



January 27, 2012

Company Name: SHINDENGEN ELECTRIC MANUFACTURING CO. LTD  
Representative Name: Masato Morikawa, President and Representative Director  
(Securities Code: 6844, First Section, Tokyo Stock Exchange)  
Contact Information: Shoji Chiba, Manager of Corporate Planning Group, Planning Dept.  
(TEL: 03 – 3279 – 4431)

## Notice Regarding the Partial Transfer of Shares of One of Our Company's Consolidated Subsidiaries

To whom it may concern,

This notice is to inform you that, at a meeting of the Board of Directors held today, our Company decided to transfer a portion of shares in our consolidated subsidiary, SHINDENGEN MECHATRONICS CO. LTD, as described below.

Further, through said transfer, the aforementioned company shall cease to be a consolidated subsidiary of our Company, and shall instead become an equity method affiliate company.

### 1. Reason for This Transfer of Shares

Our Company established SHINDENGEN MECHATRONICS CO. LTD (a 60:40 joint venture between our Company and Musashi Kogyo Co., Ltd.) on February 1, 2002 as a subsidiary assuming control of our Company's newly split-off solenoid business operations. Although Shindengen Mechatronics has produced solid business results since then, our Company now wishes to focus our resources on our core area of business, power electronics, while also pursuing growth in such fields as mobility and New Energy. Further, having concluded that such a transfer would allow Shindengen Mechatronics to further improve their overall competitiveness by increasing their managerial autonomy and strengthening their partnership with Musashi Kogyo Co., Ltd. (which handles manufacturing), our Company has decided, upon mutual consultations between the parties involved, to transfer our shares in Shindengen Mechatronics, excepting a proportion of shares to be maintained by our Company in consideration for Shindengen Mechatronics' continued use of our Company's brand name.

### 2. Company Outline of Subsidiary to be Transferred

(1) Company Name	SHINDENGEN MECHATRONICS CO. LTD	
(2) Head Office Location	11-8 Inari-cho, Hanno City, Saitama	
(3) Name and Title of Representative	Koichi Iriko, President and Representative Director	
(4) Scope of Business	The development, manufacture and sale of solenoid products.	
(5) Capitalization	100,000,000 Yen	
(6) Date Established	February 1, 2002	
(7) Major Shareholders and Their Respective Proportions of Shares	SHINDENGEN ELECTRIC MANUFACTURING CO. LTD.: 60% ; Musashi Kogyo Co., Ltd.: 40%	
(8) Relationship between the Company in Question and Publicly Traded Companies	Capital Relationship	Our Company holds 60% of the shares of stock in the company .
	Management Relationship	One of the directors of our Company serves concurrently as a director of the company and an employee of our Company serves concurrently as an auditor of the company .
	Business Relationship	The company has a business relationship with our Company in that our Company sells a portion of the products manufactured by the company.

(9) The Business Performance and Financial Situation of the Company Covering the Most Recent Three Years			
Fiscal Period Ending	March 2009	March 2010	March 2011
Net Assets	830	906	1,158
Total Assets	1,779	2,224	2,789
Net Assets per Share of Stock (Yen)	415,430.69	453,438.97	579,472.81
Sales	3,555	2,918	4,314
Operating Profit	132	144	449
Ordinary Profit	77	146	449
Current Net Profit	45	85	262
Current Net Profit per Share of Stock (Yen)	22,521.93	42,824.45	131,164.30
Dividend Paid per Share of Stock (Yen)	5,000.00	5,000.00	5,000.00

(\*Units are in millions of yen except where otherwise specified.)

### 3. Company Outline of Other Party to This Transfer

(1) Company	Musashi Kogyo Co., Ltd.	
(2) Head Office Location	20-18 Inari-cho, Hanno City, Saitama	
(3) Name and Title of Representative	Yasuaki Maruyama, President and Representative Director	
(4) Scope of Business	The manufacture of solenoid products.	
(5) Capitalization	10,000,000 Yen	
(6) Date Established	June 1, 1950	
(7) Major Shareholders and Their Respective Proportions of Shares	Koichi Iriko: 31.28%, 14 Other Shareholders: 68.72%	
(8) Relationship between the Company in Question and Publicly Traded Companies	Capital Relationship	Not applicable.
	Management Relationship	Not applicable.
	Business Relationship	Not applicable.
	Matters Pertaining to the Parties Involved	Koichi Iriko is the representative director of SHINDENGEN MECHATRONICS CO. LTD, and he and his relatives hold a majority of the shareholder voting rights in the company.

4. The Number of Shares to be Transferred and the Ownership Status of Shares Before and After the Transfer

(1) Number of Shares Held Prior to the Transfer	1,200 Shares (Number of Voting Rights: 1200 Votes) (Ownership Percentage: 60%)
(2) Number of Shares to be Transferred	250 Shares (Number of Voting Rights: 250 Votes) (Percentage of the Total Number of Outstanding Shares: 12.5%) (Transfer Value: 200,000,000 Yen)
(3) Number of Shares Held After the Transfer	950 Shares (Number of Voting Rights: 950 Votes) (Ownership Percentage: 47.5%)

5. Schedule

(1) Decision of the Board of Directors	January 27, 2012
(2) Date of Transfer of Shares	February 2, 2012

Further, according to the terms of the contract concluded for the purpose of this transfer, our Company and the other party have agreed to undertake the transfer of a further 250 shares, which will occur no later than the last day of March of 2014. Following the completion of this transfer, our Company's proportion of shares held in SHINDENGEN ELECTRIC MANUFACTURING CO. LTD will be 35%.

6. Future Outlook

The impact of this transfer on our consolidated business performance is anticipated to be negligible.