

Translation

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Notice of Recognition of Extraordinary Losses and Deferred Tax Assets, and Discrepancy Between Consolidated Earnings Forecast and Actual Results for the Full Year

We have recorded extraordinary losses and deferred tax assets in our consolidated financial results for the fiscal year ending March 31, 2025 announced today. Additionally, it was announced on March 18, 2025 that a discrepancy has occurred between the consolidated earnings forecast for the fiscal year ending March 31, 2025 and the actual results. Therefore, we would like to inform you as follows.

1. Recording of extraordinary losses

The company recorded extraordinary losses of ¥1,034 million in the fourth quarter of the consolidated accounting period, as expenses related to the structural reform of the Electronic Device Business, which is being implemented as a measure to improve earnings in response to sluggish demand due to the economic slowdown in China and other factors, as well as soaring raw material prices and energy costs.

As a result, the total amount of expenses related to the structural reform of the Electronic Device Business, including those recorded by the end of the third quarter of the consolidated cumulative fiscal year, was ¥1,412 million.

The costs related to the structural reforms recorded this time are included in the consolidated earnings forecast announced on March 18, 2025, and the impact on the consolidated results announced today is minimal.

2. Recording of deferred tax assets

As a result of considering the overall performance trends going forward and careful assessment of the recoverability of deferred tax assets, we recorded deferred tax assets at the fiscal year ended March 2025 and recorded ¥602 million as deferred income tax.

3. Discrepancy between consolidated financial results forecast and actual results

(1) Consolidated results for the fiscal year ending March 2025 (from April 1, 2024 to March 31, 2025)

	Net sales	Operating profit	Ordinary profit	profit attributable to owners of parent	Earnings per share
	million yen	million yen	million yen	million yen	yen
Previous forecasts (A)	105,400	100	△ 800	△ 2,700	△ 261.73
Actual results (B)	105,830	128	△ 523	△ 2,436	△ 236.15
Difference (B-A)	430	28	276	263	
Percentage change (%)	0.4	28.7	-	-	
(Ref.) Results of previous year (Year ended March 2025)	102,261	1,278	1,660	△ 712	△ 69.08

(2) Reason for the discrepancy

Net sales and operating profit were almost in line with the previous forecast. Ordinary loss was impacted by the revaluation of foreign currency-denominated receivables and payables. Net loss attributable to owners of parent improved from the previous forecast due to the recording of deferred tax assets, as described in Item 2.

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