



May 9, 2014

To Whom It May Concern

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Notice on Non-continuation of the Policy for the Handling of Large Purchases of Company Shares (Anti-Takeover Measures)

The Company determined, at the Board of Directors meeting held on May 9, 2008, its basic policy on the composition of persons to control decision-making over the financial and business policies of the Company (the “Basic Policy”), and introduced the “Policy for the Handling of Large Purchases of Company Shares (Anti-Takeover Measures)” (the “Former Handling Policy”) with the approval of the shareholders at the 91st Ordinary General Meeting of Shareholders held on June 27, 2008. Later, the Company continued the Former Handling Policy in a partially amended form (the “Handling Policy”), with the approval of the shareholders at the 94th Ordinary General Meeting of Shareholders held on June 24, 2011.

The Handling Policy will expire at the close of the 97th Ordinary General Meeting of Shareholders to be held on June 20, 2014 (the “General Meeting”). The Company hereby announces that the Board of Directors meeting held today decided not to continue the Handling Policy. Details follow.

The Company has carefully deliberated the treatment of the Handling Policy in anticipation of the policy’s impending expiration at the close of the General Meeting.

Through its deliberations, the Company has come to recognize that the highest business objective for the Company is to generate and expand profits by steadily achieving results of the business structural reforms and changes in its product mix implemented over the past several years. Based on the above, the Company affirms its recognition that efforts to steadily distribute return to shareholders is of the greatest importance. We have also come to believe that the Company must place priority on its efforts to improve the transparency of corporate governance chiefly by introducing the independent external director system decided at this time. We have further concluded that close dialogues with the Company’s stakeholders individually to deepen their understanding of the Company’s position as an independent power semiconductor manufacturer and its management policy and management plan to make the most of that position will lead to appropriate evaluation of the Company’s corporate value. In order to reduce the possibility of any large purchases of the Company’s shares that would significantly impair the Company’s corporate value or the common interests of the shareholders, the Company believes that it will be more effective to continue the aforesaid efforts than to continue the Handling Policy.

We have also concluded, in light of the changes in corporate legislation after the introduction of the Handling Policy and the judicial precedents set so far, that the benefits to be gained from continuing the Handling Policy have relatively declined.

Accordingly, the Company determined, at the Board of Directors meeting held today, to discontinue and abolish the Handling Policy at the close of the General Meeting.

If any large purchases of the Company’s shares are proposed or contemplated after the abolition of the Handling Policy, the Company will request the person proposing or contemplating the large purchases of the Company’s shares to provide necessary and sufficient information and will seek to disclose appropriate information and secure the time necessary to allow shareholders to deliberate the acquisition and appropriately judge the pros and cons of the large purchases of the Company’s shares. Further, the Company is committed to taking appropriate measures within the scope permitted by the Financial Instruments and Exchange Law, the Companies Act, and other relevant laws and regulations.