



Flash Report for the Year Ended March 31, 2015 [Japan GAAP] (on a consolidated basis)

May 11, 2015

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 annual general meeting of shareholders: June 26, 2015

Date for initiation of dividend payments (subject to change): June 29, 2015

Scheduled date for submission of securities report: June 29, 2015

Prepared earnings results briefing material: Yes

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

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

1. Results for the Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income		Net income	
Year ended March 31, 2015	¥108,255	3.5%	¥7,673	(32.2)%	¥7,861	(28.3)%	¥5,252	(56.7)%
Year ended March 31, 2014	104,564	18.2	11,313	239.4	10,960	230.4	12,129	202.5

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

2. Comprehensive income

Year ended March 31, 2015: ¥9,068 million (down 33.8%) Year ended March 31, 2014: ¥13,692 million (up 133.1%)

	Net income per share (¥)		Net income on equity	Ordinary income to total assets	Operating income to net sales
	Basic	Diluted			
Year ended March 31, 2015	¥50.98	—	9.9%	5.9%	7.1%
Year ended March 31, 2014	117.71	—	27.1	8.7	10.8

Note: Earnings from investments in equity-method affiliates

Year ended March 31, 2015: ¥270 million Year ended March 31, 2014: ¥294 million

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of March 31, 2015	¥134,002	¥56,664	42.3%	¥549.97
As of March 31, 2014	132,823	49,662	37.4	481.97

Note: Owners' equity

As of March 31, 2015: ¥56,664 million As of March 31, 2014: ¥49,662 million

(3) Cash flows (¥ million)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Year ended March 31, 2015	¥9,027	¥(6,285)	¥(6,540)	¥38,047
Year ended March 31, 2014	13,145	(5,155)	(6,319)	39,803

2. Dividends

	Cash dividends per share (¥)					Total dividends (full term) (¥ million)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	Quarter-end			Year-end	Annual			
	1st	2nd	3rd					
Year ended March 31, 2014	¥—	¥0.00	¥—	¥10.00	¥10.00	¥1,030	8.5%	2.3%
Year ended March 31, 2015	—	0.00	—	10.00	10.00	1,030	19.6	1.9
Year ending March 31, 2016 (forecast)	—	0.00	—	12.50	12.50		20.4	

3. Business Performance Forecasts for the Year Ending March 31, 2016

(April 1, 2015 to March 31, 2016)

	(¥ million)								
	Net sales		Operating income		Ordinary income		Net income		Net income per share (¥)
First-half period	¥ 52,700	4.5%	¥4,200	(11.3)%	¥4,100	(9.8)%	¥2,800	(6.3)%	¥27.18
Full term	109,000	0.7	9,500	23.8	9,300	18.3	6,300	19.9	61.15

Note: Percentage figures represent year-on-year comparisons.

Note

(1) Significant changes in the scope of consolidation

Inclusion: None

Exclusion: None

(2) 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: Not applicable

Correction of errors: Not applicable

(3) Number of ordinary shares issued, end of the year (including treasury stock)

As of March 31, 2015: 103,388,848 shares As of March 31, 2014: 103,388,848 shares

Number of shares in treasury at the end of the year

As of March 31, 2015: 356,557 shares As of March 31, 2014: 348,612 shares

Average number of shares during the period

Year ended March 31, 2015: 103,036,080 shares

Year ended March 31, 2014: 103,044,279 shares

(Reference)**Non-Consolidated Results for the Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)****(1) Operating results**

(¥ million)

	Net sales		Operating income		Ordinary income	
Year ended March 31, 2015	¥92,638	(3.0)%	¥3,483	(51.6)%	¥4,887	(42.8)%
Year ended March 31, 2014	95,522	18.0	7,199	394.2	8,537	260.0

	Net income		Net income per share (¥)	
			Basic	Diluted
Year ended March 31, 2015	¥3,321	(66.3)%	¥ 32.24	—
Year ended March 31, 2014	9,849	353.6	95.58	—

Note: Percentage figures represent year-on-year comparisons.

(2) Financial position

(¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of March 31, 2015	¥115,620	¥45,003	38.9%	¥436.79
As of March 31, 2014	115,831	42,346	36.6	410.97

Note: Owners' equity

As of March 31, 2015: ¥45,003 million As of March 31, 2014: ¥42,346 million

* Disclosure of Implementation Status of Audit Procedures

Audit procedures under the Financial Instruments and Exchange Law had not been completed as of the release of this financial report. (This financial report is not subject to audit 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, 2014	As of March 31, 2015
Assets		
Current assets:		
Cash and deposits	¥ 40,063	¥ 33,337
Notes and accounts receivable – trade	23,604	22,287
Securities	–	5,000
Finished products	6,422	7,604
Work in process	3,576	3,740
Raw materials	10,236	10,096
Deferred tax assets	1,695	1,429
Other	2,458	3,322
Allowance for doubtful accounts	(23)	(33)
Total current assets	88,033	86,784
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures	8,572	9,223
Machinery, equipment and vehicles	7,176	8,466
Land	4,830	5,395
Leased assets – net	807	400
Construction in progress	404	933
Other – net	1,293	1,674
Total tangible fixed assets	23,084	26,093
<i>Intangible assets –</i>		
Goodwill	120	85
Software	583	563
Leased assets	75	100
Other	312	473
Total intangible assets	1,092	1,223
<i>Investments and other assets –</i>		
Investment securities	15,361	14,661
Deferred tax assets	4,624	4,529
Other	680	772
Allowance for doubtful accounts	(52)	(63)
Total investments and other assets	20,613	19,900
Total noncurrent assets	44,790	47,217
Total assets	¥132,823	¥134,002

Note: Amounts under one million yen are omitted.

Millions of yen

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	¥ 17,633	¥ 17,856
Short-term loans payable	7,965	7,628
Current portion of bonds	3,400	400
Lease obligations	584	232
Income taxes payable	2,852	936
Provision for bonuses	1,070	1,039
Other	5,459	3,641
Total current liabilities	38,965	31,735
Long-term liabilities:		
Bonds payable	2,800	2,900
Long-term loans payable	26,288	24,658
Lease obligations	418	314
Deferred tax liabilities	0	51
Net defined benefit liability	14,462	14,931
Provision for directors' retirement benefits	—	2,518
Asset retirement obligations	147	147
Other	78	82
Total long-term liabilities	44,195	45,602
Total liabilities	83,161	77,337
Net assets		
Shareholders' equity:		
Capital stock	17,823	17,823
Capital surplus	7,738	7,738
Retained earnings	24,333	27,747
Treasury stock	(118)	(123)
Total shareholders' equity	49,776	53,185
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,077	3,113
Foreign currency translation adjustment	(138)	1,519
Remeasurements of defined benefit plans	(2,052)	(1,154)
Total accumulated other comprehensive income	(113)	3,478
Total net assets	49,662	56,664
Total liabilities and net assets	¥132,823	¥134,002

Consolidated Statements of Income and Comprehensive Income

	Millions of yen	
	Year ended March 31, 2014	Year ended March 31, 2015
Net sales	¥104,564	¥108,255
Cost of sales	81,454	87,648
Gross profit	23,109	20,607
Selling, general and administrative expenses	11,796	12,933
Operating income	11,313	7,673
Nonoperating income:		
Interest income	67	82
Dividends income	239	264
Foreign exchange gain	207	798
Equity in earnings of affiliates	294	270
Other	447	252
Total nonoperating income	1,255	1,668
Nonoperating expenses:		
Interest expenses	736	604
Amortization of net retirement benefit obligation at transition	618	618
Other	253	257
Total nonoperating expenses	1,608	1,480
Ordinary income	10,960	7,861
Extraordinary income:		
Insurance income	453	—
Total extraordinary income	453	—
Extraordinary losses:		
Impairment losses	20	—
Loss on sale of investments in affiliates	17	—
Total extraordinary losses	38	—
Income before income taxes	11,375	7,861
Income taxes – current	3,776	2,739
Income taxes – deferred	(4,530)	(130)
Total income taxes	(753)	2,608
Income before minority interests	12,129	5,252
Net income	¥ 12,129	¥ 5,252
Income before minority interests	12,129	5,252
Other comprehensive income		
Valuation difference on available-for-sale securities	363	1,036
Foreign currency translation adjustment	1,214	1,730
Remeasurements of defined benefit plans	—	898
Share of other comprehensive income of associates accounted for using equity method	(15)	150
Total other comprehensive income	1,563	3,815
Comprehensive income	¥ 13,692	¥ 9,068
(Breakdown)		
Comprehensive income attributable to owners of the parent company	¥ 13,692	¥ 9,068
Comprehensive income attributable to minority interests	—	—

Note: Amounts under one million yen are omitted.

Consolidated Statements of Changes in Net Assets

Fiscal 2015 (April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	17,823	7,738	24,333	(118)	49,776
Cumulative effects of changes in accounting policies			(699)		(699)
Restated balance	17,823	7,738	23,634	(118)	49,077
Changes during year					
Dividends from surplus			(1,030)		(1,030)
Net income			5,252		5,252
Change of scope of consolidation			(108)		(108)
Acquisition of treasury stock				(4)	(4)
Retirement of treasury stock					—
Net changes of items other than shareholders' equity					
Total changes during year	—	—	4,113	(4)	4,108
Balance at end of year	17,823	7,738	27,747	(123)	53,185

(Millions of yen)

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of year	2,077	(138)	(2,052)	(113)	49,662
Cumulative effects of changes in accounting policies					(699)
Restated balance	2,077	(138)	(2,052)	(113)	48,963
Changes during year					
Dividends from surplus					(1,030)
Net income					5,252
Disposal of treasury stock					(108)
Acquisition of treasury stock					(4)
Retirement of treasury stock					—
Net changes of items other than shareholders' equity	1,036	1,658	898	3,592	3,592
Total changes during year	1,036	1,658	898	3,592	7,701
Balance at end of year	3,113	1,519	(1,154)	3,478	56,664

Consolidated Statements of Changes in Net Assets

Fiscal 2014 (April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	17,823	9,009	12,652	(114)	39,371
Cumulative effects of changes in accounting policies					—
Restated balance	17,823	9,009	12,652	(114)	39,371
Changes during year					
Dividends from surplus			(448)		(448)
Net income			12,129		12,129
Change of scope of consolidation					—
Acquisition of treasury stock				(1,275)	(1,275)
Retirement of treasury stock		(1,271)		1,271	—
Net changes of items other than shareholders' equity					
Total changes during year	—	(1,271)	11,681	(4)	10,405
Balance at end of year	17,823	7,738	24,333	(118)	49,776

(Millions of yen)

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of year	1,713	(1,338)	—	375	39,746
Cumulative effects of changes in accounting policies					—
Restated balance	1,713	(1,338)	—	375	39,746
Changes during year					
Dividends from surplus					(448)
Net income					12,129
Disposal of treasury stock					—
Acquisition of treasury stock					(1,275)
Retirement of treasury stock					—
Net changes of items other than shareholders' equity	364	1,199	(2,052)	(488)	(488)
Total changes during year	364	1,199	(2,052)	(488)	9,916
Balance at end of year	2,077	(138)	(2,052)	(113)	49,662

Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended March 31, 2014	Year ended March 31, 2015
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 11,375	¥ 7,861
Depreciation and amortization	4,559	5,157
Bond issuance cost	—	14
Impairment loss	20	—
Loss (gain) on sale of investments in subsidiaries	17	—
Increase (decrease) in provision for bonuses	363	(31)
Increase (decrease) in provision for retirement benefits	—	2,518
Increase (decrease) in net defined benefit liability	1,138	872
Interest and dividends income	(306)	(346)
Interest expenses	736	604
Insurance income	(453)	—
Decrease (increase) in notes and accounts receivable – trade	(2,025)	2,551
Decrease (increase) in inventories	(1,086)	975
Decrease (increase) in accrued consumption taxes	—	(742)
Decrease (increase) in accounts receivable – other	(407)	148
Increase (decrease) in notes and accounts payable – trade	(3,019)	(2,792)
Increase (decrease) in accrued consumption taxes	1	—
Loss on disposal of tangible fixed assets	101	97
Other – net	3,083	(3,044)
Sub-total	14,098	13,846
Interest and dividend received	341	399
Interest paid	(750)	(611)
Proceeds from insurance income	453	—
Income taxes paid	(997)	(4,607)
Net cash provided by operating activities	13,145	9,027
Cash flows from investing activities:		
Proceeds from sale of investments in securities	105	3
Payments for investments in capital of affiliates	—	(102)
Purchase of stocks of subsidiaries and affiliates	(1,705)	—
Proceeds from sale of stocks of subsidiaries and affiliates	200	—
Purchases of tangible fixed assets	(3,976)	(5,982)
Proceeds from sale of tangible fixed assets	114	76
Purchases of intangible assets	(231)	(266)
Other – net	338	(14)
Net cash used in investing activities	(5,155)	(6,285)

	Millions of yen	
	Year ended March 31, 2014	Year ended March 31, 2015
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(284)	0
Proceeds from long-term loans payable	2,500	6,000
Repayment of long-term loans payable	(5,706)	(7,964)
Proceeds from issuance of bonds	—	485
Redemption of bonds	(400)	(3,400)
Purchases of treasury stock	(1,275)	(4)
Repayment of lease obligations	(704)	(627)
Cash dividends paid	(448)	(1,030)
Net cash provided by (used in) financing activities	(6,319)	(6,540)
Effect of exchange rate changes on cash and cash equivalents	984	1,198
Net increase (decrease) in cash and cash equivalents	2,654	(2,601)
Cash and cash equivalents at beginning of year	37,148	39,803
Increase in cash and cash equivalents from newly consolidated subsidiaries and others	—	845
Cash and cash equivalents at end of year	¥39,803	¥38,047

Note: Amounts under one million yen are omitted.

Notes Pertaining to Going Concern Assumption

None

Segment Information

Year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

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 reportable segments—Device Business, Car Electronics Business and Next Generation Energy Business—which form the base of its business divisions.

The Device Business manufactures diodes, thyristors, MOSFET, high-withstand voltage power ICs and power modules. The Car Electronics Business mainly manufactures electronics components for motorcycles and automobiles. The Next Generation Energy Business primarily manufactures power conditioners for photovoltaic generators, power storage systems, recharging stands for electric vehicles, power supplies for information and communication equipment, and general-purpose inverters.

2. Method of calculating sales, income (loss), identifiable assets/liabilities and other items by reporting segment

The accounting method for business segments reported is based on the same method applied to consolidated financial statements. Income by reporting segment is the amount based on operating income. In addition, inter-segment sales and transfers are primarily based on market prices or manufacturing costs.

3. Net sales, income (loss), identifiable assets/liabilities and other items by reporting segment

	Millions of yen							
	Year ended March 31, 2015							
	Devices Business	Car Electronics Business	Next Generation Energy Business	Total	Other (Notes 2)	Total	Adjustments (Notes 3)	Financial Statement Amount (Notes 4)
Net sales:								
Outside customers	¥33,261	¥45,970	¥25,748	¥104,980	¥3,275	¥108,255	¥ —	¥108,255
Inter-segment	5,135	18	—	5,153	—	5,153	(5,153)	—
Total	38,396	45,988	25,748	110,133	3,275	113,409	(5,153)	108,255
Segment income (loss)	¥ 4,110	¥ 6,555	¥ (37)	¥ 10,627	¥ 55	¥ 10,682	¥ (3,009)	¥ 7,673
Segment assets	¥33,338	¥28,492	¥14,982	¥ 76,813	¥ 928	¥ 77,742	¥56,260	¥134,002
Other items								
Depreciation and amortization	2,534	1,569	623	4,726	0	4,727	417	5,144
Increases in property, plant and equipment and intangible assets	2,437	2,225	590	5,253	1	5,254	1,287	6,542

Notes: 1. Amounts under one million yen are omitted.

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

3. Details of adjustments are below:

(1) ¥(3,009) million posted 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.

(2) Segment assets totaling ¥56,260 million posted under "Adjustments" comprise corporate assets of ¥56,402 million not allocated to each reporting segment and other adjustments of ¥(142)million.

(3) Depreciation and amortization totaling ¥417 million posted under "Adjustments" mainly comprises corporate expenses not attributable to each reporting segment.

(4) The increases in property, plant and equipment and intangible assets amounting to ¥1,287 million posted under "Adjustments" primarily comprises corporate assets not attributable to each reporting segment.

4. Segment income (loss) is adjusted to the operating income stated on the consolidated statements of income and consolidated statements of comprehensive income.

5. Changes in reporting segment.

The same changes made to the method for calculating the retirement benefit obligations and service costs on a consolidated basis from the fiscal year under review, as set forth in “Changes in Accounting Policies,” have been applied to changing the method for calculating the retirement benefit obligations and service costs of the reporting segments.

The effect of these changes on segment income (loss) for the fiscal year under review is negligible.

Significant Subsequent Events

Not applicable