FY 2004 Consolidated Financial Results

(April 1, 2004 to March 31, 2005)

1.Company Name : SANKEN ELECTRIC CO., LTD.
2.Code NO : 6707
3.Headquarters : 3-6-3 Kitano, Niiza-shi, Saitama 352-8666, Japan
4.URL : http://www.sanken-ele.co.jp/
5.Contact : Investor Relations Office
Tel. 81-48-487-6121

1. Financial Performance over the year, April 1, 2004 to March 31, 2005

(1) Consolidated Results of Operations (Millions of Yen)

	Net sales (percentage change from the previous year)	Operating income (percentage change from the previous year)	Ordinary income (percentage change from the previous year)
FY 2004	156,216(6.1%)	12,082(3.4%)	9,948(15.3%)
FY 2003	147,176(0.8%)	11,687(11.4%)	8,627(20.0%)

	Net income (percentage change from the previous year)	Net income per share	Diluted net income per share	Net income to sharehol-ders'equity	Ordinary income to total assets	Ordinary income to net sales
FY 2004	6,682(15.5%)	54.50yen	-	10.2%	7.0%	6.4%
FY 2003	5,784(44.5%)	47.07yen	-	9.6%	5.9%	5.9%

Notes1:Ordinary income : Income before income taxes and extraordinary items

Notes2:Equity in net income/loss non-consolidated subsidiaries and/or affiliates:
Mar./2005: 57million yen (Mar./ 2004: 28million yen)

Notes3:Average number of shares outstanding (Mar./ 2005: 121,693,744
Mar./ 2004: 121,823,013)

(2) Consolidated Financial Position (Millions of Yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
FY 2004	140,917	68,121	48.3%	560.07yen
FY 2003	144,383	62,518	43.3%	513.56yen

Notes:Number of shares outstanding at the end of the term (Mar./ 2005: 121,632,067
Mar./ 2004: 121,735,148)

(3) Consolidated Results of Cash Flows (Millions of Yen)

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Balance of cash and cash equivalents at the end of year
FY 2004	9,508	-11,010	-5,725	11,302
FY 2003	15,806	-123	-14,199	17,871

(4) Scope of consolidation and application of equity method
Number of consolidated subsidiaries : 22
Number of affiliates accounted for by the equity method : 1

(5) Change in scope of consolidation and application of equity method
Number of companies newly consolidated : 2

2. FY 2005 Consolidated Financial Forecast (April 1, 2005 to March 31, 2006)

(Millions of Yen)

	Net sales	Ordinary income	Net income
1st half	81,800	5,800	3,500
Full year	173,000	14,400	8,600

Reference:Expected net income per share 70.29yen

(1) Group Companies

The Sanken Group consists of Sanken Electric Co., Ltd., 27 subsidiaries and 1 affiliates, primarily producing, selling and marketing Semiconductor, Switching Power Supply, Power Supply Equipment and other related products and services.
The business lines and roles of the group companies are summarized below.

Division	Major Products	Company Name
Semiconductor	Semiconductors Power IC Control IC Hall-effect IC Bipolar Transister MOSFET IGBT Thyristor Rectifier Diode Light Emitting Diode(LED) Cold Cathode Fluorecent Lamp(CCFL)	Sanken Electric Co., Ltd. Subsidiaries Ishikawa Sanken Co., Ltd. (Manufacturer) Yamagata Sanken Co., Ltd. (Manufacturer) Kashima Sanken Co., Ltd. (Manufacturer) Fukushima Sanken Co., Ltd. (Manufacturer) Allegro MicroSystems, Inc. (Manufacturer) Allegro MicroSystems Philippines, Inc. (Manufacturer) Allegro MicroSystems Philippines Realty, Inc. (Real estate leasing) Allegro MicroSystems Europe Limited(Sales company) Allegro MicroSystems Argentina S.A. (IC design) Korea Sanken Co., Ltd. (Manufacturer) Sanken Electric Singapore Pte. Ltd.(Sales company) Sanken Electric Korea Co., Ltd.(Sales and Technical service) Sanken Electric (Shanghai)Co., Ltd.(Technical service) Sanken Electric Hong Kong Co., Ltd.(Sales and Technical service) Taiwan Sanken Electric Co., Ltd. (Sales and Technical service)
	Switching Mode Power Supplies(SMPS) Switching Mode Power Supply unit Adapter for PC Transformer	Sanken Electric Co., Ltd. Subsidiaries PT. Sanken Indonesia (Manufacturer) Korea Sanken Co., Ltd. (Manufacturer) Sanken Power Systems (UK) Limited (Manufacturer) Sanken Transformer Co., Ltd.(Manufacturer) Sanken Transformer (Malaysia) Sdn. Bhd.(Manufacturer) Dalian Sanken Transformer Co., Ltd. (Manufacturer) PT. Sanken Transformer (Indonesia) (Manufacturer) Sanken Transformer (Singapore) Pte. Ltd.(Manufacturer) Sanken Electric (Shanghai)Co., Ltd.(Sales company) Sanken Electric Hong Kong Co., Ltd.(Sales company) Taiwan Sanken Electric Co., Ltd. (Sales and Technical service)
Power Supply Equipment	Power Supply Equipment Uninterruptible Power Supply(UPS) DC Power Supply Inverter Airway Beacon System General Purpose Power Supply	Sanken Electric Co., Ltd. Subsidiaries Sanken Densetsu Co., Ltd. (Power supply sales and installation work) Sanken L.D. Electric (Jiangyin) Co., Ltd. (Manufacturer)
Others		Subsidiaries Sanken Logistics Co., Ltd. (Logistics) Sanken Techno-Research Co., Ltd.(Technical information service) Sanken Business Service Co., Ltd.(Insurance agency) Affiliates Sanken-Airpax Co., Ltd. (Manufacturer)

(Note) As of April 1, 2005, the following three companies merged: Sanken Business Service Co., Ltd. (as of February 1, 2005, the name was changed from Sanken Kosan Co., Ltd.), Sanken Logistics Co., Ltd. and Sanken Techno-Research Co., Ltd., and Sanken Business Service Co., Ltd. is the surviving company.

(2) Management Policies

Basic Management Policy

The Company established its "Management Philosophy" in April 2003 in order to clarify the future direction of the Company. Extrapolating our philosophy and selecting semiconductor operations as our core business, we will continue our efforts to innovate our technical capabilities and creativity, and to extend our global business base on the original technology. We will also strive to maintain firm management foundation in order to maximize the corporate value of the Company and to become socially and environmentally responsible corporate citizen.

Profit Distribution Policy

Our fundamental profit distribution policy holds that allotment of profit to our shareholders is one of the most important missions of the management, and we are committed to ensure steady and stable payment of dividends through the improvements in our earnings potential and the enhancement of our financial conditions. We are also committed to utilize effectively our retained earnings for future capital investments, R&D investments, and other activities that will reinforce our corporate strength and expand our businesses horizons.

Concept of and Policy on Reducing the Size of the Trading Unit of the Shares

With a view to promote liquidity and to encourage participation by a broader range of investors in the trading of our shares, we recognize that reducing the size of the trading unit of the shares is one of the major issues facing the Company. Under the present circumstances, however, the Company's shares are sufficiently liquid, and furthermore, reducing the size of the trading unit incurs large costs. Therefore, we intend to deal with this issue carefully, taking into account future market conditions and other relevant factors.

Management Goals

The Company sets the management goals of a ROE (return on equity of net income) of 14% or more, and a ROA (return on assets) of 12% or more.

Mid and Long-term Management Strategies

The Company instituted a mid-term business plan for the three years covering April 2003 to March 2006. It aims at pursuing aggressive business expansion under the slogan of "Achieve Further Strength Amid Constant Challenge".

The specific elements of the plan are as follows.

Pursuing Agile and Lean Management

The Company will pursue a management strategy of swift decision-making and of speedier response to environmental changes, in order to minimize business risks in the ever-changing external business conditions.

Additionally, we will streamline our balance sheet by reducing and optimizing inventories, in order to realize efficient management.

2) Management Focus on Cash Flow

The Company will shift the focus of management from sales figure to cash flow, and use it as a new management target and criterion of performance. The funds to be generated will be appropriated to the reductions of interest bearing debts and the purchase of treasury shares, which will benefit all our shareholders. Also, from the viewpoint of our focus on cash flow, capital investment shall be limited to the extent allowed for by depreciation, and careful selection of investment projects with an aim of maximizing investment efficiency.

3) Challenges toward New Markets, New Products and New Applications

"Entry into new markets," "development of new products," and "development of new applications," called “the three ‘new’s,” constitute the supporting pillars of "the aggressive growth strategy" envisioned in the mid-term plan. With respect to "development of new products," we will increase the ratio of new products in our sales through developing highly differentiated new products, and will secure stable profits unaffected by precarious market conditions, while at the same time we will seek to improve profitability by developing high value-added new products. From the viewpoint of "entry into new markets" and "development of new applications," we will strengthen customer-oriented business, using the competitive advantage of having marketing staff and application engineers inside the Company directly visiting customers as opposed to relying on outside distributors and agents and will promote new product development by quickly incorporating the needs of customers.

4) Reforms in Manufacturing and Technology, and Closer Ties with Sanken Group Companies

Since innovation itself is the source of creating corporate value, we will build another pillar for “the aggressive growth strategy” by focusing our attention on "the two reforms," i.e. the manufacturing reforms including shortening production lead times, and the technical reforms including shortening development lead time, both of which are equally emphasized as the development of new products. We intend to unleash the collective strength of the Sanken Group companies and exploit the synergy of sales, development, technology and manufacturing, all linked together, in order to bring to market products competitive with China and Southeast Asian companies in quality, cost, and delivery timeliness through higher productivity and superior manufacturing technology.

Future Issues

The Company will make efforts to further strengthen the profit earning foundation and improve its financial strength through steady performance of the mid-term management plan, in order to achieve transformation to a self-sustainable growth company, as adopted in our slogan, which is not affected by the movements of business cycle. As specific measures, Our Group will increase production of CCFL as well as make efforts to respond to market changes through production innovation activities and introduction of a new production system. In addition, we will, as one united group, focus on reinforcement of profit earnings capacity and speed-up of product development and quality improvements including structural reform of a sluggish domestic power supply segment by promote integration of production and sales with SMPS business.

Basic Ideas on Corporate Governance and Implementation

1) Basic Ideas on Corporate Governance

While the Company will strengthen quick and accurate decision-making and supervising function of the Board of Directors on business execution and tramsparency in order to improve efficiency of management and maintain its healthiness, we will also promote the formation of a flexible business execution system and the reinforcement of management functions through the introduction of an executive officer system. Further, we are making efforts to strengthen an corporate governance system through the establishment of a Compliance Office and Investor Relations Office.

2) Implementation Conditions of Its Measures related to Corporate Governance

Details of Corporate Organizations and Conditions for Improvement of Internal Control System

The Company has adopted a Corporate Auditor system, and the Board of Directors and the Board of Auditors are composed of seven Directors and three Auditors (out of which one Outside Auditor). The Company has separated decision-making and supervisory functions from business execution functions through introduction of an executive officer system to establish a system capable of making a quick response to changes in management environment. As of the end of the current period, the Company has 14 Executive Officers (out of which six are concurrently held by Directors).

The Board of Directors has developed management policies and strategies for the entire Group and in order to strengthen further quick and accurate decision-making and supervisory functions regarding business execution, we have been promoting reform of the Board of Directors with a reduction in the number of Directors to the current number of seven from thirteen in June 2003 and also having Executive Officers attend Board meetings as appropriate. The Company also holds bi-monthly management meetings, mainly comprised of the President, each Division Manager and Deputy Manager to discuss progress of the mid-term business plan, capital investment, and other important business matters and promote expeditious business execution.

Conditions for Improvement of Risk Management System

Regarding risk management, each Department and Safety and Health Committee has previously been performing separately. In April of this year, the Company established a "Risk Management Committee," an organization under the direct control of the President, in order to strengthen its comprehensive risk management system, including our Group and to promote countermeasures. From now on, we will make efforts at putting into practice risk management through investigation, assessment and analysis, and planning and implementation of countermeasures for various risks associated with business operations, including natural disasters, setting the Risk Management Committee as the promotion body.

Conditions of Internal Audit and Audit by Corporate Auditors and Accounting Audit

With respect to internal audits, the Company has established a Compliance Office, an organization under the direct control of the President, which is comprised of four members. The Compliance Office is engaged in examination and determination of overall activities of employees in the Company, proposals for improvements and support in implementation, and promotion of compliance education and training. In this connection, as relates to a code of conduct for employees, the Company established its "Business Guidelines" in April 2003 and also established "Conduct Guidelines" in October 2003 as guidelines for compliance regarding ethics, laws and regulations. Further, the Company has created a "Help Line System," which is a contact point for communications of internal information and employee consultations. The Company makes efforts at enhancement of regulations and systems for the establishment of a compliance system.

Auditors (three members) comprise the Board of Auditors, which decides audit policy, audit planning and other statutory matters and shares information. Each Auditor attends the Board of Directors' meetings and management meetings and other important meetings as well as conducts rigorous audits through a review of important documents for approval such as documents of request for managerial decisions, regular consultations with the Compliance Office and accounting auditors, and visiting audits of each business office and factory of our Group both in Japan and overseas, and reports the results to the Board of Auditors.

The Company has appointed Ernst & Young ShinNihon as the accounting auditor under the Commercial Code and the Securities and Exchange Law. No particular beneficial interest exists between the Company and the audit corporation and the engagement partners of the audit corporation who are engaged in audits of the Company. In this connection, the Company has entered into an audit engagement contract with the audit corporation with regard to audits under the Commercial Code and the Securities and Exchange Law and pays fees based on the contract. Names of certified public accountants who conducted audit services for the current period are as follows.

Names of Certified Public Accountants having conducted Services		Name of Audit Corporation
Designated Partner, Engagement Partner	Akira Tanaka	Ernst & Young ShinNihon
Designated Partner, Engagement Partner	Haruya Takahashi	Ernst & Young ShinNihon

Compensation for Directors, Corporate Auditors and Audit Fees

Compensation for Directors and Corporate Auditors of the Company and audit fees for the audit corporation in the current period is as follows.

Compensation paid to Directors	¥232 million	
	(out of which payment of bonuses to Directors: ¥50 million)	
Compensation paid to Corporate Auditors:	¥ 41 million	
Total	¥274 million	

Audit Fees:

Fees related to Audit Certification ¥ 32 million

Disclosure System

The Legal Department collects, confirms and examines information with respect to the decided matters and incurred facts, and prompt and timely disclosure is made under the laws and regulations after approval by the decision-making body or incurrence of the said facts. On the other hand, the IR Office is actively providing shareholders and investors, analysts, mass media, etc., with corporate information (including financial statement reporting) and is also carrying out public relations activities, operation of the Company website and holding of results briefings.

3) Outline of Beneficial Interest between the Company and Outside Directors and Outside Auditor

The Company has one Outside Auditor and no Outside Directors. The Outside Auditor has not assumed the post of director or auditor of other companies. No beneficial interest exists between the Company and the Outside Auditor.

4) Implementation Conditions of Efforts at Enhancement of Corporate Governance in the Previous Year

During the current period, the Compliance Office has promoted validation of the effectiveness of internal institutions and systems, including an information system audit. Review of standards and regulations for management has been made for response to laws about protection of personal information and reinforcement of the information management system, primarily by the Legal Department and Information System Department.

Matters Related to Parent Company, etc.

There are no pertinent matters.

(3) Operating Results and Financial Conditions

1)Operating Results(Overview of the Year ended March 31, 2005)

General Review

The world economy during the current period advanced steadily in general. In addition to gradual growth in the US economy against the backdrop of improvement in personal consumption and private capital investment, the Asian economies have continued to expand, centering on China, which continued to record high growth. Under such circumstances, as regards the Japanese economy, while exports, which have pulled the economic recovery, saw sluggish growth, private capital investment showed signs of recovery in connection with improvement in corporate profits.

In the electronics industry to which the Company Group belongs, with global growth in the demand for air conditioners, white goods progressed favorably and also automotive electronic components grew steadily. After the middle of the period, however, in addition to a sense of stagnation in the mobile phone market, adjustment in production of digital home appliances including thin-type TVs and inventory adjustment in the stock of materials has expanded, and a full-scale recovery has yet to be seen although we saw signs of recovery in demand toward the end of the period.

Under such circumstances, our group has established the capacity to manufacture 10 million CCFLs a month, fixing our eyes on an increase in future demand for liquid crystal TVs as well as enhanced the production line for 6 inch wafers for BCD processes. In addition, in order to improve the infrastructure and promote sales expansion in Chinese markets, we have established the Taiwan Technical Center, and expansion of the VVVF inverter factory of Sanken L.D. Electric (Jiangyin) Co., Ltd. With respect to reconstruction of group companies and increased profit earnings capacity, we have also actively coped with these measures.

For results of the current period, while the domestic power supply equipment market continued to be sluggish and semiconductor products for audio visual equipment remained in low gear, a large increase in CCFLs and SMPSs contributed to expansion in sales and income.

As a result, consolidated net sales increased by 9,040 million yen (6.1%) from the previous period to 156,216 million yen. Regarding income, consolidated ordinary income increased by 1,321 million yen (15.3%) as compared to the previous period, to 9,948 million yen and consolidated net income recorded 6,682 million yen, an increase of 898 million yen (15.5%) from the previous period, which achieved record profits, in a continuation of the previous period.

Overview of the Business by Segments

Semiconductors and SMPSs

Consolidated net sales of this segment increased by 8,603 million yen (6.5%) from the previous period to 141,477 million yen.

Consolidated net sales of semiconductors were 111,926 million yen, an increase of 5,382 million yen (5.1%) as compared to the previous period. This is due to a large increase of 49.3% in net sales of CCFLs as compared to the previous period as a result of an increase in the sales ratio for large display TVs and products for PCs also continued to progress favorably, while a production adjustment of liquid crystal panels adversely affected the latter half of the period. On the other hand, with respect to semiconductor devices, including IC, diodes and transistors, our main products, sales for white goods such as air conditioners and for amusement equipment progressed favorably and net sales for automotive electronic components increased steadily. However, in addition to a decrease in demand for conventional audio visual equipment due to an expansion in music distribution through the network, net sales of products of Allegro Microsystems, Inc., our US subsidiary, decreased due to a sharp decrease in receipt of orders for mobile phones and printers in the second half. Accordingly net sales remained about the same as in the previous period.

Consolidated net sales of SMPSs largely increased by 3,220 million yen (12.2%) as compared to the previous period, to 29,550 million yen. As regards the sales of SMPS units, our core products, sales for thin-type TVs largely increased as a result of our efforts at entry and sales expansion in the consumer market as a strategic market in addition to OA and FA markets. Regarding CCFL inverters, net sales for liquid crystal TVs largely exceeded results of the previous period.

Power Supply Equipment

Consolidated sales of this segment were 14,739 million yen, an increase of 436 million yen (3.1%) as compared to the previous period.

For custom power supply equipment, net sales largely increased due to the demand for private capital investment and public facilities, including local domestic airports, but due to sluggish sales of power supplies for telecommunications equipment, net sales generally leveled off as compared to the previous period. As regards general-purpose power supply equipment, general-purpose UPS progressed steadily due to the recovery in domestic IT-related investments as well as net sales of VVVF inverters manufactured and sold by Sanken L. D. Electric (Jiangyin) Co., Ltd., which contributed to raising the level of operating results.

2)Forecast for the Next Fiscal Year

While it is a concern that economic growth will experience a slow down due to inflating oil prices and increases in inventories, mainly in the United States and China, in Japan, sluggish exports which have pulled the economy so far, have continued, although it is expected that personal consumption and private capital investment will recover. We expect the business environment to continue in the same manner, in which the market remains in the balance.

Under such a business environment, as regards the market conditions of the electronics industry in the next fiscal year, it is expected that inventory adjustment will progress and demand for digital home appliances, including thin type TVs, will increase. The Company will secure an increase in net sales with the timely release of new products and enhancement of production capacity, focusing on CCFLs, as well as aim at an increase in profit levels by the creation of results from further production and structural reforms of the power supply equipment business.

For results for the next fiscal year, we expect consolidated net sales of 173,000 million yen, and ordinary income of 14,400 million yen, net income of 8,600 million yen; non-consolidated results are expected to be: net sales of 131,400 million yen, ordinary income of 11,000 million yen and net income of 6,300 million yen.

3)Financial Conditions

The balance of cash and cash equivalents at the end of the current period was 11,302 million yen, a decrease of 6,568 million yen as compared to the end of the previous period.

Net cash provided by operating activities amounted to 9,508 million yen, a decrease of 6,298 million yen as compared to the previous period. This was due to an increase in expenses for lump-sum contributions to cover shortages in the pension reserve fund, while profits increased.

Net cash for investment activities totaled 11,010 million yen, a large increase of 10,887 million yen, as compared to the previous period. This was due to an increase in capital investment and, we had income from sales of tangible fixed assets in connection with liquidation of manufacturing facilities in the previous period.

Net cash used in financing activities totaled 5,725 million yen, a decrease of 8,474 million yen as compared to the previous period. This was due to a decrease in reduced amounts as compared to the previous period, although the Company has continued its reduction of interest bearing debts.

Our index trend concerning the financial conditions of our Group is as follows.

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Equity ratio	33.8%	38.0%	39.2%	43.3%	48.3%
Equity ratio on the basis of market price	42.2%	64.6%	75.1%	120.2%	121.3%
Redemption years for liabilities	13.5year	3.7year	2.1year	2.4year	3.5year
Interest coverage ratio	2.4times	9.6times	15.2times	13.9times	13.1times

Equity ratio: Equity/Total assets

Equity ratio on the basis of market price: Total amount of market price of stocks/Total assets

Redemption years for liabilities: Interest-bearing debts/Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities/Interest paid

*Every index has been calculated in accordance with financial figures on a consolidated basis.

*Total amount of market price of stocks has been calculated in accordance with the following formula: finalstock price at the end of year X number of outstanding shares at the end of fiscal year.

*Cash flow from operating activities uses Net cash provided by operating activities according to theconsolidated statement of cash flow. Interest-bearing debts include all debts for which interest has been paid from among the debts appropriated on the consolidated balance sheet. As for interest paid, the amount ofinterest paid according to the consolidated statement of cash flow is used.

4) Business Risk, etc.

Our Group has been developing business on a global scale in the electronics industry, in which technology advancement and changes in product cycles have been significant, allocating production and sales bases in Japan, and various countries in Asia, Europe and the United States. Under such circumstances, as major business risks identified by our Group, strategic risks, external environment risks, and internal environment risks can be pointed out. As strategic risks, there are such risks as success or failure in development of new products conforming to market needs, existence or nonexistence of the capacity to respond to price competition, occurrence of overseas imitation goods and infringement on patent rights in relation to intellectual property rights and financing problems at the time of decreased credibility. As external environment risks, in addition to the impact of a deteriorating economic environment as a global economic trend, advancement of a stronger yen, occurrence of various disasters, including natural disasters, fires, disruption of social and communication infrastructures mainly at production bases and material suppliers. Further, it is a concern that such unexpected country risks will arise as regarding significant changes in laws and regulations and taxation systems of various countries, war and terrorism. As risks related to the internal environment, it is a concern that violations of laws and regulations, environmental problems, quality problems, fraudulent use and leakage of information in connection with expansion of information systems may occur. In the event that any one of these risks or several of them occur and result in a decrease in social credibility and stagnation of business activities or occurrence of great losses, it may adversely affect the performance and financial condition of our Group.

(Note) The forecast for business results, etc., are based on information available as of the present time and the assumptions we considered valid. Please be advised that there are a host of uncertain factors that could greatly impact actual performance, including global market conditions, competitive environment, the introduction of new products and their success or failure, as well as the impact of current market-value accounting, and that it is very probable that actual results may differ from the forecast.

CONSOLIDATED BALANCE SHEETS

March 31, 2005 and 2004

Millions of yen

ASSETS	**March 31 2005**	March 31 2004
Current assets		
Cash and deposits	**11,546**	18,165
Notes and accounts receivable	**39,327**	38,698
Inventories	**32,167**	32,306
Deferred tax assets	**2,384**	2,318
Other current assets	**3,352**	3,452
Allowance for doubtful receivables	**(94)**	(87)
Total current assets	**88,684**	94,855
Fixed assets:		
Property,plant and equipment,net:		
Buildings	**17,436**	17,667
Machinery and equipment	**16,595**	13,416
Tools,furniture and fixtures	**2,379**	2,142
Land	**3,869**	3,973
Construction in progress	**2,545**	1,581
Property,plant and equipment,net	**42,826**	38,780
Intangible assets:		
Software	**863**	708
Other intangible assets	**775**	850
Total intangible assets	**1,638**	1,558
Investments and other assets:		
Investments in securities	**5,561**	6,236
Deferred tax assets	**1,086**	1,896
Other long-term receivables	**1,327**	1,262
Allowance for doubtful accounts	**(208)**	(205)
Total investments and other assets	**7,767**	9,189
Total fixed assets	**52,233**	49,528
Total assets	**140,917**	144,383

Millions of yen

LIABILITIES AND SHAREHOLDERS' EQUITY	**March 31 2005**	March 31 2004
Liabilities		
Current liabilities:		
Notes and accounts payable	**22,264**	23,466
Short-term bank loans	**8,954**	8,627
Straight Bonds Current Portion	**-**	10,000
Commercial Paper	**9,000**	-
Accrued expenses	**6,913**	7,665
Income taxes payable	**1,706**	2,182
Deferred tax liabilities	**7**	6
Other current liabilities	**2,136**	1,860
Total current liabilities	**50,984**	53,808
Long-term liabilities:		
Bonds and debentures	**10,000**	10,000
Long-term debt	**5,429**	9,041
Deferred tax liabilities	**188**	15
Accrued employees' retirement benefits	**5,123**	7,999
Accrued retirement benefits for directors	**347**	333
Other long-term liabilities	**491**	427
Total long-term liabilities	**21,580**	27,818
Total liabilities	**72,564**	81,627
Minority interests	**231**	237
Shareholders' equity		
Capital stock	**20,896**	20,896
Capital surplus	**21,167**	21,167
Retained earnings	**31,139**	25,651
Unrealiezed loss on securities	**1,037**	1,172
Translation adjusutments	**(2,576)**	(2,961)
Treasury stock	**(3,542)**	(3,407)
Total shareholders' equity	**68,121**	62,518
Total liabilities and shareholders' equity	**140,917**	144,383

CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2005 and 2004

Millions of yen

	March 31 2005	March 31 2004
Net sales	**156,216**	147,176
Cost of sales	**121,052**	113,716
Gross profit	**35,164**	33,460
Selling, general and administrative expenses	**23,081**	21,772
Operating income	**12,082**	11,687
Non-operating income	**970**	856
Non-operating expenses	**3,104**	3,917
Ordinary income	**9,948**	8,627
Gain on sales of marketable and investment securities	**455**	192
Other extraordinary income	**-**	81
Total extraordinary income	**455**	274
Loss on disposals of fixed assets	**98**	58
Valuation Loss on Fixed Assets	**65**	-
Provision for special severance	**16**	52
Revaluation loss of resort membership right	**12**	29
Other extraordinary loss	**20**	16
Total extraordinary loss	**212**	156
Income before income taxes , minority interests	**10,191**	8,745
Income taxes	**2,343**	3,424
Income tax - deferred	**1,013**	(559)
Minority interest in consolidated subsidiaries	**151**	96
Net income	**6,682**	5,784

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Years ended March 31, 2005 and 2004

Millions of yen

	March 31 2005	March 31 2004
Capital surplus at beginning of year	**21,167**	21,167
Increase in capital surplus		
Increase due to transaction of Treasury Stock	**0**	0
Capital surplus at end of year	**21,167**	21,167
Retained earnings at beginning of year	**25,651**	21,002
Increase in retained earnings		
Net income	**6,682**	5,784
Increase due to increase of a consolidated subsidiary	**72**	133
Decrease in retained earnings		
Cash dividends	**1,217**	1,218
Bonuses to directors	**50**	50
Retained earnings at end of year	**31,139**	25,651

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2005 and 2004

Millions of yen

	March 31 2005	March 31 2004
Operating activities		
1. Income before income taxes and minority interests in earnings of affiliates	**10,191**	8,745
2. Depreciation and amortization	**7,422**	8,852
3. Reversal of allowence for doubtful receivables	**8**	18
4. Provision of accured retirement benefits for employees	**(2,914)**	1,098
5. Interest and dividend income	**(258)**	(238)
6. Interest expense	**579**	966
7. Gain on sales of investment securities	**(455)**	(192)
8. Decrease (increase) in notes and accounts receivable	**795**	(4,003)
9. Decrease (increase) in inventories	**759**	(435)
10. Decrease (increase) in notes and accounts payable	**(2,983)**	3,783
11. Other	**(235)**	1,825
12. Interest and dividends received	**251**	133
13. Interest paid	**(724)**	(1,136)
14. Income taxes paid	**(2,929)**	(3,610)
Net cash provided by operating activities	**9,508**	15,806
Investing activities		
1. Purchases of property , plant and equipment	**(11,437)**	(8,439)
2. Proceeds from sales of property , plant and equipment	**145**	8,589
3. Purchases of investment securities	**-**	(146)
4. Proceeds from sales of investment securities	**824**	390
5. Expenditure of loan	**(25)**	(37)
6. Proceeds from collection of loan	**24**	24
7. Other	**(542)**	(505)
Net cash used in investing activities	**(11,010)**	(123)
Financing activities		
1. Decrease in short-term bank loans	**948**	645
2. Proceeds from issuance of Commercial Paper	**9,000**	(7,000)
3. Proceeds from issuance of long-term bank loans	**-**	56
4. Repayment of long-term debt	**(4,255)**	(6,444)
5. Proceeds from bond issue	**-**	10,000
6. Expenditure from bond repayment	**(10,000)**	(10,000)
7. Proceeds from sales of treasury stock	**0**	1
8. Redemption of treasury stock	**(135)**	(206)
9. Income from issuance of shares to minority interests	**-**	70
10. Cash dividends paid	**(1,219)**	(1,222)
11. Dividends paid to minority interests	**(64)**	(99)
Net cash used in financing activities	**(5,725)**	(14,199)
Effect of exchange rate changes on cash and cash equivalents	**277**	(152)
Net increase (decrease) in cash and cash equivalents	**(6,950)**	1,330
Cash and cash equivalents at beginning of the year	**17,871**	16,410
Increase of beginning cash and cash equivalents due to new entry of a subsidiary	**381**	129
Cash and cash equivalents at end of year	**11,302**	17,871

(4) Segment Information

Segment information by business

This fiscal year (April 1, 2004 to March 31, 2005)

Millions of yen

	Semicon-ductors	SMPSs	Power Supply Equipment	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	111,926	29,550	14,739	156,216	-	156,216
(2) Intersegment	74	221	3	299	(299)	-
Total	112,001	29,771	14,742	156,516	(299)	156,216
Operating expenses	98,044	29,559	14,327	141,932	2,202	144,134
Operating income	13,956	212	414	14,583	(2,501)	12,082
Assets	87,888	26,149	8,501	122,539	18,378	140,917
Depreciation	6,429	597	200	7,227	194	7,422
Capital Expenditures	11,124	483	110	11,718	127	11,846

Previous fiscal year (April 1, 2003 to March 31, 2004)

Millions of yen

	Semicon-ductors	SMPSs	Power Supply Equipment	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Sales to third parties	106,544	26,329	14,302	147,176	-	147,176
(2) Intersegment sales	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
Assets	81,818	27,921	10,147	119,887	24,495	144,383
Depreciation	7,839	679	223	8,743	109	8,852
Capital Expenditures	7,001	616	119	7,737	132	7,869

Segment imformation by geographic area

This fiscal year (April 1, 2004 to March 31, 2005)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	110,305	19,147	15,581	11,182	156,216	-	156,216
(2) Intersegment	11,568	19,036	11,726	281	42,612	(42,612)	-
Total	121,874	38,184	27,308	11,463	198,829	(42,612)	156,216
Operating expenses	110,325	37,645	25,292	11,195	184,459	(40,325)	144,134
Operating income	11,548	538	2,015	267	14,370	(2,287)	12,082
Assets	93,946	18,988	18,171	4,680	135,786	5,131	140,917

Previous 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
Assets	89,565	17,801	16,749	5,472	129,588	14,795	144,383

Notes 1: Classification of the country or region is based on geographic proximity.
2: Major countries and regions belonging to the categories outside Japan:
(1) Asia: South Korea, China, Philippines, Singapore, Malaysia, Indonesia
(2) North America: U.S.A.
(3) Europe: U.K.

Overseas Sales

This fiscal year (April 1, 2004 to March 31, 2005)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	61,951	9,935	11,109	191	83,188
Consolidated sales					156,216
Ratio of overseas sales to consolidated sales (%)	39.7	6.4	7.1	0.1	53.3

Previous 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

Notes 1: Classification of the country or region is based on geographic proximity.
2: Major countries and regions belonging to the categories:
(1) Asia: South Korea, China, Hong Kong, Taiwan
(2) North America: U.S.A. , Mexico
(3) Europe: U.K. , Germany
(4) Other Regions: Australia, Brazil
3: Overseas sales are sales in countries and regions outside Japan by Sanken and its subsidies.