



## Flash Report for the Third-Quarter Period Ended December 31, 2015 [Japan GAAP] (on a consolidated basis)

February 5, 2016

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: February 12, 2016

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 Three Quarters (April 1 to December 31, 2015)

(1) Operating results (¥ million)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Three quarters ended December 31, 2015	¥71,678 (6.6)%	¥4,450 (41.0)%	¥4,074 (49.3)%	¥2,862 (47.4)%
Three quarters ended December 31, 2014	76,768 3.5	7,546 (21.6)	8,029 (19.3)	5,437 (29.8)

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

2. Comprehensive income

Three quarters ended December 31, 2015:      ¥ 1,557 million (77.1)%

Three quarters ended December 31, 2014:      ¥ 6,789 million (31.2)%

	Net income per share (¥) basic	Net income per share (¥) diluted
Three quarters ended December 31, 2015	¥27.78	¥—
Three quarters ended December 31, 2014	52.77	—

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio
As of December 31, 2015	¥131,636	¥57,186	43.4%
As of March 31, 2014	134,002	56,664	42.3

Note: Owners' equity

As of December 31, 2015: ¥57,186 million    As of March 31, 2015: ¥56,664 million

### 2. Dividends

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended March 31, 2015	¥—	¥0.00	¥—	¥10.00	¥10.00
Year ending March 31, 2016	—	0.00	—		
Year ending March 31, 2016 (forecast)				12.50	12.50

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

### 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		Profit attributable to owners of parent		Net income per share (¥)
Full term	¥99,000	(8.5)%	¥4,600	(40.1)%	¥4,300	(45.3)%	¥3,100	(41.0)%	¥30.09

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

2. Revisions to performance forecasts during the reporting period: Not 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: Not applicable

Correction of errors: Not applicable

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

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

Number of shares in treasury at the end of the period

As of December 31, 2015: 365,330 shares      As of March 31, 2015: 356,557 shares

Average number of shares during the period

Three quarters ended December 31, 2015: 103,027,551 shares

Three quarters ended December 31, 2014: 103,037,114 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, 2015	As of December 31, 2015
<b>Assets</b>		
Current assets:		
Cash and deposits	¥ 33,337	¥ 34,968
Notes and accounts receivable – trade	22,287	18,645
Securities	5,000	5,000
Finished products	7,604	7,600
Work in process	3,740	3,840
Raw materials	10,096	9,627
Deferred tax assets	1,429	956
Other	3,322	4,464
Allowance for doubtful accounts	(33)	(35)
<b>Total current assets</b>	<b>86,784</b>	<b>85,067</b>
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures	9,223	8,565
Machinery, equipment and vehicles	8,466	8,218
Land	5,395	6,037
Other – net	3,008	2,867
<b>Total tangible fixed assets</b>	<b>26,093</b>	<b>25,688</b>
<i>Intangible assets –</i>		
Goodwill	85	58
Software	563	722
Other	574	353
<b>Total intangible assets</b>	<b>1,223</b>	<b>1,134</b>
<i>Investments and other assets –</i>		
Investment securities	14,661	15,269
Deferred tax assets	4,529	3,859
Other	772	671
Allowance for doubtful accounts	(63)	(55)
<b>Total investments and other assets</b>	<b>19,900</b>	<b>19,744</b>
<b>Total noncurrent assets</b>	<b>47,217</b>	<b>46,568</b>
<b>Total assets</b>	<b>¥134,002</b>	<b>¥131,636</b>

Note: Amounts under one million yen are omitted.

Millions of yen

As of March 31, 2015      As of December 31, 2015

**Liabilities**

Current liabilities:

Notes and accounts payable – trade	¥ 17,856	¥ 15,705
Short-term loans payable	7,628	7,254
Current portion of bonds	400	2,450
Income taxes payable	936	83
Provision for bonuses	1,039	—
Other	3,873	6,497
<b>Total current liabilities</b>	<b>31,735</b>	<b>31,991</b>

Long-term liabilities:

Bonds payable	2,900	1,050
Long-term loans payable	24,658	24,848
Net defined benefit liability	14,931	14,423
Provision for product warranties	2,518	1,510
Asset retirement obligations	147	143
Other	448	482
<b>Total long-term liabilities</b>	<b>45,602</b>	<b>42,458</b>
<b>Total liabilities</b>	<b>77,337</b>	<b>74,450</b>

**Net assets**

Shareholders' equity:

Capital stock	17,823	17,823
Capital surplus	7,738	7,738
Retained earnings	27,747	29,579
Treasury stock	(123)	(128)
<b>Total shareholders' equity</b>	<b>53,185</b>	<b>55,013</b>

Accumulated other comprehensive income:

Valuation difference on available-for-sale securities	3,113	3,351
Foreign currency translation adjustment	1,519	(168)
Remeasurements of defined benefit plans	(1,154)	(1,009)
<b>Total accumulated other comprehensive income</b>	<b>3,478</b>	<b>2,173</b>
<b>Total net assets</b>	<b>56,664</b>	<b>57,186</b>
<b>Total liabilities and net assets</b>	<b>¥134,002</b>	<b>¥131,636</b>

## Quarterly Consolidated Statements of Income and Comprehensive Income

	Millions of yen	
	Three quarters ended December 31, 2014	Three quarters ended December 31, 2015
Net sales	¥76,768	¥71,678
Cost of sales	59,987	57,957
Gross profit	16,780	13,720
Selling, general and administrative expenses	9,233	9,270
Operating income	7,546	4,450
Nonoperating income:		
Interest income	52	65
Dividends income	212	223
Foreign exchange gain	893	—
Royalty income	95	107
Share of profit of entities accounted for using equity method	194	156
Other	133	166
Total nonoperating income	1,582	718
Nonoperating expenses:		
Interest expenses	468	380
Foreign exchange losses	—	567
Amortization of net retirement benefit obligation at transition	464	—
Other	168	147
Total nonoperating expenses	1,100	1,094
Ordinary income	8,029	4,074
Extraordinary losses:		
Business structure improvement expenses	—	103
Impairment losses	—	8
Total extraordinary losses	—	111
Income before income taxes	8,029	3,962
Income taxes – current	1,990	103
Income taxes – deferred	601	996
Total income taxes	2,591	1,100
Net income	¥ 5,437	¥ 2,862
(Breakdown)		
Profit attributable to owners of parent	5,437	2,862
Profit attributable to non-controlling interests	—	—
Other comprehensive income (loss):		
Valuation difference on available-for-sale securities	201	237
Foreign currency translation adjustment	525	(1,593)
Adjustments of defined benefit plans	502	144
Share of other comprehensive income of associates accounted for using equity method	122	(94)
Total other comprehensive income (loss)	1,352	(1,305)
Comprehensive income	¥ 6,789	¥ 1,557
(Breakdown)		
Comprehensive income attributable to owners of the parent company	¥ 6,789	¥ 1,557
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

None

### Segment Information

#### 1. Net Sales and Profit or Loss by Reporting Segment

Previous Three Quarters (From April 1, 2014 to December 31, 2014)

	Millions of yen							
	Three quarters ended December 31, 2014							
	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	¥24,321	¥35,171	¥14,812	¥74,305	¥2,462	¥76,768	¥ —	¥76,768
Inter-segment	3,613	15	—	3,628	—	3,628	(3,628)	—
Total	27,934	35,187	14,812	77,934	2,462	80,397	(3,628)	76,768
Segment income	¥ 3,346	¥ 4,723	¥ 1,720	¥ 9,791	¥ 40	¥ 9,831	¥ (2,284)	¥ 7,546

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

2. ¥(2,284) 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. Net Sales and Profit or Loss by Reporting Segment

### 1. Reporting Three Quarters (From April 1, 2015 to December 31, 2015)

Millions of yen

	Three quarters ended December 31, 2015							Quarterly Consolidated Statements of Income and Comprehensive Income (Notes 3)
	Devices Business	Car Electronics Business	Next Generation Energy Business	Total	Other (Notes 1)	Total	Adjustments (Notes 2)	
Net sales:								
Outside customers	¥22,799	¥36,048	¥10,493	¥69,342	¥2,335	¥71,678	¥ —	¥71,678
Inter-segment	4,543	19	—	4,562	—	4,562	(4,562)	—
Total	27,343	36,068	10,493	73,905	2,335	76,240	(4,562)	71,678
Segment income (loss)	¥ 1,551	¥ 4,937	¥ (121)	¥ 6,366	¥ 29	¥ 6,395	¥ (1,945)	¥ 4,450

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

2. ¥(1,945) 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(loss) is adjusted to the operating income stated on the Quarterly Consolidated Statements of Income and Comprehensive Income.

### 2. Change in reporting segment

The Company's reporting segments comprise product segments based on the business divisions. Effective April 1, 2015, the segmentation of product administration was changed in part.

As a result, some product groups were transferred from the Next Generation Energy Business to the Car Electronics Business, starting in the first quarter ended June 30, 2015.

Consolidated segment information provided for the first three quarters of the previous fiscal year in this report was restated based on this change in the segmentation of product administration.