

FY 2004 Third Quarter Consolidated Financial Results

(April 1, 2004 to December 31, 2004)

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1. Items Relevant to Preparation of Quarterly Financial Results

Whether the simplified method is adopted in the accounting treatment : Yes

- Income tax reporting standard

2. Financial Results for the nine months ended December 31, 2004

(1) Consolidated results of Operations

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Nine months ended Dec.31,2004	116,215 (7.6%)	7,598 (-2.7%)	6,039 (10.2%)	3,903 (8.5%)
Nine months ended Dec.31,2003	108,024 (-)	7,808 (-)	5,482 (-)	3,597 (-)
FY 2003	147,176	11,687	8,627	5,784

	Net income per share	Fully diluted net income per share
Nine months ended Dec.31,2004	32.07 yen	- yen
Nine months ended Dec.31,2003	29.52 yen	- yen
FY 2003	47.07 yen	- yen

Note: Indication of percentage of net sales and operating income, etc., shows the ratio of increase or decrease from the first quarter of the previous year.

[Qualitative Information with Respect to the Consolidated Operating Results]

The consolidated business results for the third quarter of the current fiscal year showed sales of 116,215 million yen, operating profits of 7,598 million yen, ordinary income of 6,039 million yen and net income of 3,903 million yen. The outline of each segment is described below.

Sales in the semiconductor business recorded 105,960 million yen, an increase of 8,060 million yen (8.2%) compared with the same quarter of the previous fiscal year. Among them, sales of semiconductor products recorded 82,879 million yen, an increase of 3,775 million yen (4.8%) compared with the same quarter of the previous fiscal year. IC/discrete products showed growth in white goods and steady sales in the automobile industry, but overall sales showed sluggish growth due to a decline in demand for audio and printers. On the other hand, optical device products recorded a substantial increase compared with the same quarter of the previous fiscal year, although CCFLs entered an adjustment phase from the latter half of the year. Sales of unit products recorded 23,081 million yen, an increase of 4,284 million yen (22.8%) compared with the same quarter of the previous fiscal year, which resulted from a large expansion in sales in the consumer market, such as plasma display power supply units.

Sales in the power supply equipment business recorded 10,254 million yen, an increase of 130 million yen (1.3%) compared with the same quarter of the previous fiscal year. Power supply units for communication equipment, the core products, continued to slump, but sales of VVVF inverters for China and Southeast Asian markets showed steady growth.

(2) Consolidated Financial Position

(Millions of yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
As of Dec.31,2004	139,102	65,700	47.2 %	540.06 yen
As of Dec.31,2003	145,497	60,919	41.9 %	500.28 yen
FY 2003	144,383	62,518	43.3 %	513.56 yen

[Consolidated Results of Cash Flows]

(Millions of yen)

	Net cash provided by operating activities	Net cash used by investing activities	Net cash used by financing activities	Balance of cash and cash equivalents at the end of the quarter
Nine months ended Dec.31,2004	4,902	-9,226	-4,393	9,641
Nine months ended Dec.31,2003	6,575	-4,868	-6,264	11,847
FY 2003	15,806	-123	-14,199	17,871

[Qualitative Information with Respect to the Consolidated Financial Position]

The balance of cash and cash equivalents in the third quarter of the current fiscal year amounted to 9,641 million yen.

Cash flows from operating activities resulted in an increase of 4,902 million yen due to a lump sum payment of 3,327 million yen, which is the balance due to the pension reserve and payment of corporate taxes, although there was an increase in profit.

Cash flows from investment activities resulted in a decrease of 9,226 million yen due to payment in connection with capital investments.

Cash flows from financial activities resulted in a decrease of 4,393 million yen due to a continued reduction in interest-bearing debts and the payment of dividend.

3. FY 2004 Consolidated Financial Forecast (April 1, 2004 to March 31, 2005)

(Millions of yen)

	Net sales	Ordinary income	Net income
Full year	154,200	9,600	6,200

[Qualitative Information Concerning Forecast for Consolidated Business Results]

Since the Olympic Games last summer, sales of ICs, CCFLs and unit products have declined in the domestic market, affected by production and parts inventory adjustments in connection with a decrease in demand for digital home appliances, while sales of products for Allegro's mobile phones have decreased to a large extent in overseas markets. As a result, both orders and sales underwent a low frequency transition.

For these reasons, both sales and profits are expected to be lower than the forecasted results which we previously announced. Accordingly, we have revised our forecast for the full-year results as stated above.

For the full particulars of the revised forecast, including non-consolidated business results, please refer to the "Announcement of Revision of Forecast for Business Results" which we released today.

Note for the use of our forecasted business results

The forecast described above is based upon information available as of the present time and assumptions we considered valid. Please be advised that there is a host of uncertain factors that could greatly impact actual performance, including global market conditions, competitive environment, the introduction of new products and their acceptance or lack thereof, fluctuations in foreign exchange rates, and the impact of fair-market-value accounting.

CONSOLIDATED BALANCE SHEETS(SUMMARY)

Millions of yen

	3rd Quarter FY 2004	3rd Quarter FY 2003	FY 2003
Assets			
Current assets:			
Cash and deposits	9,876	12,031	18,165
Notes and accounts receivable	38,359	38,144	38,698
Inventories	33,412	32,365	32,306
Other current assets	5,381	6,511	5,684
Total current assets	87,028	89,053	94,855
Fixed assets:			
Property, plant and equipment, net	42,629	45,838	38,780
Intangible assets	1,493	1,581	1,558
Investments and other assets	7,950	9,023	9,189
Total fixed assets	52,074	56,443	49,528
Total assets	139,102	145,497	144,383
Liabilities			
Current liabilities:			
Notes and accounts payable	23,166	20,779	23,466
Short-term bank loans	10,000	10,628	8,627
Straight Bonds Current Portion	-	10,000	10,000
Commercial Paper	8,700	15,000	-
Other current liabilities	9,406	9,448	11,715
Total current liabilities	51,273	65,856	53,808
Long-term liabilities:			
Bonds and debentures	10,000	-	10,000
Long-term debt	5,789	9,948	9,041
Other long-term liabilities	5,965	8,426	8,776
Total long-term liabilities	21,754	18,374	27,818
Total liabilities	73,028	84,230	81,627
Minority interests	373	347	237
Shareholders' equity			
Capital stock	20,896	20,896	20,896
Capital surplus	21,167	21,167	21,167
Retained earnings	28,965	24,050	25,651
Unrealized loss on securities	1,066	984	1,172
Translation adjustments	(2,882)	(2,823)	(2,961)
Treasury stock	(3,513)	(3,355)	(3,407)
Total shareholders' equity	65,700	60,919	62,518
Total liabilities and shareholders' equity	139,102	145,497	144,383

CONSOLIDATED STATEMENTS OF INCOME(SUMMARY)

Millions of yen

	3rd Quarter FY 2004	3rd Quarter FY 2003	FY 2003
Net sales	116,215	108,824	147,176
Cost of sales	90,715	84,049	113,716
Gross profit	25,499	23,975	33,460
Selling, general and administrative expenses	17,900	16,166	21,772
Operating income	7,598	7,808	11,687
Non-operating income	630	617	856
Non-operating expenses	2,190	2,943	3,917
Ordinary income	<u>6,039</u>	<u>5,482</u>	<u>8,627</u>
Extraordinary income	<u>290</u>	<u>81</u>	<u>274</u>
Extraordinary loss	<u>69</u>	<u>40</u>	<u>156</u>
Income before income taxes , minority interests	6,260	5,524	8,745
Income taxes	2,230	1,869	2,864
Minority interest in consolidated subsidiaries	127	57	96
Net income	<u>3,903</u>	<u>3,597</u>	<u>5,784</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS(SUMMARY)

Millions of yen

	3rd Quarter FY 2004	3rd Quarter FY 2003	FY 2003
Operating activities			
Income before income taxes and minority interests in earnings of affiliates	6,260	5,524	8,745
Depreciation and amortization	5,289	6,655	8,852
Decrease (increase) in notes and accounts receivable	1,475	(3,324)	(4,003)
(Increase) decrease in inventories	(871)	(350)	(435)
(Increase) decrease in notes and accounts payable	(1,772)	925	3,783
Other	(2,906)	529	2,474
Income taxes paid	(2,572)	(3,383)	(3,610)
Net cash provided by operating activities	4,902	6,575	15,806
Investing activities			
Purchases of property , plant and equipment	(9,393)	(4,997)	(8,439)
Proceeds from sales of property , plant and equipment	41	60	8,589
(Increase) decrease in investment securities	531	60	244
Increase (decrease) in Loan	(3)	9	(11)
Other	(402)	(1)	(505)
Net cash used by investing activities	(9,226)	(4,868)	(123)
Financing activities			
Increase (decrease) in short-term bank loans	1,714	1,845	645
(Decrease) increase in Commercial Paper	8,700	8,000	(7,000)
Proceeds from issuance of long-term bank loans	-	0	56
Repayment of long-term debt	(3,310)	(4,844)	(6,444)
Proceeds from bond issue	-	-	10,000
Expenditure from bond repayment	(10,000)	(10,000)	(10,000)
Income from issuance of shares to minority intersets	(106)	(154)	70
Redemption of treasury stock	(1,162)	(1,170)	(205)
Cash dividends paid	-	-	(1,222)
Dividends paid to minority interests	(228)	(11)	(99)
Other	-	71	-
Net cash used in financing activities	(4,393)	(6,264)	(14,199)
Effect of exchange rate changes on cash and cash equivalents	193	(135)	(152)
Net (decrease) increase in cash and cash equivalents	(8,524)	(4,692)	1,330
Cash and cash equivalents at beginning of the term	17,871	16,410	16,410
Cash and cash equivalents at end of term	9,641	11,847	17,871

Segment Information

1. Segment information by business

This Term (April 1, 2004 to December 31, 2004)

Millions of yen

	Semicon- ductors	SMPSs	Power Supply Equipmen	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	82,879	23,081	10,254	116,215	-	116,215
(2) Intersegment	48	159	3	211	(211)	-
Total	82,928	23,240	10,257	116,426	(211)	116,215
Operating expenses	73,764	22,826	10,213	106,804	1,811	108,616
Operating income	9,163	413	44	9,621	(2,022)	7,598

Previous Term (April 1, 2003 to December 31, 2003)

Millions of yen

	Semicon- ductors	SMPSs	Power Supply Equipmen	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	79,103	18,796	10,124	108,024	-	108,024
(2) Intersegment	64	65	0	131	(131)	-
Total	79,168	18,862	10,124	108,155	(131)	108,024
Operating expenses	69,504	18,623	10,276	98,403	1,812	100,216
Operating income	9,664	239	(151)	9,752	(1,943)	7,808

Last Fiscal Year (April 1, 2003 to March 31, 2004)

Millions of yen

	Semicon- ductors	SMPSs	Power Supply Equipmen	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	106,544	26,329	14,302	147,176	-	147,176
(2) Intersegment	114	93	1	209	(209)	-
Total	106,658	26,423	14,303	147,385	(209)	147,176
Operating expenses	93,427	25,619	14,158	133,205	(2,283)	135,489
Operating income	13,231	804	144	14,180	(2,492)	11,687

2.Segment information by geographic area

This Term (April 1, 2004 to December 31, 2004)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	81,418	14,921	11,490	8,385	116,215	-	116,215
(2) Intersegment	8,949	13,853	8,494	213	31,511	(31,511)	-
Total	90,368	28,774	19,985	8,599	147,727	(31,511)	116,215
Operating expenses	83,213	27,993	18,672	8,393	138,272	(29,656)	108,616
Operating income	7,154	781	1,312	205	9,454	(1,855)	7,598

Previous Term (April 1, 2003 to December 31, 2003)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	76,386	12,124	10,864	8,649	108,024	-	108,024
(2) Intersegment	7,537	10,181	8,315	250	26,283	(26,283)	-
Total	83,923	22,305	19,180	8,899	134,308	(26,283)	108,024
Operating expenses	77,885	21,584	17,286	8,528	125,284	(25,068)	100,216
Operating income	6,038	721	1,893	371	9,023	(1,215)	7,808

Last Fiscal Year (April 1, 2003 to March 31, 2004)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	104,417	16,601	14,438	11,719	147,176	-	147,176
(2) Intersegment	10,327	14,329	10,769	406	35,833	(35,833)	-
Total	114,744	30,931	25,208	12,125	183,010	(35,833)	147,176
Operating expenses	105,359	29,648	22,951	11,703	169,663	(34,174)	135,489
Operating income	9,384	1,283	2,256	422	13,346	(1,659)	11,687

3.Overseas Sales

This Term (April 1, 2004 to December 31, 2004)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	46,800	7,377	8,220	173	62,572
Consolidated sales					116,215
Ratio of overseas sales to consolidated sales (%)	40.2	6.4	7.1	0.1	53.8

Previous Term (April 1, 2003 to December 31, 2003)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	38,772	7,362	8,606	160	54,901
Consolidated sales					108,024
Ratio of overseas sales to consolidated sales (%)	35.9	6.8	8.0	0.1	50.8

Last Fiscal Year (April 1, 2003 to March 31, 2004)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	52,550	9,675	11,590	329	74,145
Consolidated sales					147,176
Ratio of overseas sales to consolidated sales (%)	35.7	6.6	7.9	0.2	50.4