

# Consolidated Financial Results for the Quarter ended June 30, 2003

## SANKEN ELECTRIC CO., LTD.

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### 1. Items relevant to preparation of quarterly consolidated financial results

- (1) Differences in the method of recognition between the accounting treatments applied here and those for the most recent consolidated full-year financial statement : Yes
- Standards used for preparing financial statements : The regulations covering interim consolidated financial statements
  - Income tax reporting standard : Based on the simplified method
- (2) Changes in scope of consolidation and application of equity method : None

### 2. Financial results for the quarter ended June 30, 2003

#### (1) Consolidated results of operations (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
1st Quarter, FY 2003	34,550	1,726	1,360	663
Full year, FY 2002	146,070	10,491	7,188	4,002

	Net income per share	Fully diluted net income per share
1st Quarter, FY 2003	5.45 yen	-
Full year, FY 2002	31.96 yen	29.96 yen

Note : Figures for the 1st quarter of fiscal 2002 are not available. As such, corresponding period comparisons are not provided.

#### Qualitative information with respect to the consolidated operating results

The consolidated business results of the first quarter recorded net sales of 34,550 million yen, operating profits of 1,726 million yen, current profits of 1,360 million yen and net profit of 663 million yen, achieving close to the level expected in our forecast announced in May of this year.

As for segment-by-segment analysis, net sales of semiconductor related business amounted to 31,980 million yen, of which semiconductor products posted net sales of 26,222 million yen, showing steady results as a whole, which were brought about by the fact that although net sales of products for Audio/Visual appliances saw sluggish growth, net sales of CCFLs mainly for LCD TV sets expanded and net sales of products for office automation equipment grew at one of the subsidiaries, Allegro Microsystems Inc. Sales of SMPS products amounted to 5,758 million yen, showing continued favorable results contributed by net sales of AC adaptors for note PCs. Power Supply Equipment related business posted sales of 2,569 million yen, still showing no sign of recovery in both custom-made power units and multipurpose compact power units such as

#### (2) Consolidated financial position (Millions of yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
1st Quarter, FY 2003	144,957	59,436	41.0 %	487.70 yen
Full year, FY 2002	148,745	58,251	39.2 %	477.46 yen

Note : Figures for the 1st quarter of fiscal 2002 are not available.

[Consolidated results of cash flows]

(Millions of 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 quarter
1st Quarter, FY 2003	912	-1,575	-3,129	12,761
Full year, FY 2002	24,621	-4,266	-15,578	16,410

Note : Figures for the 1st quarter of fiscal 2002 are not available.

**Qualitative information with respect to the consolidated financial position**

Cash and cash equivalents as of the end of the first quarter amounted to 12,761 million yen.

Cash flow from operating activities amounted to 912 million yen despite the payment of corporate taxes.

Cash flow from investing activities reached 1,575 million yen due to payments in connection to capital investment.

Cash flow from financial activities came to 3,129 million yen due to continued repayment of interest-bearing debts and payment of dividends.

(Reference only) Non-consolidated results of operations

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
1st Quarter, FY 2003	26,329	1,004	841	466

	Total assets	Shareholders' equity
1st Quarter, FY 2003	14,807	60,106

**3. Forecast of consolidated financial results for the entire fiscal year 2003**

With regard to the forecast for the interim and full fiscal year, there is no change in the forecast figures announced on May 15, 2003 for both consolidated and non-consolidated business results.

**Note for the use of our forecasted business results**

The forecast described above is based upon information available as of the present time and assumptions we considered valid. Please be advised that there is a host of uncertain factors that could greatly impact actual performance, including global market conditions, competitive environment, the introduction of new products and their acceptance or lack thereof, fluctuations in foreign exchange rates, and the impact of fair-market-value accounting.

# CONSOLIDATED BALANCE SHEETS(SUMMARY)

Millions of yen

	June 30 2003	March 31 2003
<b>Assets</b>		
Current assets:		
Cash and deposits .....	12,948	16,596
Notes and accounts receivable .....	34,846	35,099
Inventories .....	33,243	32,647
Other current assets .....	6,247	6,408
Total current assets .....	<u>87,286</u>	<u>90,752</u>
Fixed assets:		
Property, plant and equipment, net .....	47,805	48,563
Intangible assets .....	1,748	1,396
Investments and other assets .....	8,116	8,032
Total fixed assets .....	<u>57,671</u>	<u>57,992</u>
 Total assets .....	 <u>144,957</u>	 <u>148,745</u>
<b>Liabilities</b>		
Current liabilities:		
Notes and accounts payable .....	19,335	19,872
Short-term bank loans .....	11,074	10,804
Straight Bonds Current Portion .....	20,000	10,000
Commercial Paper .....	6,000	7,000
Other current liabilities .....	9,348	11,445
Total current liabilities .....	<u>65,757</u>	<u>59,121</u>
Long-term liabilities:		
Bonds and debentures .....	-	10,000
Long-term debt .....	12,028	13,933
Other long-term liabilities .....	7,577	7,261
Total long-term liabilities .....	<u>19,605</u>	<u>31,194</u>
Total liabilities .....	<u>85,363</u>	<u>90,316</u>
 Minority interests .....	 <u>158</u>	 <u>177</u>
<b>Shareholders' equity</b>		
Capital stock.....	20,896	20,896
Capital surplus .....	21,167	21,167
Retained earnings.....	21,666	21,002
Unrealized loss on securities.....	268	(105 )
Translation adjustments.....	(1,334 )	(1,506 )
Treasury stock.....	(3,228 )	(3,201 )
Total shareholders' equity.....	<u>59,436</u>	<u>58,251</u>
 Total liabilities and shareholders' equity.....	 <u>144,957</u>	 <u>148,745</u>

# CONSOLIDATED STATEMENTS OF INCOME(SUMMARY)

Millions of yen

	<b>1st Quarter FY 2003</b>	FY 2002
Net sales.....	<b>34,550</b>	146,070
Cost of sales .....	<b>27,265</b>	114,404
Gross profit.....	<b>7,284</b>	31,666
Selling, general and administrative expenses .....	<b>5,557</b>	21,174
Operating income .....	<b>1,726</b>	10,491
Non-operating income.....	<b>257</b>	677
Non-operating expenses.....	<b>623</b>	3,980
Ordinary income.....	<b>1,360</b>	7,188
Extraordinary income .....	<b>12</b>	911
Extraordinary loss.....	<b>22</b>	2,527
Income before income taxes , minority interests .....	<b>1,351</b>	5,572
Income taxes .....	<b>686</b>	1,538
Minority interest in consolidated subsidiaries .....	<b>1</b>	31
Net income.....	<b>663</b>	4,002

# STATEMENTS OF CASH FLOWS(SUMMARY)

Millions of yen

	1st Quarter FY 2003	FY 2002
Operating activities		
Income before income taxes and minority interests in earnings of affiliates .....	1,351	5,572
Depreciation and amortization .....	2,169	9,939
Decrease (increase) in notes and accounts receivable .....	288	(894 )
(Increase) decrease in inventories .....	(561 )	4,723
(Increase) decrease in notes and accounts payable .....	(581 )	3,788
Other .....	404	553
Income taxes paid .....	(2,160 )	(940 )
Net cash provided by operating activities	<u>912</u>	<u>24,621</u>
Investing activities		
Purchases of property , plant and equipment .....	(1,668 )	(6,013 )
Proceeds from sales of property , plant and equipment .....	60	1,952
Purchases of investment securities .....	(5 )	(11 )
Proceeds from sales of investment securities .....	1	21
Expenditure of loan .....	(1 )	(204 )
Proceeds from collection of loan .....	10	220
Other .....	28	(231 )
Net cash used by investing activities	<u>(1,575 )</u>	<u>(4,266 )</u>
Financing activities		
Increase (decrease) in short-term bank loans .....	1,198	(1,924 )
(Decrease) increase in Commercial Paper.....	(1,000 )	7,000
Proceeds from issuance of long-term bank loans .....	0	2,836
Repayment of long-term debt .....	(2,698 )	(8,092 )
Redemption of Convertible Bonds.....	0	(9,967 )
Redemption of treasury stock .....	(26 )	(4,133 )
Cash dividends paid .....	(547 )	(1,243 )
Dividends paid to minority interests .....	(55 )	(53 )
Net cash used in financing activities	<u>(3,129 )</u>	<u>(15,578 )</u>
Effect of exchange rate changes on cash and cash equivalents	<u>144</u>	<u>(418 )</u>
Net (decrease) increase in cash and cash equivalents	<u>(3,649 )</u>	<u>4,358</u>
Cash and cash equivalents at beginning of the term	<u>16,410</u>	<u>12,350</u>
Decrease of beginning cash and cash equivalents balance due to change of fiscal period of a subsidiary .....	<u>-</u>	<u>(298 )</u>
Cash and cash equivalents at end of term	<u>12,761</u>	<u>16,410</u>

## Segment Information

### 1. Segment information by business

This Term (April 1, 2003 to June 30, 2003)

Millions of yen

	Semicon- ductors	Power Supply Units	Power Supply Equipmen	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	26,222	5,758	2,569	34,550	-	34,550
(2) Intersegment	4	13	-	18	(18)	-
Total	26,227	5,771	2,569	34,568	(18)	34,550
Operating expenses	23,170	6,249	2,744	32,163	659	32,823
Operating income	3,057	(477)	(174)	2,404	(677)	1,726

Previous Term (April 1, 2002 to March 31, 2003)

Millions of yen

	Semicon- ductors	Power Supply Units	Power Supply Equipmen	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	106,622	24,716	14,731	146,070	-	146,070
(2) Intersegment	167	23	-	191	(191)	-
Total	106,790	24,739	14,731	146,261	(191)	146,070
Operating expenses	93,159	25,391	14,728	133,279	2,299	135,578
Operating income	13,630	(651)	3	12,982	(2,490)	10,491

### 2. Segment information by geographic area

This Term (April 1, 2003 to June 30, 2003)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	24,081	3,606	3,896	2,964	34,550	-	34,550
(2) Intersegment	2,499	3,585	3,141	136	9,361	(9,361)	-
Total	26,580	7,191	7,038	3,101	43,911	(9,361)	34,550
Operating expenses	25,099	7,090	6,409	3,011	41,611	(8,787)	32,823
Operating income	1,481	101	628	89	2,300	(574)	1,726

Previous Term (April 1, 2002 to March 31, 2003)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	101,492	17,523	15,940	11,113	146,070	-	146,070
(2) Intersegment	12,152	12,488	10,520	77	35,239	(35,239)	-
Total	113,645	30,012	26,461	11,190	181,309	(35,239)	146,070
Operating expenses	102,422	29,054	25,065	11,048	167,590	(32,011)	135,578
Operating income	11,223	958	1,395	141	13,718	(3,227)	10,491

### 3.Overseas Sales

This Term (April 1, 2003 to June 30, 2003)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	11,431	2,693	2,973	36	17,134
Consolidated sales					34,550
Ratio of overseas sales to consolidated sales (%)	33.1	7.8	8.6	0.1	49.6

Previous Term (April 1, 2002 to March 31, 2003)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	53,004	9,681	12,087	300	75,074
Consolidated sales					146,070
Ratio of overseas sales to consolidated sales (%)	36.3	6.6	8.3	0.2	51.4