

FY 2011 THIRD QUARTER (CUMULATIVE) CONSOLIDATED FINANCIAL RESULTS

(April 1, 2011 to December 31, 2011)

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1. FINANCIAL RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2011

(1) Consolidated Results of Operations

	Net sales (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)
Nine months ended Dec.31,2011	97,585 (-9.4%)	1,776 (-56.5%)	653 (-78.4%)	-1,347 (-%)
Nine months ended Dec.31,2010	107,758 (11.3%)	4,083 (-%)	3,025 (-%)	-926 (-%)

Note1: Comprehensive income: -3,328 million yen (-%) for the year ended Dec.31, 2011 / -4,263 million yen (-%) for the year ended Dec.31, 2010

Note2: Indication of percentages shows the ratio of increase or decrease from the third quarter of the previous fiscal year.

	Net income per share (yen)	Diluted net income per share (yen)
Nine months ended Dec.31,2011	-11.11	-
Nine months ended Dec.31,2010	-7.63	-

(2) Consolidated Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
As of December 31, 2011	131,873	29,771	22.4%
As of March 31, 2011	132,384	33,520	25.1%

<Reference> Shareholders' equity: 29,509 million yen as of Dec.31, 2011 / 33,256 million yen as of Mar.31, 2011

2. DIVIDEND INFORMATION

	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal-year-end	Annual
Fiscal year 2010	-	3.00yen	-	3.00yen	6.00yen
Fiscal year 2011	-	0.00yen	-		
Fiscal year 2011 (forecast)				-	-

Note1: Revision to recently disclosed dividend forecast: No

Note2: Dividend forecast for end of the fiscal year 2011 is to be determined.

3. FISCAL YEAR 2011 CONSOLIDATED FINANCIAL FORECAST (April 1, 2011 to March 31, 2012)

(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
Full Year	141,000 (-2.7%)	5,000 (-18.7%)	3,200 (-35.6%)	500 (-%)	4.12yen

Note: Revision to recently disclosed financial forecast: No

1. QUALITATIVE INFORMATION ABOUT CONSOLIDATED BUSINESS RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2011

(1) QUALITATIVE INFORMATION ABOUT CONSOLIDATED OPERATING RESULTS

In the electronics industry during the nine months ended December 31, 2011, demand for electronic automotive parts was affected by delays in domestic automotive manufacturers at the beginning of the current consolidated fiscal period due to the Great East Japan Earthquake. Yet demand returned to its former level after the automakers resumed operations to increase production volume. Sales remained severe as a whole, however, mainly due to the gradually increasing effects of the European sovereign debt crisis and flood damage in Thailand. In addition, the yen remained sharply appreciated against the dollar and euro, which seriously affected the earnings of domestic corporations. To accelerate development in “eco-friendly and energy saving” markets and “emerging country markets” under these circumstances, the Company group has developed sophisticated, lower-power-consumption devices through a mobilizing of technology resources across the group. Concurrently, the Company group has promoted structural reforms such as the discontinuation of obsolete and unprofitable products and the reallocation of plants, reinforced production lines for semiconductor devices, introduced eight-inch lines to expand the scale of sales, enhanced production efficiency, and reduced production costs. Despite these efforts, net sales during the nine months ended December 31, 2011 were 97,585 million yen, a decrease of 9.4% as compared to the same period in the previous year. For income, operating income was 1,776 million yen and ordinary income was 653 million yen, marking decreases as compared to the same period in the previous year. These results were attributable to factors such as significant falls in worldwide demand in TV markets and continuously stringent economic conditions due to the strong yen. Despite these stringent business circumstances, the Company group still managed to ensure profit in its mainstay business. Due to causes such as disaster-related losses, however, the Company group recorded a net loss of 1,347 million yen (net loss of 926 million yen in the same period in the previous year).

Overview of business by segment is as follows.

In the semiconductor device business, sales of automotive products recovered to favorable levels after the second quarter, reflecting the diminishing impact of the earthquake with passing time, and since recovering they have steadily gained momentum. Regarding products for white goods, requests for “eco-friendly, energy saving solutions” in the markets sustained favorable sales in earlier periods, but the accumulated excessive inventory of air conditioners entered an adjustment phase, and sales decreased accordingly. Meanwhile, a decrease in sales volume and declining prices in connection with decreasing TV demand weighed heavily on sales of products for LCD TVs. As a result, net sales from the segment were 70,582 million yen, a decrease of 4,038 million yen (5.4%) as compared to the same period in the previous year, and operating income was 4,177 million yen, a decrease of 2,268 million yen (35.2%) as compared to the same period in the previous year.

In the CCFL business, orders received significantly decreased, as the business environment remained stringent. As a result, net sales from the segment were 1,653 million yen, a decrease of 3,252 million yen (66.3%) as compared to the same period in the previous year. For income, our efforts to improve profitability, such as our measures to optimize resource allocation in response to rapidly decreasing sales, succeeded in narrowing the deficit margin as compared to the same period in the previous year, but we were still forced to record an operating loss of 777 million yen (operating loss of 928 million yen in the same period in the previous year).

In the PM business, in spite of our efforts to increase sales of OA and industrial products, sales of products for LCD TVs remained sluggish due to declining demand in worldwide TV markets. As a result, net sales from the segment were 1,439 million yen, a decrease of 2,342 million yen (14.1%) as compared to the same period in the previous year and we recorded an operating loss of 873 million yen (operating loss of 950 million yen in the same period in the previous year).

In the PS business, sales of products for the telecommunication market were generally in line with the planned targets – thanks mainly to the effect of the increasing of telecommunication capacity restoring corporate capital investment after the current third quarter – even though the construction of base stations was suspended or postponed due to the earthquake. Meanwhile, orders received related to products for public infrastructure, including public agencies and electric power companies, remained as severe as ever due to the prolonged effects of the earthquake. As a result, net sales from the segment were 11,039 million yen, a decrease of 539 million yen (4.7%) as compared to the same period in the previous year and operating income was 813 million yen, a decrease of 242 million yen (23.0%) as compared to the same period in the previous year.

(2) QUALITATIVE INFORMATION ABOUT CONSOLIDATED FINANCIAL POSITION

Total assets as of the end of December 31, 2011 were 131,873 million yen, a decrease of 510 million yen from the end of the previous consolidated fiscal year. The main causes are work in process increased by 3,489 million yen, property, plant and equipment increased by 3,067 million yen, cash and deposits decreased by 3,229 million yen and notes and accounts receivable-trade decreased by 3,549 million yen.

Total liabilities were 102,102 million yen, an increase of 3,238 million yen from the end of the previous consolidated fiscal year. The main causes are increases in short-term loans payable by 2,702 million yen and long-term loans payable by 2,480 million yen, and a decrease in commercial papers by 3,000 million yen.

Total net assets were 29,771 million yen, a decrease of 3,748 million yen from the end of the previous consolidated fiscal year. The main causes are decreases in retained earnings by 1,397 million yen and foreign currency translation adjustment by 1,611 million yen.

(3) QUALITATIVE INFORMATION ABOUT CONSOLIDATED FINANCIAL FORECAST

In the future we expect the yen to remain at its current highs due to the prolonged sovereign debt crisis in Europe, a factor that will continue to aggravate the business results of domestic corporations. At the same time, we anticipate the recovery trend in the domestic economy to continue, buoyed by demand for recovery from the earthquake. In addition, we expect China's monetary policy shift to credit expansion last December to restore the Chinese market to its former vigor. Under these circumstances, the Company group will expand its presence in wider areas of the in-vehicle products business by focusing on the development of products for electric and hybrid automobiles. Furthermore, with regard to products for white goods, the Company group will endeavor to develop and increase sales of relevant products as the adoption of inverters for air conditioners, refrigerators, and washers in emerging countries accelerates. By focusing on expanding the scale of sales in the "eco-friendly and energy saving" markets dominated by power devices and power systems, our field of expertise, through the aforesaid measures, we are determined to secure profit and achieve the forecast of the full-year business results.

2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(1) QUARTERLY CONSOLIDATED BALANCE SHEETS

Millions of yen

	March 31 2011	December 31 2011
ASSETS		
Assets		
Current assets		
Cash and deposits	12,826	9,596
Notes and accounts receivable-trade	31,208	27,658
Merchandise and finished goods	11,352	11,513
Work in process	14,302	17,791
Raw materials and supplies	10,783	11,139
Deferred tax assets	196	402
Other	3,809	3,277
Allowance for doubtful accounts	(64)	(74)
Total current assets	<u>84,414</u>	<u>81,304</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	16,145	16,321
Machinery, equipment and vehicles, net	15,928	16,794
Tools, furniture and fixtures, net	792	822
Land	4,290	4,224
Lease assets, net	550	1,601
Construction in progress	5,724	6,734
Total property, plant and equipment	<u>43,430</u>	<u>46,498</u>
Intangible assets		
Software	165	193
Other	648	633
Total intangible assets	<u>813</u>	<u>827</u>
Investments and other assets		
Investment securities	1,956	1,444
Deferred tax assets	162	147
Other	1,855	1,901
Allowance for doubtful accounts	(249)	(249)
Total investments and other assets	<u>3,724</u>	<u>3,243</u>
Total noncurrent assets	<u>47,969</u>	<u>50,569</u>
Total assets	<u><u>132,384</u></u>	<u><u>131,873</u></u>

	March 31 2011	December 31 2011
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,138	20,293
Short-term loans payable	20,382	23,084
Commercial papers	19,000	16,000
Income taxes payable	395	99
Deferred tax liabilities	0	0
Provision for directors' bonuses	30	22
Accrued expenses	7,450	6,399
Other	1,073	1,682
Total current liabilities	<u>68,469</u>	<u>67,582</u>
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	5,031	7,511
Deferred tax liabilities	572	427
Provision for retirement benefits	3,029	3,721
Provision for directors' retirement benefits	38	43
Asset retirement obligations	60	60
Other	1,662	2,754
Total noncurrent liabilities	<u>30,394</u>	<u>34,519</u>
Total liabilities	<u>98,863</u>	<u>102,102</u>
Net assets		
Shareholders' equity		
Capital stock	20,896	20,896
Capital surplus	18,667	18,302
Retained earnings	6,834	5,436
Treasury stock	(3,916)	(3,921)
Total shareholders' equity	<u>42,483</u>	<u>40,715</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	212	(154)
Foreign currency translation adjustment	(9,439)	(11,050)
Total accumulated other comprehensive income	<u>(9,226)</u>	<u>(11,205)</u>
Minority interests	<u>263</u>	<u>261</u>
Total net assets	<u>33,520</u>	<u>29,771</u>
Total liabilities and net assets	<u><u>132,384</u></u>	<u><u>131,873</u></u>

**(2) QUARTERLY CONSOLIDATED STATEMENTS OF INCOME AND
QUARTERLY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

Millions of yen

QUARTERLY CONSOLIDATED STATEMENTS OF INCOME	Nine months ended Dec.31, 2010	Nine months ended Dec.31, 2011
Net sales	107,758	97,585
Cost of sales	<u>85,656</u>	<u>78,396</u>
Gross profit	<u>22,101</u>	<u>19,189</u>
Selling, general and administrative expenses	<u>18,018</u>	<u>17,412</u>
Operating income	<u>4,083</u>	<u>1,776</u>
Non-operating income		
Interest income	10	6
Dividends income	26	30
Miscellaneous income	350	351
Total non-operating income	<u>387</u>	<u>389</u>
Non-operating expenses		
Interest expenses	498	512
Compensation expense	34	204
Foreign exchange losses	531	403
Miscellaneous loss	381	392
Total non-operating expenses	<u>1,445</u>	<u>1,512</u>
Ordinary income	<u>3,025</u>	<u>653</u>
Extraordinary income		
Gain on sales of noncurrent assets	17	3
Total extraordinary income	<u>17</u>	<u>3</u>
Extraordinary loss		
Loss on retirement of noncurrent assets	53	24
Loss on sales of noncurrent assets	1	—
Loss on disaster	—	296
Loss on valuation of investment securities	34	—
Special retirement expenses	673	61
Loss on adjustment for changes of accounting standard for asset retirement obligations	84	—
Loss on retirement treasury stock acquisition rights	1,729	—
Other	0	—
Total extraordinary losses	<u>2,576</u>	<u>382</u>
Income before income taxes and minority interests	<u>466</u>	<u>273</u>
Income taxes	<u>1,374</u>	<u>1,612</u>
Loss before minority interests	<u>(908)</u>	<u>(1,339)</u>
Minority interests in income	<u>18</u>	<u>8</u>
Net loss	<u>(926)</u>	<u>(1,347)</u>

Millions of yen

QUARTERLY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	Nine months ended Dec.31, 2010	Nine months ended Dec.31, 2011
Loss before minority interests	(908)	(1,339)
Other comprehensive income		
Valuation difference on available-for-sale securities	(198)	(367)
Foreign currency translation adjustment	<u>(3,156)</u>	<u>(1,621)</u>
Total other comprehensive income	<u>(3,355)</u>	<u>(1,989)</u>
Comprehensive income	<u><u>(4,263)</u></u>	<u><u>(3,328)</u></u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(4,261)	(3,326)
Comprehensive income attributable to minority interests	(1)	(1)

(3) SEGMENT INFORMATION**[Information on Net Sales, Incomes or Losses by Individual Reportable Segments]****NINE MONTHS ENDED DECEMBER 31, 2010**

Millions of yen

	Reportable Segments				Total	Adjusted Amount	Amount stated in Quarterly Consolidated Statements of Income
	Semi-conductor Device	CCFL	PM	PS			
Sales							
(1) Sales to Customers	74,620	4,906	16,652	11,579	107,758	—	107,758
(2) Intersegment Sales or Transfer	1,802	—	260	0	2,063	(2,063)	—
Total	76,422	4,906	16,912	11,580	109,821	(2,063)	107,758
Operating Income (loss) by Segment	6,445	(928)	(950)	1,055	5,621	(1,538)	4,083

NINE MONTHS ENDED DECEMBER 31, 2011

Millions of yen

	Reportable Segments				Total	Adjusted Amount	Amount stated in Quarterly Consolidated Statements of Income
	Semi-conductor Device	CCFL	PM	PS			
Sales							
(1) Sales to Customers	70,582	1,653	14,309	11,039	97,585	—	97,585
(2) Intersegment Sales or Transfer	986	—	441	0	1,428	(1,428)	—
Total	71,568	1,653	14,751	11,040	99,014	(1,428)	97,585
Operating Income (loss) by segment	4,177	(777)	(873)	813	3,340	(1,563)	1,776