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To Whom It May Concern

Company Name: Sanken Electric Co., Ltd.
Code No.: 6707 (the TSE, 1st Section)
Inquiries: Hideo Takani
Investor Relations Office
TEL: (048) 487-6121

Notice of Extraordinary Losses Incurred

The Company hereby announces as follows extraordinary losses recorded in its consolidated financial statements, incurred as a result of the purchase of stock options by Allegro MicroSystems, Inc., a US subsidiary of the Company.

1. Background and Reasons

- Allegro MicroSystems, Inc. (hereinafter called, “Allegro”) introduced a stock option plan (hereinafter, the “Plan”) in 2001 as part of its incentive plan. The Plan was established with a view that Allegro’s shares would be publicly traded, the Plan had a ten year life, and if unexercised, any of the options granted under the Plan would be terminated on the expiry of the Plan.
- Allegro filed with the U.S. Securities and Exchange Commission a registration statement for a public offering of its shares in August 2007, but because market conditions had significantly deteriorated in the aftermath of the Lehman collapse, it withdrew the registration statement in August 2008.
- After careful consideration of various factors including the reduced likelihood that Allegro would publicly offer its shares by the expiry of the Plan, Allegro decided to purchase the options. As a result, the Company recorded extraordinary losses on its consolidated financial statements during the third quarter of the fiscal year ending March 31, 2011.

2. Impact on Business Results, etc.

As stated above, the Company recorded extraordinary losses for the gross amount of 1,729 million yen in the consolidated financial statements, but this caused a reduction in income tax of 610 million yen. Accordingly, the net amount of impact on the consolidated net income is forecasted to be 1,118 million yen. Because the business results forecast announced earlier for the full-year has already reflected this event, we do not plan to revise the forecast.

Warnings: The forecasts above were prepared on the basis of information available as of the date of the announcement of these materials, and the actual business results, etc., may differ from the forecasted figures due to various factors arising in the future.