-----------------|
| Valuation difference on available-for-sale securities | 1,713 | 1,921 |
| Foreign currency translation adjustment | (1,338) | (505) |
| Total accumulated other comprehensive income | 375 | 1,415 |
| Total net assets | 39,746 | 41,717 |
| Total liabilities and net assets | ¥118,700 | ¥122,494 |

Quarterly Consolidated Statements of Income and Comprehensive Income

| | Millions of yen | |
|---|------------------------------------|------------------------------------|
| | 1st quarter ended June 30, 2012 | 1st quarter ended June 30, 2013 |
| Net sales | ¥20,699 | ¥24,598 |
| Cost of sales | 17,719 | 19,387 |
| Gross profit | 2,979 | 5,211 |
| Selling, general and administrative expenses | 2,724 | 2,762 |
| Operating income | 255 | 2,449 |
| Nonoperating income: | | |
| Interest income | 25 | 12 |
| Dividends income | 65 | 76 |
| Foreign exchange gain | — | 759 |
| Other | 255 | 287 |
| Total nonoperating income | 347 | 1,136 |
| Nonoperating expenses: | | |
| Interest expenses | 201 | 192 |
| Foreign exchange loss | 145 | — |
| Amortization of net retirement benefit obligation at transition | 154 | 154 |
| Other | 48 | 37 |
| Total nonoperating expenses | 551 | 384 |
| Ordinary income | 51 | 3,201 |
| Extraordinary losses: | | |
| Impairment losses | 4 | 11 |
| Loss on valuation of investment securities | 19 | — |
| Total extraordinary losses | 24 | 11 |
| Income before income taxes | 27 | 3,189 |
| Income taxes – current | 110 | 382 |
| Income taxes – refunded | (244) | — |
| Income taxes – deferred | 70 | 156 |
| Total income taxes | (63) | 538 |
| Income before minority interests | 90 | 2,650 |
| Net income | ¥ 90 | ¥ 2,650 |
| Income before minority interests | 90 | 2,650 |
| Other comprehensive income (loss): | | |
| Valuation difference on available-for-sale securities | (682) | 208 |
| Foreign currency translation adjustment | 482 | 894 |
| Share of other comprehensive income of associates accounted for using equity method | (112) | (62) |
| Total other comprehensive income (loss) | (312) | 1,040 |
| Comprehensive income (loss) | ¥ (221) | ¥ 3,691 |
| (Breakdown) | | |
| Comprehensive income (loss) attributable to owners of the parent company | ¥ (221) | ¥ 3,691 |
| Comprehensive income attributable to minority interests | — | — |

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

The Company reacquired and cancelled its outstanding Class A preferred shares on June 28, 2013. As a result, during the first quarter of the fiscal year ending March 31, 2014, capital surplus decreased ¥1,271 million to ¥7,738 million as of June 30, 2013.

Segment Information

1. Net Sales and Profit or Loss by Reporting Segment

Previous First Quarter Period (From April 1, 2012 to June 30, 2012)

| Millions of yen | | | | | | | | |
|---------------------------------|---------------------|--------------------------------|--|---------|--------------------|---------|--------------------------|--|
| 1st quarter ended June 30, 2012 | | | | | | | | |
| | Devices Business | Car Electronics Business | Next Generation Energy Business | Total | Other (Notes 1) | Total | Adjustments (Notes 2) | Quarterly Consolidated Statements of Income and Comprehensive Income (Notes 3) |
| Net sales: | | | | | | | | |
| Outside customers | ¥7,383 | ¥8,888 | ¥3,663 | ¥19,935 | ¥764 | ¥20,699 | ¥ — | ¥20,699 |
| Inter-segment | 1,047 | 7 | 7 | 1,062 | — | 1,062 | (1,062) | — |
| Total | 8,430 | 8,895 | 3,671 | 20,997 | 764 | 21,761 | (1,062) | 20,699 |
| Segment income (loss) | ¥ 736 | ¥ 620 | ¥ (419) | ¥ 937 | ¥ 8 | ¥ 945 | ¥ (690) | ¥ 255 |

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

2. ¥(690) 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 Income and Comprehensive Income.

2. Net Sales and Profit or Loss by Reporting Segment

1. Reporting First Quarter Period (From April 1, 2013 to June 30, 2013)

Millions of yen

| 1st quarter ended June 30, 2013 | | | | | | | | |
|---------------------------------|---------------------|--------------------------------|--|---------------|--------------------|---------------|--------------------------|--|
| | Devices Business | Car Electronics Business | Next Generation Energy Business | Total | Other (Notes 1) | Total | Adjustments (Notes 2) | Quarterly Consolidated Statements of Income and Comprehensive Income (Notes 3) |
| Net sales: | | | | | | | | |
| Outside customers | ¥7,490 | ¥10,331 | ¥6,020 | ¥23,843 | ¥755 | ¥24,598 | ¥ — | ¥24,598 |
| Inter-segment | 1,048 | 4 | — | 1,053 | — | 1,053 | (1,053) | — |
| Total | 8,539 | 10,335 | 6,020 | 24,896 | 755 | 25,652 | (1,053) | 24,598 |
| Segment income | ¥1,043 | ¥ 1,573 | ¥ 472 | ¥ 3,089 | ¥ 15 | ¥ 3,105 | ¥ (656) | ¥ 2,449 |

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

2. ¥(656) 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 Income and Comprehensive Income.

2. Items Concerning Changes to Reportable Segments

The Shindengen Group reclassified its reportable segments, which form the base of its business divisions, accompanying organizational changes implemented on April 1, 2013.

As a result, from the first quarter of the fiscal year ending March 31, 2014 onward, the previous reportable segments—Devices Business, Module Business and System Business—have been changed to the following three reportable segments: Devices Business, Car Electronics Business, and Next Generation Energy Business.

The Devices Business manufactures diodes, thyristors, MOSFET, high-withstand voltage power ICs, power modules and other items. The Car Electronics Business manufactures electrical components used in motorcycles and automobiles, and other items. The Next Generation Energy Business manufactures rectifiers for communication stations and mobile base stations, universal inverters, power conditioners used in photovoltaic generation equipment and other items.

Segment information for the first quarter of the previous fiscal year is listed based on the new reportable segment classifications.