



Date: August 10, 2009

To Whom It May Concern

Corporate Name: Sanken Electric Co., Ltd.  
Name of Representative: Representative Director and President: Sadatoshi Iijima  
Share Code No.: 6707 (1<sup>st</sup> Section of the Tokyo Stock Exchange)  
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## Notice of Merger with a Consolidated Subsidiary (Simplified Merger/Short Form Merger)

Sanken Electric Co., Ltd. (“the Company”) announces that its Board of Directors at the meeting held on August 10, 2009 resolved to merge with and absorb Sanken Transformer Co., Ltd. (“Sanken Transformer”), a wholly-owned consolidated subsidiary of the Company. The merger is expected to take effect on October 1, 2009. Since the merger is an absorption-type merger of a 100% owned subsidiary of the Company, certain information is disclosed only in a summarized form.

### 1. Purpose of the Merger

Sanken Transformer is primarily engaged in the business to manufacture and sell various power supply transformers, taking advantage of its proven track record and proprietary know-how as a transformer specialist. In order to concentrate business resources and enhance management efficiency of the entire corporate group, the Company decided to merge with and absorb Sanken Transformer.

### 2. Outline of Merger

#### (1) Schedule of Merger

The Board of Directors’ meeting adopting a resolution on merger:	August 10, 2009
Execution of agreement and plan of merger:	August 10, 2009
Effective date of merger:	October 1, 2009 (scheduled)

(Note) Neither of the merging companies will hold their respective general meeting of shareholders for approval of the merger as the merger is the simplified merger provided for in paragraph 3 of Article 796 of the Corporation Law for the Company and the short form merger provided for in paragraph 1 of Article 784 of the Corporation Law for Sanken Transformer.

#### (2) Method of Merger

The merger is an absorption-type merger, setting the Company as the surviving entity and Sanken Transformer as the dissolving entity.

#### (3) Allocation of Consideration for Merger

As the Company owns all the issued and outstanding shares of Sanken Transformer, no new issue of shares or payment of merger consideration shall be made.

#### (4) Treatment of New Share Subscription Rights and Bonds with New Share Subscription Rights of the Dissolving Company

Sanken Transformer has not issued any new share subscription rights or bonds with new share subscription rights attached.

3. Outline of Companies involved in the merger (As of March 31, 2009)

(1) Corporate Name	Sanken Electric Co., Ltd. (surviving entity)	Sanken Transformer Co., Ltd. (dissolving entity)
(2) Business	Manufacture and sale of electric machinery and equipment	Manufacture and sale of various power supply transformers
(3) Date of Incorporation	September 5, 1946	November 27, 1959
(4) Address of Head Office	3-6-3 Kitano, Niiza-shi, Saitama-ken	677 Onohara, Shimo-Akasaka, Kawagoe-shi, Saitama-ken
(5) Title and Name of Representative	Representative Director and President: Sadatoshi Iijima	Representative Director and President: Tetsuo Ishikawa
(6) Capital	¥20,896 million	¥350 million
(7) Number of shares issued	125,490,302 shares	300,000 shares
(8) Net Assets	¥57,818 million (consolidation)	¥138 million
(9) Total Assets	¥147,768 million (consolidation)	¥1,045 million
(10) Fiscal Year End	March 31	March 31
(11) Major shareholders and their ownership ratio	Japan Trustee Services Bank, Ltd. 7.29% (Trust Account) Japan Trustee Services Bank, Ltd. 5.70% (Trust Account 4G) Saitama Resona Bank, Limited 4.79%	Sanken Electric Co., Ltd. 100%

4. Post-merger changes

There shall be no change in the corporate name, business line, address of head office, representative, capital amount and fiscal year end of the Company after the merger.

5. Financial impact of the merger

For consolidated financial results, the Company expects to incur an extraordinary loss from payment of special retirement benefits, etc. For non-consolidated financial results, the Company expects to incur an extraordinary loss from loss on retirement of stocks, but the impact on financial results in either case is insignificant.