

# SANKEN ELECTRIC CO., LTD.

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Fiscal Year:..... April 1 - March 31

URL: ..... <http://www.sanken-ele.co.jp>

## FINANCIAL REPORT

### 1. Financial Performance over the year, April 1, 2001 to March 31, 2002

#### (1) Results of Operations (Yen)

	Net sales (percentage change from previous term)	Operating income (percentage change from previous term)	Ordinary income (percentage change from previous term)
2002	140,088million( -11.7%)	6,833million(-22.4%)	5,128million(-32.4%)
2001	158,710million( 16.2%)	8,807million( 87.3%)	7,585million(223.8%)

	Net income (percentage change from previous term)	Net income per share	Diluted net income per share	Net income to sharehol- ders'equity	Ordinary income to total assets	Ordinary income to net sales
2002	670million(-48.2%)	5.34	-	1.1%	3.1%	3.7%
2001	1,294million( 61.0%)	10.24	9.84	2.1%	4.4%	4.8%

Notes1:Ordinary income : Income before income taxes and extraordinary items

Notes2:Equity in net income/loss non-consolidated subsidiaries and/or affiliates:

-148million yen (2001:37million yen)

Notes3:Average number of shares outstanding { 2002: 125,447,021 }  
{ 2001: 126,404,831 }

Notes4:Change in accounting method in the term : None

#### (2) Financial position (Yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
2002	157,899million	59,958million	38.0%	478.07
2001	175,558million	59,400million	33.8%	472.92

Notes:Number of shares outstanding at the end of the term { 2002: 125,417,164 }  
{ 2001: 125,605,532 }

#### (3) Results of Cash Flows (Yen)

	Net cash provided by operating activities	Net cash used by investing activities	Net cash used by financing activities	Balance of cash and cash equivalents at the end of the term
2002	17,480million	-13,867million	-3,550million	12,350million
2001	4,770million	-11,673million	-6,141million	12,217million

#### (4) Scope of consolidation and application of equity method

Number of consolidated subsidiaries : 18

Number of non-consolidated subsidiaries accounted for by the equity method : 0

Number of affiliates accounted for by the equity method : 1

#### (5) Change in scope of consolidation and application of equity method

Number of companies newly consolidated : 0

Number of companies excluded from the consolidation : 0

Number of companies newly accounted for by the equity method : 0

Number of companies excluded from the accounting by the equity method : 0

### 2. Forecast of Financial Performance, April 1, 2002 to March 31, 2003 (Yen)

	Net sales	Ordinary income	Net income
1st half	72,000million	2,200million	1,000million
Full year	146,000million	6,800million	3,900million

Reference:Expected net income per share 31.09yen by average number of shares outstanding

## **(1) Group Companies**

The Sanken Group consists of Sanken Electric Co., Ltd., 25 subsidiaries and 2 affiliates, primarily producing and selling Semiconductor, Switching Power Supply, Power Supply Equipment and other related products and services. The business lines and roles of the group companies are summarized below.

Division		Maior Products	Company Name
Semi-conductor Division	Semi-conductors	Hybrid IC, Monolithic IC, Hall-effect IC, Transistor, MOSFET, Thyristor, Rectifier diode, Schottky barrier diode, LED lamp, Cold cathode fluorescent lamp	Sanken Electric Co., Ltd. Subsidiaries Ishikawa Sanken Co., Ltd. (Manufacturer) Yamagata Sanken Co., Ltd. (Manufacturer) Kashima Sanken Co., Ltd. (Manufacturer) Fukushima Sanken Co., Ltd. (Manufacturer) Kowa Electric Co., Ltd. (Manufacturer) Allegro MicroSystems, Inc. (Manufacturer) Allegro MicroSystems W.G., Inc. (Manufacturer) Allegro MicroSystems Philippines, Inc. (Manufacturer) Allegro MicroSystems Europe Limited (Sales company) Sanken Electric Singapore Pte. Ltd. (Sales company) Sanken Electric Hong Kong Co., Ltd. (Sales company)
	Switching Power Supplies	Switching power supply Transformer	Sanken Electric Co., Ltd. Subsidiaries Korea Sanken Co., Ltd. (Manufacturer) Sanken Power Systems (UK) Limited (Manufacturer) PT. Sanken Indonesia (Manufacturer) Sanken Transformer Co., Ltd. (Manufacturer) Sanken Transformer (Malaysia) Sdn. Bhd. (Manufacturer) Dalian Sanken Transformer Co., Ltd. (Manufacturer) PT. Sanken Transformer (Indonesia) (Manufacturer) Sanken Transformer (Singapore) Pte. Ltd. (Manufacturer)
Power Supply Equipment Division		UPS AC inverter drive DC power supply High performance airway beacon system Other power supplies	Sanken Electric Co., Ltd. Subsidiaries Sanken Densetsu Co., Ltd. (Power supply sales and installation work)
Others			Subsidiaries Sanken Electric Korea Co., Ltd. (Sales and Technical service) Taiwan Sanken Electric Co., Ltd. (Sales company) Sanken Logistics Co., Ltd. (Logistics) Sanken Techno-Research Co., Ltd. (Technical information service) Sanken Kosan Co., Ltd. (Insurance agency) Affiliates Sanken-Airpax Co., Ltd. (Manufacturer) Sanshin Electric Co., Ltd. (Sales company)

Note: Kowa Electric Co., Ltd. dissolved on March 15, 2002.

## **(2) Management Policy**

### **Basic Management Policy**

Our basic management policies are; establishing ourselves as an enterprise that wins confidence in tiers, emphasizing consolidated business management, pursuing management efficiency and speed, and striking a balance in management between scale and efficiency. We promote each of our business activities based on these policies, with the aim of satisfying our shareholders and all other stakeholders.

### **Profit Sharing Policy**

Our fundamental profit sharing policy holds that return of profit to our shareholders is one of the most important missions of management, and we are committed to ensuring stable, sure return of dividends through the improvement of our earnings potential and enhancement of our financial strength. We are also committed to effectively leveraging our internal reserve for future capital investment, R&D investment, and other activities that will strengthen our corporate structure and expand our businesses.

### **Concept and Policy Concerning the Lowering of Stock Unit for Investment**

With a view to promoting liquidity and encouraging the participation of a broader range of investors in stock markets, we recognize that lowering the stock-investment unit is one of the major issues. Under the present circumstances, however the Company's shares are sufficiently liquid in consideration of the level of share prices, the number of individual investors, etc., and furthermore, lowering the investment unit involves a large cost. Therefore, we intend to deal with this problem carefully, considering future market conditions.

### **Goals of Management Indexes**

The goals of management indexes are to achieve a return on equity (ROE) of 8% or more, and return on assets (ROA) of 6% or more.

### **Mid-term Management Strategies**

We have identified semiconductor operation as our core business. We center our business deployment on semiconductor operation, and focus the investment of our management resources in this field. Meanwhile, we are also committed to speeding up our efforts to enhance fiscal strength of unprofitable operations and improve group management and asset efficiency.

This fiscal year is the second fiscal year of the plan. Our activities and goals in each business segment in the plan are as follows:

#### 1) To aggressively expand semiconductor operation as core business

We are committed to aggressively expand our core businesses. By differentiating technologies such as our BCD process technologies and assembly technologies, we continue to offer high value-added products for such new applications and markets as ever increasing electronic devices for automobiles and white goods (home appliances). We will also introduce new products for existing markets to respond to such market needs as energy efficiency and environmental awareness.

We will also expand and strengthen the relationship with International Rectifier Corporation, a manufacturer of power semiconductors in the United States. Collaboration in the fields of technology, production, and sales and marketing will speed up the development of new products, aggressively develop new markets and efficiently utilize management resources through complementary production.

#### 2) Making profits through synergy effects between semiconductors and switching power supply

Through integration with semiconductor business, we will expand products in the new field of switching power supply. In addition, we are committed to develop motor control board and other products for new markets. We are also committed to reduce labor costs by shifting production base in the optimum locations, and reduce material costs by pursuing local procurement.

### 3) Strengthening customer power supply equipment for demand and working for expansion of sales

We will continue to supply highly reliable electric power systems that support such public infrastructure as information communication and electric power, including large-scale electric power supply equipment and large-scale uninterruptible power supply (UPS). In addition, we will supply small and mid-sized UPS to expand our share in the information technology (IT) market and expand sales of multi-purpose inverters to China and Taiwan. We will also develop and market new products such as hybrid electric power supply for responding to market needs of energy efficiency and environmental awareness.

## Issues for the Company

During the term under review, the electronic industry cooled sharply due to inventory adjustment of IT-related products. In the mid- long-term, however, these industries are expected to expand strongly.

We intend to deploy product strategies for pioneering and expanding new products, markets and applications. We also try to make group-wide efforts to establish efficient, flexible systems for development, production and marketing, as well as to reform non-profitable businesses.

## (3) Operation Results and Financial Status

### Operation Results

#### 1) Overview of the term under review

##### General circumstances

During the term under review, the slowdown of IT-related industries in the U.S., which has been the engine of the global economy, led to lower production accompanying inventory adjustment and restrained capital expenditure. The mood of economic recession thus deepened in Europe as well as Asia, although China had maintained particularly steady growth. The Japanese economy faced a serious recession with the worsening of corporate performance, slowdown of personal consumption, decreases in exports, etc.

The electronic industry to which the Company belongs was affected by the recession, as markets slumped both in Japan and abroad in the areas of audio-visual (AV) and office-automation (OA) equipment, and communications equipment such as mobile phones. Furthermore, restrained private-sector capital expenditure caused a steep decline in demand in industrial equipment markets. At the end of the term under review, signs of recovery appeared, centering on the AV-equipment market. Nevertheless, market remained sluggish overall in the term.

In order to cope with the environment, the Sanken group focused on the development of new products in our strategic market fields of automotive electronic products, and home appliances such as air conditioners, refrigerators and washing machines, as well as the sales expansion thereof. Moreover, we expanded high-value added products based on the Company's original BCD process. We also integrated or abolished production bases, and greatly reduced costs throughout the group to secure sales and profits.

Net sales in the term, however, stood at 140,088 million yen, which was a decrease of 18,622 million yen, or 11.7%, from the previous term.

##### Overview by business segment

##### **Semiconductors**

Sales stood at 97,850 million yen, which was a decrease of 12,332 million yen, or 11.2%, from the previous term.

Sales of hybrid ICs, our major product, were lackluster in the AV/OA equipment and home appliances markets. However, sales of automotive electronic products remained stable, and sales of new products such as digital amplifier ICs helped strengthen sales in this segment. Sales of discrete semiconductors such as diodes and transistors decreased due to inventory adjustment by AV set manufacturers, our primary clients, and an increasing prominence of Chinese-made diodes. Despite our efforts for recovery by pioneering new markets, sales remained difficult. Sales of light-emitting diodes (LEDs) for outdoor display appliances dipped substantially due to inactive domestic demand caused by slowing capital expenditures, followed by a sudden drop in exports to the U.S. after the terrorist attacks in that country. On the other hand, sales of cold cathode fluorescent lamps (CCFLs) rose thanks to greater demand caused by a further switching to liquid crystal PC displays, plus the positive effects of newly launched products.

Sales at Allegro MicroSystems, Inc., our overseas subsidiary covering mainly North America and Europe, weakened

due to sluggish demand for products for OA and industrial equipment, in spite of the growth of automotive electronic products and the contribution made by new products for mobile phones.

### **Switching Power Supply**

Sales totaled 22,873 million yen, a decrease from the previous term of 4,692 million yen, or 17.0%.

Sales of switching power supplies worsened due to weakness in the OA and industrial-equipment markets. Sales of AC adapters were also sluggish due to stagnant demand for PCs and intensified price competition.

We made efforts to pioneer new markets and also to develop new module products in cooperation with our semiconductor technical sector. However, these efforts were not sufficient to enhance the segment's performance in the term under review.

Sales at PT. Sanken Indonesia and Sanken Power Systems (UK) Limited, which are our overseas subsidiaries, declined production substantially because of lower demand of markets.

### **Power Supply Equipment**

Sales stood at 19,364 million yen, a decrease from the previous term of 1,598 million yen, or 7.6%.

During the first half of the term, demand for custom-power supply equipment (i.e. power supply for communications facilities) grew steadily for next-generation mobile phone base stations, but demand declined steeply in the second half of the term. Our marketing efforts successfully secured orders for power supply equipment in the fields of public-investment work, private-sector power supply equipment, better after-sale service systems, etc. However, sales revenues remained approximately the same as the previous term. Sales of general-purpose power supply equipment fell substantially, with sales of uninterrupted power supplies (UPSs), our major product, falling due to stagnant investment in information-related projects as well as severe price competition. Withdrawal from the air-conditioner inverter market because of poor profitability also contributed to the decrease in sales.

### **Dividends for the Term Under Review**

Despite a substantial decline of the Company's performance, payment of an annual dividend of 10 yen per share will be made under the policy of continuing stable dividends.

## **2) Forecasts for the Coming Term**

### **General outlook**

Thanks to solid personal consumption in the U.S., production of IT-related products and inventory adjustment in Asia are showing signs of improvement. Economic recovery both in Japan and abroad point the way to a better future. Nevertheless, the recovery of Japan's economy depends on overseas demand, and a quick recovery of private-sector capital expenditure and personal consumption is not expected due to the prolonged deflation and bad-debt problem, as well as severe employment situations.

We intend to break from the "market-linked" structure, in which the Company's performance is greatly affected by economic fluctuations, to become an effective, flexible, highly profitable enterprise. To create an "independent-growth" structure, we will actively work to expand market share in our areas of strategic priority, strengthen our capability to develop high-value added products, and improve non-profitable businesses.

In order to accomplish this growth strategy, we will steadily implement key measures including the enhancement of marketing capabilities in China and other markets, strict selection of capital expenditures, production consignment to outside makers, and reduction of asset holdings.

For the next term ending March 31, 2003, we forecast sales of 146.0 billion yen, ordinary income of 6.8 billion yen and net income of 3.9 billion yen, on a consolidated basis, and sales of 113.5 billion yen, ordinary income of 5.0 billion yen and net income of 2.7 billion yen, on a non-consolidated basis.

### **Dividends for the coming term**

The Company intends to make a payment of an annual dividend of 10 yen per share, considering the performance forecasts for the next term, etc.

## **Financial Condition**

Cash and cash equivalents at end of the term were 12,350 million yen, approximately the same level as the previous term.

Cash flow provided by operating activities largely increased by 12,710 million yen from the previous term, and amounted to 17,480 million yen. This is due mainly to decreases in inventory assets and sales credits, as well as the accounting for the amount of evaluation of investment securities.

Cash flow used by investing activities was minus 13,867 million yen, a decrease of 2,194 million yen from the previous term. This is due primarily to increases in the expenses concerning investment securities that include the purchase of shares of International Rectifier Corporation (in the U.S.), to which we capitally tied-up.

Cash flow used in financing activities stood at minus 3,550 million yen, an increase of 2,591 million yen from the previous term. During the term under review, we continued to try for debts reduction, but the amount of the reduction was smaller than that of the previous term.

### [Note]

The forecast above is based on information available as of the present time and assumptions we have considered being valid. Please be advised that there are a lot of uncertain factors which could greatly impact actual worldwide performance, including global market conditions, intensive of competition, the adoption of new products and their acceptance or lack thereof, and the impact of market-value accounting.

# CONSOLIDATED BALANCE SHEETS

March 31, 2002 and 2001

Millions of yen

	2002	2001
<b>ASSETS</b>		
Current assets		
Cash and deposits .....	13,391	12,833
Accounts receivable-trade.....	34,407	45,734
Inventories.....	38,998	44,933
Deferred income tax .....	1,567	1,753
Other current assets .....	3,414	3,907
Allowance for doubtful accounts .....	(116)	(96)
Total current assets .....	<u>91,661</u>	<u>109,067</u>
Fixed assets:		
Property, plant and equipment, net:		
Buildings and structures .....	21,120	21,334
Machinery, and automobiles .....	26,201	23,315
Tools, furniture and fixtures .....	2,249	2,365
Land .....	4,370	4,360
Construction in progress .....	1,502	3,145
Property, plant and equipment, net.....	<u>55,444</u>	<u>54,520</u>
Intangible assets:		
Software .....	451	467
Other intangible assets .....	979	873
Total intangible assets .....	<u>1,430</u>	<u>1,341</u>
Investments and other assets:		
Investments in securities .....	5,843	6,959
Deferred income tax .....	1,750	1,930
Other investment and advances .....	1,770	1,739
Allowance for doubtful accounts .....	(2)	(0)
Total investments and other assets.....	<u>9,362</u>	<u>10,629</u>
Total fixed assets .....	<u>66,237</u>	<u>66,491</u>
Total assets.....	<u><u>157,899</u></u>	<u><u>175,558</u></u>

	2002	2001
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Liabilities		
Current liabilities:		
Accounts payable-trade .....	17,978	30,668
Short-term loans .....	13,295	16,464
Current portion of bonds payable .....	9,998	-
Accrued expenses.....	6,225	7,867
Income taxes.....	664	3,664
Deferred income tax .....	58	4
Other current liabilities .....	1,470	2,442
Total current liabilities .....	<u>49,691</u>	<u>61,112</u>
Long-term liabilities:		
Bonds and debentures .....	20,000	20,000
Convertible bonds.....	-	9,999
Machinery, and automobiles .....	20,703	18,045
Deferred income tax .....	17	32
Accrued employees' severance indemnities .....	6,782	6,083
Accrued directors' severance indemnities .....	363	527
Other fixed liabilities .....	160	169
Total long term liabilities .....	<u>48,028</u>	<u>54,856</u>
Total liabilities.....	<u>97,720</u>	<u>115,968</u>
Minority interests .....	<u>220</u>	<u>189</u>
Shareholders' equity		
Capital stock.....	20,881	20,880
Capital surplus .....	21,103	21,103
Retained earnings.....	18,313	18,986
Revaluation difference of securities.....	(125 )	-
Foreign currency translation adjustments.....	(188 )	(1,568 )
Common stock in treasury .....	(26 )	(0 )
Total shareholders' equity .....	<u>59,958</u>	<u>59,400</u>
Total liabilities and shareholders' equity .....	<u><u>157,899</u></u>	<u><u>175,558</u></u>

# CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2002 and 2001

Millions of yen

	2002	2001
Net sales.....	140,088	158,710
Cost of sales .....	112,279	127,202
Gross profit.....	27,808	31,507
Selling, general and administrative expenses .....	20,975	22,700
Operating income .....	6,833	8,807
Non-operating income .....	1,334	2,242
Non-operating expenses.....	3,039	3,463
Ordinary income.....	<u>5,128</u>	<u>7,585</u>
Gain on sales of investments in securities .....	148	604
Government grant .....	67	133
Profit on reversing of provision for doubtful accounts .....	-	165
Other extraordinary income .....	1	15
Total extraordinary income .....	<u>216</u>	<u>918</u>
Loss on disposals of fixed assets .....	196	81
Loss on inventory revaluation .....	491	-
Loss on value of investment securities .....	2,870	-
Difference due to the change in accounting standard for severance indemnities .....	-	5,252
Other extraordinary loss.....	154	246
Total extraordinary loss.....	<u>3,713</u>	<u>5,580</u>
Income before income taxes .....	1,631	2,924
Income taxes .....	829	4,468
Profit on reversing of tax provision.....	(392 )	-
Income tax - deferred .....	475	(2,866 )
Minority interest in consolidated subsidiaries .....	48	27
Net income.....	<u>670</u>	<u>1,294</u>
Balance of retained earnings at beginning.....	<u>18,986</u>	<u>19,420</u>
Total balance of retained earnings at beginning .....	<u>18,986</u>	<u>19,420</u>
Dividends .....	1,254	1,260
Bonuses to directors of the board .....	-	20
Retirement of treasury stock .....	88	447
Decrease in other retained earnings .....	<u>1,342</u>	<u>1,728</u>
Balance of retained earnings at the end of the term .....	<u>18,313</u>	<u>18,986</u>

# STATEMENTS OF CASH FLOWS

Years ended March 31, 2002 and 2001

Millions of yen

	2002	2001
<b>I Operating activities</b>		
1. Income before income taxes .....	1,631	2,924
2. Depreciation expenses .....	11,027	10,238
3. Amortization of consolidation adjustment .....	-	454
4. Reserve for doubtful accounts .....	15	(207 )
5. Increase in retirement allowance .....	684	5,420
6. Interest income and dividends received .....	(178 )	(298 )
7. Interest paid.....	1,828	1,992
8. Profits on sale of investment securities .....	(148 )	(604 )
9. Loss on value of investment securities .....	2,870	-
10. Receivable - trade .....	11,917	(3,652 )
11. Inventories - trade.....	7,320	(8,109 )
12. Payable - trade .....	(13,471 )	(281 )
13. Others .....	(850 )	1,477
14. Interest and dividend earned .....	117	330
15. Interest paid.....	(1,826 )	(2,005 )
16. Corporate income tax .....	(3,456 )	(2,908 )
Net cash provided by operating activities	<u>17,480</u>	<u>4,770</u>
<b>II Investing activities</b>		
1. Expenditure from acquisition of tangible fixed assets .....	(12,018 )	(12,636 )
2. Proceeds on sale of tangible fixed assets .....	90	131
3. Expenditure from acquisition of investments securities .....	(2,633 )	(16 )
4. Proceeds on sale of securities .....	637	835
5. Expenditure of loan .....	(183 )	(196 )
6. Proceeds from collection of loan .....	197	207
7. Others .....	42	1
Net cash used by investing activities	<u>(13,867 )</u>	<u>(11,673 )</u>
<b>III Financing activities</b>		
1. Short-term loan .....	(4,687 )	(2,966 )
2. Proceeds from long-term loan .....	6,667	7,640
3. Expenditure from pepayment of long-term loan .....	(4,140 )	(9,081 )
4. Treasury stock transactions .....	33	-
5. Expenditure from acquisition of treasury stock .....	(147 )	(447 )
6. Cash dividend payment .....	(1,254 )	(1,260 )
7. Cash dividend payment for minority shareholders .....	(21 )	(26 )
Net cash flows used by financing activities	<u>(3,550 )</u>	<u>(6,141 )</u>
IV Exchange gain or loss on cash and cash equivalents	<u>69</u>	<u>248</u>
V Net increase (decrease) in cash and cash equivalents	<u>132</u>	<u>(12,796 )</u>
VI Cash and cash equivalents at the beginning of the Term	<u>12,217</u>	<u>25,014</u>
VII Cash and cash equivalents at the end of the Term	<u>12,350</u>	<u>12,217</u>

#### **(4) Segment Information**

##### 1. Business segment information

This Term (April 1, 2001 to March 31, 2002)

Millions of yen

	Semicon- ductors	Switching Power Supplies	Power Supply Equipment	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	97,850	22,873	19,364	140,088	-	140,088
(2) Intersegment	101	14	-	115	(115)	-
Total	97,951	22,887	19,364	140,203	(115)	140,088
Operating expenses	87,905	24,258	18,768	130,931	2,323	133,254
Operating income	10,046	(1,370)	595	9,272	(2,438)	6,833
Assets	96,383	29,198	12,105	137,687	20,211	157,899
Depreciation	9,773	881	242	10,897	129	11,027
Capital Expenditures	10,181	661	228	11,071	8	11,079

Previous Term (April 1, 2000 to March 31, 2001)

Millions of yen

	Semicon- ductors	Switching Power Supplies	Power Supply Equipment	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Sales to third parties	110,182	27,565	20,962	158,710	-	158,710
Macl (2) Intersegment sales	338	275	-	613	(613)	-
Total	110,521	27,840	20,962	159,324	(613)	158,710
Operating expenses	97,898	29,100	21,209	148,208	1,694	149,902
Operating income	12,623	(1,260)	(247)	11,115	(2,307)	8,807
Assets	102,492	34,592	17,017	154,102	21,456	175,558
Depreciation	9,161	714	261	10,137	100	10,238
Capital Expenditures	11,387	1,533	196	13,117	9	13,126

## 2. Operating revenues by geographic area

This Term (April 1, 2001 to March 31, 2002)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	98,203	15,473	15,192	11,218	140,088	-	140,088
(2) Intersegment	11,622	11,553	10,629	215	34,021	(34,021)	-
Total	109,826	27,027	25,821	11,434	174,109	(34,021)	140,088
Operating expenses	103,218	26,108	24,904	11,123	165,355	(32,100)	133,254
Operating income	6,608	918	916	310	8,754	(1,920)	6,833
Assets	102,312	17,842	23,354	4,800	148,309	9,589	157,899

Previous Term (April 1, 2000 to March 31, 2001)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	116,441	13,446	16,696	12,126	158,710	-	158,710
(2) Intersegment	13,530	16,535	10,778	628	41,473	(41,473)	-
Total	129,971	29,982	27,475	12,755	200,184	(41,473)	158,710
Operating expenses	121,079	28,744	26,332	12,415	188,571	(38,668)	149,902
Mac Operating income	8,892	1,237	1,142	339	11,612	(2,805)	8,807
Assets	122,494	17,006	21,547	4,985	166,032	9,526	175,558

Notes 1: Classification of the country or region is based on geographic proximity.

2: Major countries and regions belonging to the categories outside Japan:

(1) Asia: South Korea, China, Philippines, Singapore, Malaysia, Indonesia

(2) North America: U.S.A.

(3) Europe: U.K.

## 3. Overseas Sales

This Term (April 1, 2001 to March 31, 2002)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	43,305	11,067	11,509	220	66,103
Consolidated sales					140,088
Ratio of overseas sales to consolidated sales (%)	30.9	7.9	8.2	0.2	47.2

Previous Term (April 1, 2000 to March 31, 2001)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	43,075	14,073	12,462	340	69,952
Consolidated sales					158,710
Ratio of overseas sales to consolidated sales (%)	27.1	8.9	7.9	0.2	44.1

Notes 1: Classification of the country or region is based on geographic proximity.

2: Major countries and regions belonging to the categories:

(1) Asia: South Korea, Hong Kong, Taiwan

(2) North America: U.S.A. , Mexico

(3) Europe: U.K. , Germany

(4) Other Regions: Australia, Brazil

3: Overseas sales are sales in countries and regions outside Japan by Sanken and its subsidiaries.