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To Whom It May Concern

Company Name: Sanken Electric Co., Ltd.  
Name of Representative: Sadatoshi Iijima  
Representative Director and President  
Code No.: 6707  
(1st Section of the Tokyo Stock Exchange)  
Contact: Akira Ota  
Corporate Officer and General Manager,  
IR Office  
TEL: (048) 487-6121

## **Notice of Extraordinary Losses recorded in connection with Structural Reforms of CCFL (cold cathode fluorescent lamps) Business, Revision of Forecast of Business Results and Revision of Dividend Forecast**

The Board of Directors of the Company today resolved to implement structural reforms of the CCFL business etc. The Company hereby announces as follows the details of the structural reforms and the extraordinary losses recorded in connection with the implementation. The Company also announces a revision of the forecast of business results for the second quarter (cumulative) and a revision of the dividend forecast.

### **1. Structural Reforms of CCFL Business**

#### **(1) Background of and Reasons for Implementation of Structural Reforms of the CCFL Business**

The Company has been challenged with adverse business environment ever since the start of the global recession in the last autumn. The general economic condition, however, hit the bottom during the fourth quarter of the last fiscal year, and has been on the rise since, prompting some of the Company's products to show recovery back to the level recorded in the same period last year or even above. Unfortunately, though, the Company's CCFL products are faced with steep price erosion due to stiff competition from overseas CCFL manufacturers aggressively expanding their market share and the sharp drop of the number of units sold due to the decline of the number of CCFL tubes installed per LCD panel. In addition, the accelerated market penetration of LED backlight systems has brought difficult future to the CCFL business in general. As a result, the profitability of the Company's CCFL business is causing material impact upon the overall financial conditions of the Company and its affiliates as a whole.

Although the Company had reacted by adopting a board resolution for emergency measures in February of this year and implemented such initiatives as wide-ranging headcount reduction, it still forecasts unprecedented difficult situations to continue, such as a sudden fall in market prices far larger than the Company's worst case projections. In order to counter such undesirable situations, the Company deemed it appropriate to aim for early revitalization by implementing structural reforms of the CCFL business.

#### **(2) Overview of Structural Reforms**

##### **(i) Reduction of CCFL production capacity**

The production capacity of CCFLs is reduced to 20 million units per month, a level considered to be appropriate now, from 30 million units per month.

##### **(ii) Reduction of head count**

In response to the reduction of the production capacity above, human resources currently in the CCFL business are deployed elsewhere and placed in either LED production lines or semiconductor production lines. The Company forecasts the headcount of the CCFL business to be reduced by approximately 25%.

##### **(iii) Reduction of fixed and variable costs**

With the reduction of the capacity and the headcount, the Company expects to generate additional fixed cost reduction of 1,600 million yen sequentially in the second half. The Company also expects to capture additional variable cost reduction of 100 million yen sequentially in the second half, by such action as taking outsourced work in-house.

### **2. Recording of Extraordinary Losses**

Since evidences of impairment had been detected of fixed assets such as machinery and equipment, etc., mainly in the CCFL business, and as a result of a review of recoverability of the assets conducted pursuant to the generally accepted accounting standards for such impairment of fixed assets, the Company decided to write off the book value of such assets by 9,700 million yen and will record extraordinary losses during the current second quarter.

As a result of the write-off, the Company discontinues accrual of depreciation expenses for the relevant facilities and expects a reduction in depreciation expenses of approximately 1,400 million yen for the second half.

### 3. Revision of Forecast of Business Results in the Second Quarter (Cumulative)

(1) Revision of Forecast of the Consolidated Business Results in the Second Quarter (Cumulative) for the Period ending March 31, 2010 (from April 1, 2009 to September 30, 2009) (unit: million yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A) (Announced as of August 10, 2009)	63,000	−5,000	−5,400	−5,400
Revised forecast (B)	61,600	−7,700	−8,300	−18,700
Change (B-A)	−1,400	−2,700	−2,900	−13,300
Ratio of Change (%)	−2.2	—	—	—
<Reference> Results in the same period of previous year (Second quarter (cumulative) for fiscal year ending March 31, 2009)	89,730	4,141	3,332	1,925

(2) Revision of Forecast of Non-consolidated Business Results in the Second Quarter (Cumulative) of the Period ending March 31, 2010 (from April 1, 2009 to September 30, 2009) (unit: million yen)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A) (Announced as of May 8, 2009)	47,500	−5,800	−6,500	−6,600
Revised forecast (B)	43,900	−7,700	−8,100	−11,300
Change (B-A)	−3,600	−1,900	−1,600	−4,700
Ratio of Change (%)	−7.6	—	—	—
<Reference> Results in the same period of previous year (Second quarter (cumulative) for fiscal year ending March 31, 2009)	68,561	1,210	950	480

(3) Reasons for the Revision, etc.

Based on a deterioration in profits of the CCFL business and the resulting extraordinary losses from impairment of fixed assets, the forecasts for consolidated and non-consolidated business results for the current second quarter (cumulative) are revised as above. In this regard, we also expect a revision of the forecast of the business results for the full-year and the Company will announce the revision at the time of the announcement of the financial results of the second quarter (cumulative), scheduled on November 4, 2009.

### 4. Revision of Dividend Forecast

(1) Details of the Revision

	Per share dividend		
	End of the Second Quarter (Cumulative)	End of Year	Full-year
Record date			
Previous forecast (August 10, 2009)	3 yen 00 sen	3 yen 00 sen	6 yen 00 sen
Revised forecast	0 yen 00 sen	TBD	TBD
Already paid for the period	-	-	-
Results for the previous period	7 yen 00 sen	3 yen 00 sen	10 yen 00 sen

(2) Reasons for Revision

The Company places the distribution of profit back to our shareholders as one of the most important management policies and would like to pay stable and steady stream of dividends through improvements in our profitability and strengthening of our financial conditions. In connection with the recording of extraordinary losses due to structural reforms of the CCFL business and revision of the forecast of the business results, however, the Company regrettably announces that the payment of the dividend for the second quarter (cumulative) will be suspended. Due to the uncertainties as to the external business environment and the impact on the full-year business results of the extraordinary losses incurred, and the resulting difficulties of making a reasonable calculation at present, the Company holds for the time being the announcement of the year end dividend forecast.

Warning: The forecasts above were prepared on the basis of information available as of the announcement of these materials, and the actual business results, etc., may differ from the forecasted figures due to various factors arising in the future.