



## Flash Report for the First-Half Period Ended September 30, 2016 [Japan GAAP] (on a consolidated basis)

November 7, 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: November 14, 2016

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

Prepared 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, 2016)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
1st half ended September 30, 2016	¥41,809	(16.4)%	¥ 1,238	(61.0)%	¥ 545	(83.0)%	¥ 427	(82.1)%
1st half ended September 30, 2015	49,984	(0.9)	3,175	(32.9)	3,202	(29.6)	2,385	(20.2)

Notes: 1. Percentage figures for net sales, operating income, ordinary income and profit attributable to owners of the parent represent year-on-year comparisons.

2. Comprehensive income (loss)

1st half ended September 30, 2016: ¥(2,474) million (—%)

1st half ended September 30, 2015: ¥1,499 million (down 55.0%)

	Net income per share (¥) basic	Net income per share (¥) diluted
1st half ended September 30, 2016	¥ 4.15	¥—
1st half ended September 30, 2015	23.15	—

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share(¥)
As of September 30, 2016	¥125,222	¥46,987	37.5%	¥ 456.11
As of March 31, 2016	133,101	50,751	38.1	492.63

Note: Owners' equity

As of September 30, 2016: ¥46,987 million    As of March 31, 2016: ¥50,751 million

### 2. Dividends

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Year ended March 31, 2016	¥—	¥0.00	¥—	¥12.50	¥12.50
Year ending March 31, 2017	—	0.00	—	—	—
Year ending March 31, 2017 (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, 2017

(April 1, 2016 to March 31, 2017)

(¥ million)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share (¥)
Full term	¥ 87,000	(11.3)%	¥2,400	200.2%	¥1,600	294.9%	¥1,300	534.0%	¥12.62

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

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: 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 September 30, 2016: 103,388,848 shares      As of March 31, 2016: 103,388,848 shares

Number of shares in treasury at the end of the period

As of September 30, 2016: 370,611 shares      As of March 31, 2016: 367,447 shares

Average number of shares during the period

1st half ended September 30, 2016: 103,019,832 shares

1st half ended September 30, 2015: 103,028,865 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.

(How to Obtain a Copy of the Quarterly Earnings Results Briefing Materials)

The Company plans to hold a presentation for securities analysts and institutional investors on November 11, 2016 (Friday). The earnings results briefing materials distributed at the meeting will be posted promptly on the Company website after the meeting is held.

## Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2016	As of September 30, 2016
<b>Assets</b>		
Current assets:		
Cash and deposits	¥ 34,180	¥ 35,101
Notes and accounts receivable – trade	19,507	16,458
Securities	5,000	5,000
Finished products	7,616	6,649
Work in process	3,529	3,568
Raw materials	9,291	8,445
Deferred tax assets	1,109	1,476
Other	4,912	2,899
Allowance for doubtful accounts	(30)	(24)
Total current assets	85,117	79,575
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures – net	8,426	8,940
Machinery, equipment and vehicles – net	8,581	7,517
Land	6,117	5,920
Other – net	3,424	2,506
Total tangible fixed assets	26,550	24,884
<i>Intangible assets –</i>		
Goodwill	50	32
Software	680	650
Other	350	374
Total intangible assets	1,081	1,057
<i>Investments and other assets –</i>		
Investment securities	12,794	12,270
Deferred tax assets	6,938	6,791
Other	670	693
Allowance for doubtful accounts	(52)	(50)
Total investments and other assets	20,350	19,705
Total noncurrent assets	47,983	45,646
Total assets	133,101	125,222

Note: Amounts under one million yen are omitted.

Millions of yen

As of March 31, 2016      As of September 30, 2016

**Liabilities**

Current liabilities:

Notes and accounts payable – trade	¥ 15,779	¥ 13,946
Short-term loans payable	7,438	7,485
Current portion of bonds	2,475	300
Income taxes payable	115	245
Provision for bonuses	945	931
Other	7,144	5,235
<b>Total current liabilities</b>	<b>33,898</b>	<b>28,144</b>

Long-term liabilities:

Bonds payable	925	2,875
Long-term loans payable	23,239	23,578
Net defined benefit liability	17,588	17,284
Provision for product warranties	6,184	5,753
Asset retirement obligations	141	142
Other	371	458
<b>Total long-term liabilities</b>	<b>48,450</b>	<b>50,090</b>

<b>Total liabilities</b>	<b>82,349</b>	<b>78,234</b>
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**Net assets**

Shareholders' equity:

Capital stock	17,823	17,823
Capital surplus	7,738	7,738
Retained earnings	26,922	26,062
Treasury stock	(129)	(130)
<b>Total shareholders' equity</b>	<b>52,354</b>	<b>51,493</b>

Accumulated other comprehensive income (loss):

Valuation difference on available-for-sale securities	1,766	1,423
Foreign currency translation adjustment	(42)	(2,715)
Remeasurements of defined benefit plans	(3,326)	(3,212)
<b>Total accumulated other comprehensive income (loss)</b>	<b>(1,603)</b>	<b>(4,505)</b>

<b>Total net assets</b>	<b>50,751</b>	<b>46,987</b>
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<b>Total liabilities and net assets</b>	<b>¥133,101</b>	<b>¥125,222</b>
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## Quarterly Consolidated Statements of Income and Comprehensive Income

	Millions of yen	
	1st half ended September 30, 2015	1st half ended September 30, 2016
Net sales	¥ 49,984	¥ 41,809
Cost of sales	40,460	34,786
Gross profit	9,523	7,022
Selling, general and administrative expenses	6,348	5,784
Operating income	3,175	1,238
Nonoperating income:		
Interest income	43	43
Dividends income	141	151
Royalty income	107	72
Share of profit of entities accounted for using equity method	112	116
Other	108	95
Total nonoperating income	513	479
Nonoperating expenses:		
Interest expenses	255	222
Foreign exchange losses	135	761
Other	94	187
Total nonoperating expenses	485	1,172
Ordinary income	3,202	545
Extraordinary losses:		
Business structure improvement expenses	112	—
Impairment losses	8	—
Total extraordinary losses	120	—
Income before income taxes	3,081	545
Income taxes – current	255	250
Income taxes – deferred	440	(132)
Total income taxes	695	118
Net income	¥ 2,385	¥ 427
(Breakdown)		
Profit attributable to owners of parent	2,385	427
Profit attributable to non-controlling interests	—	—
Other comprehensive income (loss):		
Valuation difference on available-for-sale securities	(583)	(342)
Foreign currency translation adjustment	(301)	(2,524)
Adjustments of defined benefit plans	86	113
Share of other comprehensive income of associates accounted for using equity method	(87)	(148)
Total other comprehensive income (loss)	(886)	(2,902)
Comprehensive income (loss)	¥ 1,499	¥ (2,474)
(Breakdown)		
Comprehensive income (loss) attributable to owners of parent	¥ 1,499	¥ (2,474)
Comprehensive income attributable to non-controlling 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 First-Half Period (From April 1, 2015 to September 30, 2015)

	Millions of yen							
	1st half ended September 30, 2015							
	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	¥15,206	¥26,211	¥7,015	¥48,434	¥1,549	¥49,984	¥ —	¥49,984
Inter-segment	3,107	12	—	3,119	—	3,119	(3,119)	—
Total	18,314	26,224	7,015	51,553	1,549	53,103	(3,119)	49,984
Segment income (loss)	¥ 854	¥ 3,639	¥ (57)	¥ 4,435	¥ 20	¥ 4,456	¥ (1,281)	¥ 3,175

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

2. ¥(1,281) 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. Net Sales and Profit or Loss by Reporting Segment

Reporting First-Half Period (From April 1, 2016 to September 30, 2016)

Millions of yen

	1st half ended September 30, 2016							
	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	¥14,329	¥21,626	¥4,301	¥40,256	¥ 1,552	¥41,809	¥ —	¥41,809
Inter-segment	3,008	12	—	3,020	—	3,020	(3,020)	—
Total	17,337	21,638	4,301	43,277	1,552	44,830	(3,020)	41,809
Segment income (loss)	¥ 1,117	¥ 2,152	¥ (556)	¥ 2,713	¥ 11	¥ 2,724	¥ (1,486)	¥ 1,238

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

2. ¥(1,486) 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.