

FY 2009 First Quarter Consolidated Financial Results

(April 1, 2009 to June 30, 2009)

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1. Financial Results for the three months ended June 30, 2009

(1) Consolidated Results of Operations (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Three months ended Jun.30,2009	27,110 (-38.2%)	-5,840 -	-6,277 -	-6,457 -
Three months ended Jun.30,2008	43,869 -	1,003 -	699 -	234 -

	Net income per share	Diluted net income per share
Three months ended Jun.30,2009	-53.17 yen	-
Three months ended Jun.30,2008	1.93 yen	1.32 yen

Note: Indication of percentages show the ratio of increase or decrease from the first quarter of the previous year.

(2) Consolidated Financial Position (Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of June 30, 2009	142,528	51,223	35.6 %	417.57 yen
FY 2008	147,768	57,818	38.8 %	471.98 yen

(Reference) Shareholders' equity: Jun./2009: 50,713million yen(Mar./2009: 57,325million yen)

2. Dividend Information

(Record date)	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal-year-end	Annual
FY 2008	-	7.00yen	-	3.00yen	10.00yen
FY 2009	-				
FY 2009 (forecast)		3.00yen	-	3.00yen	6.00yen

Note: Change of the forecast in the first quarter of the fiscal year ended March 31, 2010: No

3. FY 2009 Consolidated Financial Forecast (April 1, 2009 to March 31, 2010) (Millions of Yen)

	Net sales (percentage change from the previous year)	Operating income (percentage change from the previous year)	Ordinary income (percentage change from the previous year)	Net income (percentage change from the previous year)	Net income per share
1st half	63,000 (-29.8%)	-5,000 -	-5,400 -	-5,400 -	-44.45yen
Full year	141,000 (-4.1%)	800 -	0 -	0 -	0.00yen

Note: Change of the forecast in the first quarter of the fiscal year ended March 31, 2010: No

4. Other

- (1) Changes in significant subsidiaries during the period (changes in particular subsidiaries accompanying the change in scope of consolidation): No
- (2) Application of Simplified Accounting and the accounting method particular to Preparation of Quarterly Consolidated Financial statements: Yes

Note: For details, refer to page 4 [Qualitative Information and Financial Statements, etc.] 4. Other.

- (3) Changes in principles, procedures and representation method, etc., of accounting concerning preparation of quarterly consolidated financial statements (those to be stated in the changes of the underlying material matters for preparation of quarterly consolidated financial statements)
 - (a) Changes in connection with the accounting standards, etc. : No
 - (b) Changes other than (a) : Yes

Note: For details, refer to page 4 [Qualitative Information and Financial Statements, etc.] 4. Other.

- (4) Number of shares outstanding (common stock)
 - Number of shares outstanding at the end of the period (including treasury stock)
Jun./2009: 125,490,302 (Mar./2009: 125,490,302)
 - Number of treasury stocks at the end of the period
Jun./2009: 4,040,278 (Mar./2009: 4,033,630)
 - Average number of shares outstanding during the period
Jun./2009: 121,453,852 (Jun./2008: 121,491,148)

*** Explanation for appropriate use of the Financial Forecast and other matters to be noted**

1. With regard to the forecast for this fiscal year, there is no change in the forecast figures announced on May 9, 2008 for consolidated business results.

2. 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.

[Qualitative Information and Financial Statements, etc.]

1. QUALITATIVE INFORMATION OF CONSOLIDATED OPERATING RESULTS

In the electronics industry for the current first quarter consolidated fiscal period, severe conditions have continued under a global recession that began last autumn, although some markets have shown signs of recovery due to the impact of the home appliance subsidy policy in China and the eco-point system in Japan. The economy remains sluggish, however, as compared to the level of the same period in the previous year. In addition, as the stronger yen trend continues, the environment surrounding the Company group continues not to allow for a sense of optimism. Under such circumstances, the Company group has continued to carry out since last year management streamlining measures to recover business results and has also made efforts at reform toward “management focusing on a breakeven point” in order to respond to such severe market conditions. Further, we have made our best efforts at recovering business results by making positive efforts in the development of new products, focusing attention on “ecology and energy savings.” As a result, orders received have recovered, after bottoming out in January, and this trend has continued since April. Recovery still remains at a 70% level as a whole, and also due to the impact of difficulties in procurement of materials and component parts for some products, for the business results in the current first quarter consolidated fiscal period, net sales were 27,110 million yen, a decrease of 38.2% as compared to the same period in the previous year and for income, operating loss of 5,840 million yen, ordinary loss of 6,277 million yen and quarterly net loss of 6,457 million yen were recorded.

Overview by segment is as follows.

Out of the semiconductor business, for semiconductor device products, due to the expansion of the share in products for flat-panel TVs and the favorable progress in products responding to “ecology and energy savings,” for which the Company has strengthened its efforts, recovery of orders received for products for AVs and white goods improved. For automotive and OA and industrial machinery markets, as demand for consumption and capital investment still remains sluggish, recovery progressed slowly. For CCFL products, with the worst period behind us, mainly LCD TVs smaller than 32 inches made a great recovery. In addition to the continued sluggish market for large model products of over 40 inches, as unit prices continued to drop, we were forced to endure very severe conditions. As a result, net sales from the business of semiconductor devices and CCFLs combined were 19,435 million yen, a large decrease of 16,235 million yen (45.5%) as compared to the same period in the previous year and we had to record an operating loss of 4,585 million yen.

For the PM business, sales have progressed favorably as orders received for products for LCD TVs increased as compared to the same period in the previous year by expansion of market share, but due to a drop in the products for OA equipment, net sales were 5,056 million yen, a decrease of 263 million yen (5.0%) as compared to the same period in the previous year and an operating loss of 516 million yen was recorded.

For the PS business, while market fluctuations for mobile phone base station power supplies were insignificant in Japan, as sales in China continued to be sluggish, net sales were 2,618 million yen, a decrease of 259 million yen (9.0%) as compared to the same period in the previous year and an operating loss of 141 million yen was recorded.

2. QUALITATIVE INFORMATION OF CONSOLIDATED FINANCIAL POSITION

1) Status of Assets, Liabilities and Net Assets

Total assets at the end of the current first quarter consolidated fiscal period were 142,528 million yen, a decrease of 5,240 million yen from the end of the previous consolidated fiscal period. This was mainly due to a decrease in merchandise and finished goods of 1,390 million yen, work in process of 493 million yen, raw materials and supplies of 618 million yen and machinery, equipment and vehicles of 1,702 million yen.

Liabilities were 91,304 million yen, an increase of 1,354 million yen from the end of the previous consolidated fiscal period. This was mainly due to an increase in long-term loans payable of 4,965 million yen and a decrease in notes and notes and accounts payable-trade of 1,784 million yen.

Net assets were 51,223 million yen, a decrease of 6,595 million yen from the end of the previous consolidated fiscal period. This was mainly due to a decrease in retained earnings of 6,663 million yen.

2) Status of Cash Flow

Balance of cash and cash equivalents at the end of the current first quarter consolidated fiscal period was 13,042 million yen, an increase of 150 million yen as compared to the end of the previous consolidated fiscal period.

Net cash used in operating activities was 2,148 million yen, a decrease of 9,120 million yen as compared to the same period in the previous year. This was mainly due to loss before income taxes and minority interests, etc.

Net cash used in investing activities was 845 million yen, a decrease of 1,929 million yen as compared to the same period in the previous year. This was mainly due to a decrease in cash outflow by acquisition of tangible fixed assets.

Net cash provided by financing activities was 2,791 million yen, an increase of 4,328 million yen as compared to the same period in the previous year. This was mainly due to an increase of long-term loans payable.

3. QUALITATIVE INFORMATION OF CONSOLIDATED FINANCIAL FORECAST

Although market conditions are expected to further recover toward the second half, the specific time frame is still uncertain. Under such circumstances, by focusing on not only the markets of digital home appliances and automobiles but also such new markets related to ecology and energy savings, we will achieve the forecast of consolidated and non-consolidated business results for the full-year, announced on May 8, 2009.

4. OTHER

(1) Changes in significant subsidiaries during the year (changes in particular subsidiaries accompanying the change in scope of consolidation)

There is no pertinent matter.

(2) Application of Simplified Accounting and the accounting method particular to Preparation of Quarterly Consolidated Financial Statements

1) Calculation Method of Estimation of Bad Debts of General Credits

As it is recognized that there is no significant change in the actual doubtful debts ratio, etc., at the end of the current first quarter consolidated fiscal period from the calculation at the end of the previous consolidated fiscal period, estimate of doubtful debts is calculated by using the actual doubtful debts ratio at the end of the previous consolidated fiscal period.

2) Calculation Method of Deferred Tax Assets and Deferred Tax Liabilities

In determining the recoverability of deferred tax assets, as it is recognized that there is no significant change in the business environment and accrual status of temporary difference, etc., since the end of the previous consolidated fiscal period, we used the forecast of business results and tax planning in the future which were used in the previous consolidated fiscal period.

3) Calculation of Tax Expense

We adopted the method which reasonably estimates the effective tax rate after applying tax effect accounting to net income before tax in the current consolidated fiscal year, and calculates by multiplying the quarterly net income before tax by the said estimated effective tax rate.

However, that if it will be significantly unreasonable where tax expenses are calculated by using the said estimated effective tax rate, statutory effective tax rate is used.

Deferred income tax is included in income taxes.

(3) Changes in Principles, Procedures and Indication Method of Accounting concerning Preparation of Quarterly Consolidated Financial Statements

Change of Representation Method

(Consolidated Income Statement)

“Depreciation of inactive noncurrent assets” (20 million yen in the previous first quarter consolidated accumulated fiscal period), which was included in “Miscellaneous loss” of Non-operating expenses for the previous first quarter consolidated accumulated fiscal period was changed to be separately posted from the current first quarter consolidated accumulated fiscal period as it exceeded 20/100 of the total non-operating expenses.

(Consolidated Cash Flow Statement)

“Repayments of finance lease obligations” (12 million yen in the previous first quarter consolidated accumulated fiscal period), which was included in “Repayment of long-term loans payable” of cash flow from financing activities in the previous first quarter consolidated accumulated fiscal period was changed to be separately posted from the current first quarter consolidated accumulated fiscal period as its significance increased.

5. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(1) Quarterly Consolidated Balance Sheets

	Millions of yen	
	June 30 2009	March 31 2009 (Summary)
ASSETS		
Current assets		
Cash and deposits	13,279	13,069
Notes and accounts receivable-trade	24,000	23,111
Merchandise and finished goods	13,694	15,085
Work in process	16,028	16,522
Raw materials and supplies	10,609	11,227
Deferred tax assets	103	226
Other	2,847	3,890
Allowance for doubtful accounts	(225)	(233)
Total current assets	80,337	82,900
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,676	19,077
Machinery, equipment and vehicles, net	27,888	29,590
Tools, furniture and fixtures, net	1,297	1,377
Land	4,486	4,502
Lease assets, net	110	87
Construction in progress	3,559	3,864
Total property, plant and equipment	56,017	58,501
Intangible assets		
Software	264	289
Other	695	700
Total intangible assets	959	990
Investments and other assets		
Investment securities	2,114	2,010
Deferred tax assets	136	126
Other	3,213	3,490
Allowance for doubtful accounts	(250)	(250)
Total investments and other assets	5,213	5,376
Total noncurrent assets	62,190	64,868
Total assets	142,528	147,768

	June 30 2009	March 31 2009 (Summary)
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,455	16,240
Short-term loans payable	18,561	19,590
Commercial papers	15,000	16,000
Income taxes payable	167	398
Deferred tax liabilities	54	19
Provision for directors' bonuses	7	—
Provision for business structure reform	525	492
Accrued expenses	7,356	7,100
Other	1,157	1,237
Total current liabilities	57,286	61,078
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	9,178	4,212
Deferred tax liabilities	1,221	1,123
Provision for retirement benefits	2,922	2,798
Provision for directors' retirement benefits	37	156
Other	658	580
Total noncurrent liabilities	34,018	28,871
Total liabilities	91,304	89,950
Net assets		
Shareholders' equity		
Capital stock	20,896	20,896
Capital surplus	21,249	21,249
Retained earnings	18,035	24,699
Treasury stock	(3,886)	(3,885)
Total shareholders' equity	56,294	62,960
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	126	19
Foreign currency translation adjustment	(5,707)	(5,655)
Total valuation and translation adjustments	(5,581)	(5,635)
Subscription rights to shares	264	253
Minority interests	245	239
Total net assets	51,223	57,818
Total liabilities and net assets	142,528	147,768

(2) Quarterly Consolidated Statements of Income

Millions of yen

	Three months ended Jun.30,2008	Three months ended Jun.30,2009
Net sales	43,869	27,110
Cost of sales	36,323	27,512
Gross profit (loss)	7,545	(402)
Selling, general and administrative expenses	6,542	5,437
Operating income (loss)	1,003	(5,840)
Non-operating income		
Interest income	25	7
Dividends income	18	14
Foreign exchange gains	33	—
The government subsidy for employment adjustment	—	137
Rent income on facilities	6	—
Gain on forgiveness of consumption taxes	131	—
Miscellaneous income	46	127
Total non-operating income	261	287
Non-operating expenses		
Interest expenses	157	200
Compensation expense	280	5
Depreciation of inactive noncurrent assets	—	240
Foreign exchange losses	—	182
Miscellaneous loss	127	95
Total non-operating expenses	566	724
Ordinary income (loss)	699	(6,277)
Extraordinary income		
Gain on sales of noncurrent assets	—	0
Total extraordinary income	—	0
Extraordinary loss		
Loss on retirement of noncurrent assets	82	54
Impairment loss	—	4
Loss on disaster	60	—
Special retirement expenses	—	12
Other	0	—
Total extraordinary losses	143	71
Income (loss) before income taxes and minority interests	555	(6,348)
Income taxes	310	138
Minority interests in income (loss)	10	(29)
Net income (loss)	234	(6,457)

(3) Quarterly Consolidated Statements of Cash Flows

Millions of yen

	Three months ended Jun.30,2008	Three months ended Jun.30,2009
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	555	(6,348)
Depreciation and amortization	3,270	2,773
Impairment loss	—	4
Increase (decrease) in allowance for doubtful accounts	(20)	(3)
Increase (decrease) in provision for retirement benefits	(72)	359
Interest and dividends income	(44)	(22)
Interest expenses	157	200
Decrease (increase) in notes and accounts receivable-trade	1,583	(942)
Decrease (increase) in inventories	(216)	2,320
Increase (decrease) in notes and accounts payable-trade	(1,193)	(1,561)
Other, net	3,392	1,475
Subtotal	7,411	(1,744)
Interest and dividends income received	(44)	22
Interest expenses paid	(134)	(122)
Income taxes paid	(350)	(303)
Net cash provided by (used in) operating activities	(6,971)	(2,148)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,314)	(761)
Proceeds from sales of property, plant and equipment	18	46
Purchase of intangible assets	(108)	(25)
Purchase of investment securities	(29)	—
Payments of loans receivable	(745)	(0)
Collection of loans receivable	673	4
Other, net	(268)	(108)
Net cash provided by (used in) investing activities	(2,774)	(845)
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	(801)	(899)
Increase (decrease) in commercial papers	—	(1,000)
Repayments of finance lease obligations	—	(19)
Proceeds from long-term loans payable	126	5,000
Repayment of long-term loans payable	(196)	—
Proceeds from sales of treasury stock	0	0
Purchase of treasury stock	(2)	(2)
Cash dividends paid	(663)	(286)
Net cash provided by (used in) financing activities	(1,537)	2,791
Effect of exchange rate change on cash and cash equivalents	(317)	269
Net increase (decrease) in cash and cash equivalents	2,342	67
Cash and cash equivalents at beginning of period	9,543	12,891
Increase in cash and cash equivalents from newly consolidated subsidiary	0	82
Cash and cash equivalents at end of period	11,886	13,042

(4) Notes on premise of Going Concern

none

(5) Segment information

[Segment information by business]

Three months ended Jun.30,2008

Millions of yen

	Semicon- ductors	PM	PS	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	35,670	5,320	2,878	43,869	-	43,869
(2) Intersegment	425	17	0	443	(443)	-
Total	36,095	5,338	2,878	44,312	(443)	43,869
Operating income (loss)	1,834	(323)	124	1,634	(631)	1,003

Three months ended Jun.30,2009

Millions of yen

	Semicon- ductors	PM	PS	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	19,435	5,056	2,618	27,110	-	27,110
(2) Intersegment	690	75	0	766	(766)	-
Total	20,125	5,132	2,618	27,876	(766)	27,110
Operating income (loss)	(4,585)	(516)	(141)	(5,242)	(597)	(5,840)

[Segment information by geographic area]

Three months ended Jun.30,2008

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	30,728	4,517	5,518	3,104	43,869	-	43,869
(2) Intersegment	3,320	6,247	4,780	0	14,348	(14,348)	-
Total	34,048	10,765	10,298	3,104	58,217	(14,348)	43,869
Operating income	333	278	665	76	1,353	(350)	1,003

Three months ended Jun.30,2009

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	17,447	4,565	3,530	1,566	27,110	-	27,110
(2) Intersegment	2,188	3,637	2,777	2	8,606	(8,606)	-
Total	19,636	8,202	6,308	1,568	35,716	(8,606)	27,110
Operating income	(5,312)	67	(290)	9	(5,525)	(315)	(5,840)

[Overseas Sales]

Three months ended Jun.30,2008

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	17,561	3,464	3,105	3	24,134
Consolidated sales					43,869
Ratio of overseas sales to consolidated	40.0	7.9	7.1	0.0	55.0

Three months ended Jun.30,2009

Millions of yen

	Asia	North America	Europe	Total
Overseas sales	11,542	2,026	2,084	15,652
Consolidated sales				27,110
Ratio of overseas sales to consolidated	42.6	7.4	7.7	57.7

(6) Notes on significant changes in the amount of shareholders' equity

Three months ended Jun.30,2009

Millions of yen

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2008	20,896	21,249	24,699	(3,885)	62,960
Changes of items during the period:					
Distribution of retained earnings			(364)		(364)
Net income			(6,457)		(6,457)
Redemption of treasury stock				(2)	(2)
Disposal of treasury stock		(0)		0	0
Resulting from increase in number of consolidated subsidiaries			158		158
Total changes of items	-	(0)	(6,663)	(1)	(6,665)
Balance at June 30, 2009	20,896	21,249	18,035	(3,886)	56,294