



Flash Report for the Year Ended March 31, 2011 [Japan GAAP] (on a consolidated basis)

May 11, 2011

Name: Shindengen Electric Manufacturing Co., Ltd. Securities Exchange: Tokyo Stock Exchange
Code Number: 6844 Registered Head Office: Tokyo

(URL <http://www.shindengen.co.jp/>)

Representative: Masato Morikawa, President

Inquiries: Shoji Chiba, Manager of Corporate Planning Group, Planning Dept.

Tel: +81-3-3279-4431

Scheduled date for annual general meeting of shareholders: June 29, 2011

Date for initiation of dividend payments (subject to change): June 30, 2011

Prepared earnings results briefing material: Applicable

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

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

1. Results for the Year Ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(1) Operating results (¥ million)

	Net sales		Operating income		Ordinary income		Net income (loss)	
Year ended March 31, 2011	¥87,330	12.1%	¥7,325	31.7%	¥6,099	27.0%	¥4,575	—%
Year ended March 31, 2010	77,934	(8.6)	5,562	—	4,801	—	(443)	—

Note: Comprehensive Income

Year ended March 31, 2011: ¥4,025 million (104.0%) Year ended March 31, 2010: ¥1,973 million (—%)

	Net income (loss) per share (¥)		Net income (loss) on equity	Ordinary income to total assets	Operating income to net sales
	Basic	Diluted			
Year ended March 31, 2011	¥42.70	—	13.7%	6.1%	8.4%
Year ended March 31, 2010	(4.66)	—	(1.6)	5.1	7.1

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

2. Earnings from investments in equity-method affiliates

Year ended March 31, 2011: ¥146 million Year ended March 31, 2010: ¥150 million

(2) Financial position (¥ million)

	Total assets	Net assets	Equity ratio	Net assets per share (¥)
As of March 31, 2011	¥103,336	¥35,714	34.1%	¥316.06
As of March 31, 2010	97,965	31,829	32.0	279.60

Note: Owners' equity

As of March 31, 2011: ¥35,248 million As of March 31, 2010: ¥31,393 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, 2011	¥9,443	¥(3,021)	¥(1,585)	¥28,178
Year ended March 31, 2010	7,122	(2,144)	4,497	23,842

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, 2010	¥—	¥0.00	¥—	¥0.00	¥0.00	¥ —	—%	—%
Year ended March 31, 2011	—	0.00	—	2.50	2.50	257	5.9	0.8
Year ending March 31, 2012 (forecast)	—	—	—	—	—	—	—	—

Notes: 1. No decision has yet been taken regarding the dividend for the fiscal year ending March 31, 2012 (first half or year-end).

2. “Dividends” above refers to dividend payments on ordinary shares of the Company’s common stock. For information on dividends paid on class shares (unlisted) issued by the Company that are different in nature from ordinary shares in terms of claims and obligations, please see Page 3, “6. Dividends by Class Shares.”

3. Business Performance Forecasts for the Year Ending March 31, 2012 (April 1, 2011 to March 31, 2012)

Note: Consolidated business performance forecasts are yet to be determined. This is attributable to the current difficulties involved in reasonably estimating the impact of the Great Higashinohon Earthquake that occurred on March 11, 2011. Moving forward, the Company will continue to collect and collate information with the aim of announcing its consolidated business results forecasts during the first quarter of the fiscal year ending March 31, 2012.

4. Others

(1) Changes in the scope of consolidation (changes in specific subsidiaries)

Inclusion: None

Exclusion: None

(2) Changes in significant accounting policies

Changes in accounting standard: Yes

Other: None

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

As of March 31, 2011: 103,388,848 shares As of March 31, 2010: 103,388,848 shares

Number of shares in treasury at the end of the year

As of March 31, 2011: 325,728 shares As of March 31, 2010: 314,520 shares

Average number of shares during the period

Year ended March 31, 2011: 103,068,782 shares

Year ended March 31, 2010: 95,144,426 shares

5. Non-Consolidated Results for the Year Ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(1) Operating results

(¥ million)

	Net sales		Operating income		Ordinary income	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Year ended March 31, 2011	¥82,571	15.2%	¥3,872	113.1%	¥3,432	116.4%
Year ended March 31, 2010	71,678	(8.0)	1,817	—	1,586	—

	Net income (loss)		Net income (loss) per share (¥)	
	Amount	Percentage	Basic	Diluted
			Amount	Percentage
Year ended March 31, 2011	¥3,114	—%	¥28.52	—
Year ended March 31, 2010	(3,145)	—	(33.06)	—

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, 2011	¥93,501	¥31,834	34.0%	¥282.93
As of March 31, 2010	89,896	29,005	32.3	256.43

Note: Owners’ equity

As of March 31, 2011: ¥31,834 million As of March 31, 2010: ¥29,005 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. Actual earnings may differ significantly due to various factors.

6. Dividends by Class Shares

Dividends per share paid on class shares that are different in nature from ordinary shares in terms of claims and obligations are as follows.

	Cash dividends per share (¥)				
	Quarter-end			Year-end	Annual
	1st	2nd	3rd		
Class A preferred shares					
Year ended March 31, 2010			—	¥ 6.50	¥ 6.50
Year ended March 31, 2011	—	¥0.00	—	¥15.40	¥15.40
Year ending March 31, 2012 (forecast)	—	¥0.00	—	¥15.40	¥15.40

Note: The above amounts for the dividend per Class A preferred share are rounded to the second decimal place.

Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2011	As of March 31, 2010
Assets		
Current assets:		
Cash and time deposits	¥ 28,178	¥23,882
Notes and accounts receivable	20,554	20,683
Finished products	5,391	3,339
Work in process	3,706	4,333
Raw materials	7,388	7,062
Deferred tax assets	228	219
Other	1,830	2,262
Allowance for doubtful accounts	(14)	(341)
Total current assets	67,263	61,441
Noncurrent assets:		
<i>Tangible fixed assets –</i>		
Buildings and structures	8,701	9,123
Machinery, equipment and vehicles	5,787	6,151
Land	4,867	4,875
Leased assets – net	1,843	1,743
Construction in progress	350	462
Other – net	998	1,060
Total tangible fixed assets	22,550	23,415
<i>Intangible assets –</i>		
Software	379	374
Leased assets	98	22
Other	188	193
Total intangible assets	666	590
<i>Investments and other assets –</i>		
Investments in securities	9,971	10,324
Deferred tax assets	1,419	1,370
Other	1,499	900
Allowance for doubtful accounts	(34)	(77)
Total investments and other assets	12,855	12,517
Total noncurrent assets	36,072	36,524
Total assets	¥103,336	¥97,965

Note: Amounts under one million yen are omitted.

	Millions of yen	
	As of March 31, 2011	As of March 31, 2010
Liabilities		
Current liabilities:		
Notes and accounts payable – trade	¥ 15,607	¥16,257
Short-term loans payable	4,753	7,834
Lease obligations	608	446
Income taxes payable	288	310
Provision for bonuses	582	498
Other	3,790	1,481
Total current liabilities	25,629	26,828
Long-term liabilities:		
Bonds payable	12,000	12,000
Long-term loans payable	19,410	17,447
Lease obligations	1,516	1,469
Deferred tax liabilities	454	572
Provision for retirement benefits	8,172	7,251
Provision for directors' retirement benefits	31	69
Asset retirement obligations	145	—
Other	261	497
Total long-term liabilities	41,991	39,307
Total liabilities	67,621	66,136
Net assets		
Shareholders' equity:		
Capital stock	17,823	17,823
Capital surplus	10,336	13,555
Retained earnings	8,111	390
Treasury stock	(110)	(105)
Total shareholders' equity	36,161	31,663
Accumulated other comprehensive income (loss):		
Valuation difference on available-for-sale securities	666	873
Foreign currency translation adjustment	(1,579)	(1,144)
Total accumulated other comprehensive income (loss)	(912)	(270)
Minority interests	465	436
Total net assets	35,714	31,829
Total liabilities and net assets	¥103,336	¥97,965

Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Operations)

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2010
Net sales	¥87,330	¥77,934
Cost of sales	69,463	62,350
Gross profit	17,866	15,583
Selling, general and administrative expenses	10,541	10,021
Operating income	7,325	5,562
Nonoperating income:		
Interest income	64	52
Dividends income	165	125
Foreign exchange gain	—	299
Rental revenues	105	120
Equity in earnings of affiliates	146	150
Subsidy income	—	218
Royalty	84	—
Other	258	203
Total nonoperating income	824	1,169
Nonoperating expenses:		
Interest expenses	738	794
Foreign exchange loss	211	—
Amortization of net retirement benefit obligation at transition	618	617
Other	481	518
Total nonoperating expenses	2,049	1,930
Ordinary income	6,099	4,801
Extraordinary losses:		
Loss on disaster	128	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	118	—
Loss on valuation of investment securities	117	167
Loss on sale of investments in affiliates	86	—
Loss on sale of investments in securities	3	—
Business structure improvement expenses	—	1,570
Impairment loss	—	554
Loss on liquidation of subsidiaries	—	119
Total extraordinary losses	454	2,412
Income before income taxes	5,645	2,389
Income taxes – current	1,009	827
Income taxes – deferred	(31)	1,937
Total income taxes	978	2,765
Income before minority interests	4,667	—
Minority interests	91	67
Net income (loss)	¥ 4,575	¥ (443)

Note: Amounts under one million yen are omitted.

(Consolidated Statements of Comprehensive Income)

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2010
Minority interests	¥ 91	¥ —
Income before minority interests	4,667	—
Other comprehensive income (loss):		
Valuation difference on available-for-sale securities	(207)	—
Foreign currency translation adjustment	(360)	—
Share of other comprehensive income of associates accounted for using equity method	(73)	—
Total other comprehensive income (loss)	(641)	—
Comprehensive income	¥4,025	¥ —
(Breakdown)		
Comprehensive income attributable to owners of the parent company	¥3,933	¥ —
Comprehensive income attributable to minority interests	91	—

Consolidated Statements of Changes in Net Assets

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2010
Shareholders' equities		
Common stock:		
Balance at end of previous year	¥17,823	¥14,773
Changes during year:		
New issue of stock	—	3,049
Total changes during year	—	3,049
Balance at end of year	¥17,823	¥17,823
Capital surplus:		
Balance at end of previous year	¥13,555	¥13,981
Changes during year:		
New issue of stock	—	3,049
Dividends from capital surplus-other capital surplus	(73)	—
Transfer to retained earnings from capital surplus	(3,145)	(3,475)
Disposal of treasury stock	0	(0)
Total changes during year	(3,219)	(426)
Balance at end of year	¥10,336	¥13,555
Retained earnings:		
Balance at end of previous year	¥ 390	¥(2,640)
Changes during year:		
Transfer to retained earnings from capital surplus	3,145	3,475
Net income (loss)	4,575	(443)
Due to increase in consolidated subsidiary	0	—
Total changes during year	7,721	3,031
Balance at end of year	¥ 8,111	¥ 390
Treasury stock:		
Balance at end of previous year	¥ (105)	¥ (103)
Changes during year:		
Acquisition of treasury stock	(4)	(2)
Disposal of treasury stock	0	0
Total changes during year	(4)	(1)
Balance at end of year	¥ (110)	¥ (105)
Total shareholders' equity:		
Balance at end of previous year	¥31,663	¥26,010
Changes during year:		
New issue of stock	—	6,099
Dividends from capital surplus-other capital surplus	(73)	—
Transfer to retained earnings from capital surplus	—	—
Net income (loss)	4,575	(443)
Due to increase in consolidated subsidiary	0	—
Acquisition of treasury stock	(4)	(2)
Disposal of treasury stock	0	0
Total changes during year	4,497	5,653
Balance at end of year	¥36,161	¥31,663

Note: Amounts under one million yen are omitted.

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2010
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities:		
Balance at end of previous year	¥ 873	¥(1,237)
Changes during year:		
Net changes in items other than shareholders' equity	(207)	2,111
Total changes during year	(207)	2,111
Balance at end of year	¥ 666	¥ 873
Foreign currency translation adjustments:		
Balance at end of previous year	¥ (1,144)	¥(1,382)
Changes during year:		
Net changes in items other than shareholders' equity	(434)	238
Total changes during year	(434)	238
Balance at end of year	¥ (1,579)	¥(1,144)
Total accumulated other comprehensive income:		
Balance at end of previous year	¥ (270)	¥(2,620)
Changes during year:		
Net changes in items other than shareholders' equity	(641)	2,349
Total changes during year	(641)	2,349
Balance at end of year	¥ (912)	¥ (270)
Minority interests in consolidated subsidiaries		
Balance at end of previous year	¥ 436	¥ 373
Changes during year:		
Net changes in items other than shareholders' equity	28	62
Total changes during year	28	62
Balance at end of year	¥ 465	¥ 436
Total net assets		
Balance at end of previous year	¥31,829	¥23,764
Changes during year:		
New issue of stock		6,099
Dividends from capital surplus-other capital surplus	(73)	
Transfer to retained earnings from capital surplus		
Net income (loss)	4,575	(443)
Due to increase in consolidated subsidiary	0	
Acquisition of treasury stock	(4)	(2)
Disposal of treasury stock	0	0
Net changes in items other than shareholders' equity	(612)	2,412
Total changes during year	3,884	8,065
Balance at end of year	¥35,714	¥31,829

Consolidated Statements of Cash Flows

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2010
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 5,645	¥ 2,389
Depreciation and amortization	4,175	4,639
Loss on adjustment for changes of accounting standard for asset retirement obligations	118	
Impairment loss		554
Loss on liquidation of subsidiaries		119
Bond issuance cost		86
Loss on disaster	128	
Stock issuance cost		64
Decrease (increase) in allowance for doubtful accounts	(66)	(11)
Increase (decrease) in provision for bonuses	63	26
Increase (decrease) in provision for retirement benefits	850	(172)
Interest and dividends income	(230)	(177)
Interest expenses	738	794
Decrease (increase) in notes and accounts receivable – trade	(427)	(3,363)
Decrease (increase) in inventories	(2,361)	4,023
Decrease in accrued consumption taxes	(496)	
Increase (decrease) in notes and accounts payable – trade	304	3,850
Increase (decrease) in accounts payable	191	(1,943)
Gain on sale of investments in securities		(3)
Loss on sale of investments in subsidiaries	86	
Loss on valuation of investments in securities	117	167
Loss on disposal of tangible fixed assets	168	71
Other – net	1,898	(2,820)
Sub-total	10,908	8,297
Interest and dividend received	237	181
Interest paid	(735)	(798)
Income taxes paid	(967)	(558)
Net cash provided by operating activities	9,443	7,122
Cash flows from investing activities:		
Purchases of investments in securities	(100)	(71)
Proceeds from sale of investments in securities	7	20
Payment for investments in capital of subsidiaries and affiliates	(739)	(97)
Proceeds from sale of investments in subsidiaries resulting in change in the scope of consolidation	28	
Purchases of tangible fixed assets	(2,195)	(2,229)
Proceeds from sale of tangible fixed assets	40	231
Purchases of intangible assets	(323)	(160)
Other – net	260	163
Net cash used in investing activities	(3,021)	(2,144)

	Millions of yen	
	Year ended March 31, 2011	Year ended March 31, 2010
Cash flows from financing activities:		
Net decrease in short-term loans payable	(3,145)	(4,160)
Proceeds from long-term loans payable	6,500	5,513
Repayment of long-term loans payable	(4,254)	(4,290)
Proceeds from issuance of bonds		3,913
Redemption of bonds		(2,000)
Redemption of bonds with non-detachable warrants		(204)
Proceeds from issuance of common stock		6,034
Repayment of lease obligations	(601)	(339)
Cash dividends paid	(73)	
Cash dividends paid to minority shareholders	(5)	(5)
Other – net	(4)	35
Net cash provided by (used in) financing activities	(1,585)	4,497
Effect of exchange rate changes on cash and cash equivalents	(526)	123
Net increase in cash and cash equivalents	4,309	9,598
Cash and cash equivalents at beginning of year	23,842	14,243
Increase in cash and cash equivalents from newly consolidated subsidiaries and others	26	
Cash and cash equivalents at end of year	¥28,178	¥23,842

Note: Amounts under one million yen are omitted.

Notes Pertaining to Going Concern Assumption

None

Segment Information

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

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, Module Business and System Business—which form the base of its business divisions.

The Device Business manufactures diodes, thyristors, MOSFET and high-withstand voltage power ICs. The Module Business manufactures automotive electronics components, inverters and DC/DC converters. The System Business manufactures rectifiers for information communication and switching power supplies for information and industrial equipment.

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-group sales and transfers are primarily based on market prices or manufacturing costs.

3. Net Sales and Profit or Loss by Reporting Segment

	Millions of yen							
	Year ended March 31, 2011							
	Devices Business	Module Business	System Business	Total	Other (Notes 2)	Total	Adjustments (Notes 3)	Financial Statement Amount (Notes 4)
Net sales:								
Outside customers	¥35,208	¥31,923	¥15,011	¥82,143	¥5,186	¥87,330	¥ —	¥ 87,330
Inter-group	3,853	74	—	3,928	—	3,928	(3,928)	—
Total	39,061	31,998	15,011	86,072	5,186	91,258	(3,928)	87,330
Segment income	¥ 5,763	¥ 2,075	¥ 1,330	¥ 9,169	¥ 485	¥ 9,655	¥(2,330)	¥ 7,325
Segment assets	¥32,607	¥17,159	¥ 9,159	¥58,926	¥3,011	¥61,938	¥41,397	¥103,336
Other items								
Depreciation and amortization	2,484	976	206	3,667	86	3,754	421	4,175
Increases in property, plant and equipment and intangible assets	2,103	674	109	2,888	214	3,103	862	3,965

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) Segment loss totaling ¥2,330 million posted under "Adjustments" includes "Common expenses" that have not been allocated to each reporting segment. "Common expenses" are primarily general and administrative expenses that cannot be attributed to any reporting segment.
- (2) Segment assets totaling ¥41,397 million posted under "Adjustments" comprise corporate assets of ¥41,658 million not allocated to each reporting segment and other adjustments of -¥260 million.
- (3) Depreciation and amortization totaling ¥421 million posted under "Adjustments" mainly comprises corporate expenses not attributable to each reporting segment.
- (4) The amount of tangible fixed asset and intangible asset increase amounting to ¥862 million posted under "Adjustments" primarily comprises corporate assets not attributable to each reporting segment.

4. Segment income is adjusted to the operating income stated on the consolidated statement of operations and consolidated statements of comprehensive income.

Related Information

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

1. Information by finished product and service

The appropriate information is identical to data disclosed under “Segment Information.” Accordingly, this information has been omitted.

2. Information by geographic segment

(1) Net sales

(¥ million)			
Japan	Asia	Other area	Total
¥47,307	¥35,345	¥4,677	¥87,330

Note: Net sales are based on the location of customers classified according to country or region.

(2) Tangible fixed assets

(¥ million)			
Japan	Asia	Other area	Total
¥19,591	¥2,954	¥4	¥22,550

3. Information by major customer

There were no customers that accounted for 10% or more of total net sales recorded under consolidated statements of operations and comprehensive income included in net sales to outside customers. Accordingly, information has been omitted.

Information concerning noncurrent asset impairment loss by reporting segment

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

Not applicable

Information concerning the amortized amount and unamortized balance of goodwill by reporting segment

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

Not applicable

Information concerning the gains on negative goodwill profit by reporting segment

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

Not applicable

Additional Information

Starting with the reporting fiscal year, the Company has implemented “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Statement No. 17, issued on March 27, 2009) and “Implementation Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (Accounting Standards Board of Japan Implementation Guidance No. 20, issued on March 21, 2008).