

FY 2006 First Quarter Consolidated Financial Results

(April 1, 2006 to June 30, 2006)

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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 Quarter of FY 2006 (April 1, 2006 to June 30, 2006)

(1) Consolidated Results of Operations

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
FY 2006, 1st Quarter	47,588 (30.1%)	2,503 (116.5%)	1,902 (111.9%)	688 (38.3%)
FY 2005, 1st Quarter	36,585 (-4.5%)	1,156 (-40.8%)	898 (-49.3%)	497 (-53.5%)
FY 2005	173,527	12,008	11,515	7,035

	Net income per share	Fully diluted net income per share
FY 2006, 1st Quarter	5.66 yen	- yen
FY 2005, 1st Quarter	4.09 yen	- yen
FY 2005	57.41 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]

As for consolidated business results for the current first quarter, net sales were 47,588 million yen, operating income was 2,503 million yen, ordinary income was 1,902 million yen and quarterly net income was 688 million yen. Sales turned out nearly as expected primarily in the digital AV equipment market and the number of acceptance orders slightly exceeded the plan. An outline of the business by segments is as follows. Furthermore, from the current first quarter, in the existing semiconductor business semiconductor products are classified into the Semiconductor Business and SMPSs products are classified into the PM (Power Module) Business respectively, and the name of the Power Equipment Business has been changed to the PS (Power System) Business. Accordingly, we have formed three business segments.

Sales of the Semiconductor Business reached 36,491 million yen and substantially increased by 9,344 million yen (34.4%) compared to the first quarter of the previous year. With respect to semiconductor devices such as ICs, diodes and transistors, sales increased in the television market due to the expansion of sales for digital AV equipment, and in addition, sales of automobile electrical components including Hall ICs from Allegro also significantly increased. In this way, we saw the steady development in general. Additionally, with respect to CCFLs, production of products for big-screen TVs increased and a large increase in sales thereof was achieved.

Sales of the PM Business reached 7,758 million yen and increased by 1,107 million yen (16.6%) compared to the first quarter of the previous year. Although demand in the OA equipment market decreased, sales of switching power supply products for the thin-screen TVs and CCFL inverters continued to increase, and sales of general-purpose small-sized UPSs also increased.

Sales of the PS Business reached 3,338 million yen and increased by 550 million yen (19.8%) compared to the first quarter of the previous year. Sales of VVVF inverters in China showed signs of recovery and internal sales of power supply products for communications equipment and large-scale UPSs substantially increased.

(2) Consolidated Financial Position

(Millions of yen)

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
As of June 30, 2006	180,334	76,545	42.3 %	627.00 yen
As of June 30, 2005	144,326	69,070	47.9 %	567.94 yen
FY 2005	172,327	76,329	44.3 %	627.66 yen

[Consolidated Results of Cash Flows]

(Millions of yen)

	Net cash provided by (used in) operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Balance of cash and cash equivalents at the end of the quarter
FY 2006, 1st Quarter	4,415	(6,287)	4,690	14,743
FY 2005, 1st Quarter	(260)	(2,688)	2,019	10,375
FY 2005	14,916	(24,709)	9,998	12,231

[Qualitative Information with Respect to the Consolidated Financial Position]

Balance of cash and cash equivalents at the end of the current first quarter was 14,743 million yen.

Net cash provided by operating activities was 4,415 million yen as a result of net income and depreciation, although there were payments made for corporate taxes.

Net cash used in investing activities was 6,287 million yen due to expenses for the capital investment.

Net cash provided by financing activities was 4,690 million yen as a result of short-term borrowings and issuance of commercial paper, etc., although there was outflow, including scheduled repayments of borrowings or payment for dividends.

3. FY 2006 Consolidated Financial Forecast (April 1, 2006 to March 31, 2007)

With regard to the forecast for the interim and full fiscal year, there is no change in the forecast figures announced on May 9, 2006 for both consolidated and non-consolidated business results.

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

	1st Quarter FY 2006	1st Quarter FY 2005	FY 2005
Assets			
Current assets:			
Cash and deposits	14,972	10,634	12,466
Notes and accounts receivable	48,056	40,574	46,173
Inventories	36,460	34,270	34,568
Other current assets	7,515	5,874	7,527
Total current assets	107,004	91,354	100,736
Fixed assets:			
Property, plant and equipment, net	63,054	43,374	59,348
Intangible assets	1,977	1,653	2,027
Investments and other assets	8,297	7,944	10,214
Total fixed assets	73,329	52,972	71,591
Total assets	180,334	144,326	172,327
Liabilities			
Current liabilities:			
Notes and accounts payable	31,596	22,694	26,441
Short-term bank loans	11,113	9,091	10,075
Commercial Paper	23,000	12,000	18,000
Other current liabilities	13,873	9,898	16,362
Total current liabilities	79,583	53,685	70,880
Long-term liabilities:			
Bonds and debentures	10,000	10,000	10,000
Long-term debt	7,154	5,084	7,519
Other long-term liabilities	7,051	6,224	7,301
Total long-term liabilities	24,205	21,308	24,821
Total liabilities	103,789	74,993	95,701
Minority interests	-	261	297
Shareholders' equity			
Capital stock	-	20,896	20,896
Capital surplus	-	21,167	21,262
Retained earnings	-	31,636	36,341
Unrealized loss on securities	-	1,077	1,995
Translation adjustments	-	(2,140)	(437)
Treasury stock	-	(3,566)	(3,729)
Total shareholders' equity	-	69,070	76,329
Total liabilities and shareholders' equity	-	144,326	172,327
Net assets			
Shareholders' equity:			
Capital stock	20,896	-	-
Capital surplus	21,262	-	-
Retained earnings	36,824	-	-
Treasury stock	(3,743)	-	-
Total shareholders's equity	75,240	-	-
Valuation and translation adjustments:			
Unrealized loss on securities	1,731	-	-
Translation adjustments	(726)	-	-
Total valuation and translation adjustments	1,004	-	-
Minority interests	300	-	-
Total net assets	76,545	-	-
Total liabilities and net assets	180,334	-	-

CONSOLIDATED STATEMENTS OF INCOME(SUMMARY)

Millions of yen

	1st Quarter FY 2006	1st Quarter FY 2005	FY 2005
Net sales	47,588	36,585	173,527
Cost of sales	37,955	29,406	135,876
Gross profit	9,632	7,178	37,650
Selling, general and administrative expenses	7,128	6,022	25,642
Operating income	2,503	1,156	12,008
Non-operating income	245	240	2,426
Non-operating expenses	846	499	2,919
Ordinary income	1,902	898	11,515
Extraordinary income	0	0	352
Extraordinary loss	77	62	572
Income before income taxes , minority interests	1,825	835	11,295
Income taxes	1,128	314	4,162
Minority interest in consolidated subsidiaries	8	23	98
Net income	688	497	7,035

CONSOLIDATED STATEMENTS OF CASH FLOWS(SUMMARY)

Millions of yen

	1st Quarter FY 2006	1st Quarter FY 2005	FY 2005
Operating activities			
Income before income taxes and minority interests in earnings of affiliates	1,825	835	11,295
Depreciation and amortization	3,102	1,886	10,360
Decrease (increase) in notes and accounts receivable	(2,033)	(982)	(5,081)
(Increase) decrease in inventories	(2,120)	(1,774)	237
(Increase) decrease in notes and accounts payable	5,296	299	2,411
Other	1,585	1,075	(1,189)
Income taxes paid	(3,241)	(1,599)	(3,117)
Net cash provided by (used in) operating activities	4,415	(260)	14,916
Investing activities			
Purchases of property , plant and equipment	(6,311)	(1,950)	(14,007)
Proceeds from sales of property , plant and equipment	(2)	1	492
(Increase) decrease in investment securities	-	-	(4,531)
Increase (decrease) in Loan	110	(558)	(5,457)
Other	(83)	(180)	(1,204)
Net cash used in investing activities	(6,287)	(2,688)	(24,709)
Financing activities			
Increase (decrease) in short-term bank loans	2,083	310	1,738
(Decrease) increase in Commercial Paper	5,000	3,000	9,000
Proceeds from issuance of long-term bank loans	-	-	4,773
Repayment of long-term debt	(1,257)	(687)	(3,913)
Redemption of treasury stock	(14)	(24)	(197)
Cash dividends paid	(1,105)	(560)	(1,218)
Dividends paid to minority interests	(14)	(19)	(183)
Net cash provided by (used in) financing activities	4,690	2,019	9,998
Effect of exchange rate changes on cash and cash equivalents	(307)	2	529
Net (decrease) increase in cash and cash equivalents	2,511	(926)	735
Cash and cash equivalents at beginning of the term	12,231	11,302	11,302
Increase of beginning cash and cash equivalents due to new entry of a subsidiary	0	-	194
Cash and cash equivalents at end of term	14,743	10,375	12,231

Segment Information

1. Segment information by business

This Term (April 1, 2006 to June 30, 2006)

Millions of yen

	Semicon- ductors	PM	PS	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	36,491	7,758	3,338	47,588	-	47,588
(2) Intersegment	7	381	1	390	(390)	-
Total	36,498	8,139	3,339	47,978	(390)	47,588
Operating expenses	32,565	9,043	3,245	44,853	231	45,084
Operating income	3,933	(903)	94	3,125	(621)	2,503

Note: From the current period, SMPSs and Power Supply Equipment have changed their names to PM (Power Module) and PS (Power System), respectively.

Previous Term (April 1, 2005 to June 30, 2005)

Millions of yen

	Semicon- ductors	SMPSs	Power Supply Equipment	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	27,146	6,651	2,787	36,585	-	36,585
(2) Intersegment	5	46	7	59	(59)	-
Total	27,152	6,697	2,794	36,644	(59)	36,585
Operating expenses	24,935	7,292	2,641	34,869	559	35,429
Operating income	2,217	(594)	153	1,775	(619)	1,156

Last Fiscal Year (April 1, 2005 to March 31, 2006)

Millions of yen

	Semicon- ductors	SMPSs	Power Supply Equipment	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	129,174	31,344	13,008	173,527	-	173,527
(2) Intersegment	61	711	8	780	(780)	-
Total	129,236	32,056	13,016	174,308	(780)	173,527
Operating expenses	114,661	33,590	11,955	160,206	1,312	161,519
Operating income	14,575	(1,534)	1,061	14,102	(2,093)	12,008

2.Segment information by geographic area

This Term (April 1, 2006 to June 30, 2006)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	33,744	4,871	6,309	2,662	47,588	-	47,588
(2) Intersegment	3,257	8,321	3,163	3	14,745	(14,745)	-
Total	37,002	13,192	9,472	2,665	62,333	(14,745)	47,588
Operating expenses	34,713	13,466	8,876	2,719	59,775	(14,691)	45,084
Operating income	2,288	(274)	596	(53)	2,557	(54)	2,503

Previous Term (April 1, 2005 to June 30, 2005)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	26,662	3,821	3,746	2,355	36,585	-	36,585
(2) Intersegment	2,178	5,648	3,328	49	11,205	(11,205)	-
Total	28,840	9,470	7,074	2,405	47,791	(11,205)	36,585
Operating expenses	27,327	9,343	6,681	2,551	45,902	(10,473)	35,429
Operating income	1,513	127	393	(146)	1,888	(731)	1,156

Last Fiscal Year (April 1, 2005 to March 31, 2006)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	124,766	18,228	19,348	11,183	173,527	-	173,527
(2) Intersegment	10,752	29,118	14,205	89	54,166	(54,166)	-
Total	135,519	47,346	33,554	11,272	227,693	(54,166)	173,527
Operating expenses	122,524	47,706	31,613	11,777	213,621	(52,102)	161,519
Operating income	12,995	(359)	1,941	(505)	14,072	(2,063)	12,008

3.Overseas Sales

This Term (April 1, 2006 to June 30, 2006)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	22,061	3,847	2,827	8	28,744
Consolidated sales					47,588
Ratio of overseas sales to consolidated sales (%)	46.4	8.1	5.9	0.0	60.4

Previous Term (April 1, 2005 to June 30, 2005)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	15,226	2,345	2,376	42	19,991
Consolidated sales					36,585
Ratio of overseas sales to consolidated sales (%)	41.6	6.4	6.5	0.1	54.6

Last Fiscal Year (April 1, 2005 to March 31, 2006)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	75,878	12,104	11,303	49	99,336
Consolidated sales					173,527
Ratio of overseas sales to consolidated sales (%)	43.7	7.0	6.5	0.1	57.3