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To Whom It May Concern

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Notice of Extraordinary Losses Incurred and the Difference between the Forecasted Consolidated Business Results and Actual Business Results

The Company hereby announces extraordinary losses recorded in its consolidated financial statements incurred as a result of the Great East Japan Earthquake for the fiscal year ended March 31, 2011. The Company also announces the details of the difference between its forecasted consolidated business results and actual business results arising from the extraordinary losses recorded.

1. Extraordinary Losses Incurred

- Yamagata Sanken Co., Ltd., Kashima Sanken Co., Ltd., and Fukushima Sanken Co., Ltd. (hereinafter referred to as “Yamagata SK,” “Kashima SK,” and “Fukushima SK,” respectively), subsidiaries of the Company, were affected by the Great East Japan Earthquake.
- As a result of the Company group’s extensive efforts to recover from the damages, all of the subsidiaries resumed production. Kashima SK and Fukushima SK fully returned to normal operation before the end of March 2011. Meanwhile, as a result of an aftershock and blackout on April 7, 2011, Yamagata SK took longer to fully return to normal operation until the middle of April.
- Ishikawa Sanken Co., Ltd., a subsidiary of the Company, was not affected directly. Problems with part and material procurement caused by the earthquake, however, forced the company to temporarily suspend related production lines.
- Accordingly, we record, as extraordinary losses in the consolidated financial statements for the current fiscal year, ¥813 million of earthquake-related expenses, including equipment repair expenses as well as fixed costs from suspended operation.

2. Difference between the Forecasted Consolidated Business Results and Actual Business Results

(1) Difference between the Forecasted Consolidated Business Results and Actual Business Results for the Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	(millions of yen) 146,000	(millions of yen) 6,500	(millions of yen) 5,000	(millions of yen) 1,200	(yen) 9.89
Actual results (B)	144,882	6,149	4,972	-922	-7.60
Change (B-A)	-1,117	-350	-27	-2,122	—
Ratio of change (%)	-0.8%	-5.4%	-0.5%	—	—
<Reference> Results of the previous year (Fiscal year ended Mar.31, 2010)	134,134	-5,482	-6,048	-18,950	-156.05

(2) Reasons for the Difference

As stated in 1 above, the Company recorded earthquake-related expenses of ¥813 million as extraordinary losses and a loss on valuation of investment securities due to the post-earthquake sluggish stock market. This resulted in a difference between the consolidated business results forecast announced on November 5, 2010 and the actual business results.