

# FY 2008 Third Quarter Consolidated Financial Results

(April 1, 2008 to December 31, 2008)

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 Results for the nine months ended December 31, 2008

### (1) Consolidated Results of Operations

(percentage change from  
the same period in the previous year)

	Net sales (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)
Nine months ended Dec.31,2008	122,639 -	1,012 -	-934 -	-8,649 -
Nine months ended Dec.31,2007	137,414 (-10.1%)	5,003 (-50.1%)	2,527 (-70.3%)	969 (-76.2%)

	Net income per share	Diluted net income per share
Nine months ended Dec.31,2008	-71.20 yen	-
Nine months ended Dec.31,2007	7.98 yen	7.10 yen

### (2) Consolidated Financial Position

	Total assets (Millions of yen)	Net assets (Millions of yen)	Shareholders' equity ratio	Net assets per share
As of Dec 31, 2008	154,672	63,185	40.5 %	515.77 yen
FY 2007	173,529	78,081	44.7 %	638.73 yen

(Reference) Shareholders' equity: Dec./2008: 62,646million yen(Mar./2008: 77,600million yen)

## 2. Dividend Information

	Dividend per share				
(Record date)	First quarter	Second quarter	Third quarter	Fiscal-year-end	Annual
FY 2007	-	7.00yen	-	7.00yen	14.00yen
FY 2008	-	7.00yen	-	-	-
FY 2008 (forecast)	-	-	-	3.00yen	10.00yen

Note: Change of the forecast in this quarter of the fiscal year ended March 31, 2009: Yes

: For details, refer to page 4 [Qualitative Information and Financial Statements, etc.] 3. [Qualitative Information of Consolidated Financial Forecast]

## 3. FY 2008 Consolidated Financial Forecast (April 1, 2008 to March 31, 2009)

(percentage change from  
the previous year)

	Net sales (Millions of Yen)	Operating income (Millions of Yen)	Ordinary income (Millions of Yen)	Net income (Millions of Yen)	Net income per share
Full year	146,000 ( -20.8%)	-5,000 ( - )	-7,500 ( - )	-15,000 ( - )	-123.48yen

Note: Change of the forecast in this quarter of the fiscal year ended March 31, 2009: Yes

#### 4. Other

- (1) Changes in significant subsidiaries during the period (changes in particular subsidiaries accompanying the change in scope of consolidation): No
- (2) Application of Simplified Accounting and the accounting method particular to Preparation of Quarterly Consolidated Financial statements: Yes

Note: For details, refer to page 5 [Qualitative Information and Financial Statements, etc.] 4. Other.

- (3) Changes in principles, procedures and representation method, etc., of accounting concerning preparation of quarterly consolidated financial statements (those to be stated in the changes of the underlying material matters for preparation of quarterly consolidated financial statements)
- (a) Changes in connection with the accounting standards, etc. : Yes
- (b) Changes other than (a) : Yes

Note: For details, refer to page 5 [Qualitative Information and Financial Statements, etc.] 4. Other.

- (4) Number of shares outstanding (common stock)
- (a) Number of shares outstanding at the end of the period (including treasury stock)  
Dec./2008: 125,490,302 (Mar./2008: 125,490,302)
- (b) Number of treasury stocks at the end of the period  
Dec./2008: 4,028,780 (Mar./2008: 3,998,156)
- (c) Average number of shares outstanding during the period  
Dec./2008: 121,478,872 (Dec./2007: 121,518,462)

#### **\* Explanation for appropriate use of the Financial Forecast and other matters to be noted**

1. 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.
2. “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and “Guidance on Accounting Standard for Quarterly Financial Reporting.” (ASBJ Guidance No. 14) have been applied from the current consolidated fiscal year. Quarterly consolidated financial statements are prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

(Reference)

#### **FY 2008 Non-consolidated Financial Forecast (April 1, 2008 to March 31, 2009)**

(percentage change from  
the previous year)

	Net sales (Millions of Yen)	Operating income (Millions of Yen)	Ordinary income (Millions of Yen)	Net income (Millions of Yen)	Net income per share
Full year	111,000 ( -19.9%)	-4,100 ( - )	-5,500 ( - )	-9,000 ( - )	-74.09yen

Note: Change of the forecast in this quarter of the fiscal year ended March 31, 2009: Yes

## **[Qualitative Information and Financial Statements, etc.]**

### **1. QUALITATIVE INFORMATION OF CONSOLIDATED OPERATING RESULTS**

In the electronics industry for the current 3rd quarter consolidated accumulated period, since November 2008 the degree of deterioration in the market environment has rapidly increased, as a result of the impact from the waves of global recession, triggered by the financial crisis in the United States. In particular, due to the fall in sales for automobiles and digital electric appliances around the world, the environment surrounding the Company Group has grown increasingly more severe at a greater scale and speed than expected, as each affiliated manufacturer has carried out large scale inventory adjustments, etc. Under such circumstances the Company Group has not only developed active sales activities for share expansion but also made strenuous efforts at various measures, including reductions in fixed costs and a freeze on capital investment corresponding to the decrease in orders received. For business results in the current 3rd quarter consolidated accumulated period, however, net sales were 122,639 million yen, a decrease of 10.8% as compared to the same period in the previous year. For income, operating income was 1,012 million yen, a decrease of 79.8% as compared to the same period in the previous year, and we had to record an ordinary loss of 934 million yen and a net loss of 8,649 million yen.

An overview by business segment is as follows.

For semiconductor devices in the semiconductor business, while sales of products for white goods, including air conditioners have steadily increased, we were significantly affected by production adjustments in LCD TVs and the automobile industry and as consumer demand for other products continued to be sluggish, sales have largely decreased as compared to the same period in the previous year. For CCFLs, we have recovered the share of the this year's model, but due to inventory adjustments for LCD panels, which exceeded our prediction, sales have significantly decreased since November 2008. As a result, net sales from the business of semiconductor devices and CCFLs together were 96,151 million yen, a decrease of 9,134 million yen (8.7%) as compared to the same period in the previous year. Operating income was 3,800 million yen, a decrease of 2,301 million yen (37.7%) as compared to the same period in the previous year.

For the PM business, as a result of a decrease in orders received due to sluggish growth of flat-panel TV markets and large inventory adjustments, net sales were 16,603 million yen, a decrease of 5,418 million yen (24.6%) as compared to the same period in the previous year and we were forced to record an operating loss of 1,432 million yen.

For the PS business, domestic sales remained steady. But capital investment in China has transitioned downward due to the impact of the credit crunch and sales of VVVF inverters decreased. As a result, net sales were 9,884 million yen, a decrease of 221 million yen (2.2%) as compared to the same period in the previous year and operating income was 512 million yen, a decrease of 745 million yen (59.3%) as compared to the same period in the previous year.

(\* In the above text, figures for the same period in the previous year are only for your reference.)

### **2. QUALITATIVE INFORMATION OF CONSOLIDATED FINANCIAL POSITION**

#### **1) Status of Assets, Liabilities and Net Assets**

Total assets as of the end of the current 3rd quarter consolidated fiscal period were 154,672 million yen, a decrease of 18,857 million yen from the end of the previous consolidated fiscal year. This was mainly due to an 11,438 million yen decrease in notes and accounts receivable-trade and a decrease of 4,846 million yen in machinery, equipment and vehicles.

Total liabilities were 91,487 million yen, a decrease of 3,960 million yen from the end of the previous consolidated fiscal year. This was mainly due to a 30,000 million yen decrease in commercial papers and an increase of 20,000 million yen in bonds and 7,119 million yen in Short-term loans payable.

Net assets were 63,185 million yen, a decrease of 14,896 million yen from the end of the previous consolidated fiscal year. This was mainly due to a 10,415 million yen decrease in retained earnings and a 4,087 million yen decrease in the foreign currency translation adjustment account.

#### **2) Status of Cash Flow**

Balance of cash and cash equivalents as of the end of the current 3rd quarter consolidated fiscal period was 12,665 million yen, an increase of 3,122 million yen as compared to the end of the previous consolidated fiscal year.

Net cash provided by operating activities was 12,817 million yen, an increase of 7,455 million yen as compared to the same period in the previous year. This was mainly due to a decrease in accounts receivable and an increase in purchase liabilities.

Net cash used in investing activities was 7,657 million yen, an increase of 702 million yen as compared to the same period in the previous year. This was mainly due to an increase in expenditures on acquisition of tangible fixed assets.

Net cash used in financing activities was 390 million yen, an increase of 1,963 million yen as compared to the same period in the previous year. This was mainly due to a redemption of commercial paper. The Company issued bonds for funding the redemption of bonds and commercial paper.

### **3. QUALITATIVE INFORMATION OF CONSOLIDATED FINANCIAL FORECAST**

With respect to future business, as there is concern that the global economy will deteriorate further, it is expected that the electronics industry will continue to experience sluggish demand and that corresponding production adjustments will continue. In addition, as regards external factors which will prevent an early recovery in performance, including the established trend of a stronger yen, as there is no sign of improvement, the forecast for the full-year consolidated and non-consolidated business results announced on November 7, 2008 will be revised as follows.

In connection with the revision of the forecast for business results, we are very sorry to inform you that the year-end dividend is expected to decrease.

[Forecast of Consolidated Business Results for the Full-year ending March 31, 2009]

(Millions of Yen)

	Forecast of the consolidated business results of the full-year ending March 31, 2009	Increase or decrease as compared to the same period in the previous year	Forecast of the consolidated business results of the full-year announced in November 2008
Net sales	146,000	-20.8%	183,000
Operating income	-5,000	-	9,000
Ordinary income	-7,500	-	6,500
Net income	-15,000	-	4,000

[Forecast of Non-consolidated Business Results for the Full-year ending March 31, 2009]

(Millions of Yen)

	Forecast of Non-consolidated business results of the full-year ending March 31, 2009	Increase or decrease as compared to the same period in the previous year	Forecast of Non-consolidated business results of the full-year announced in November 2008
Net sales	111,000	-19.9%	138,500
Operating income	-4,100	-	3,100
Ordinary income	-5,500	-	2,100
Net income	-9,000	-	1,200

As stated above, the business environment is expected to grow increasingly more severe. Under such circumstances, the Company Group has carried out emergency measures for the purpose of reducing fixed costs and we will continue to make strenuous efforts at reforming our profit earning structure. In addition, in order to securely seize on our chances upon recovery of performance after completion of inventory adjustments, we will make every effort to maintain close contact with our customers and aim at manufacturing products that correspond to the needs of customers in quality, capacity and price. We will actively promote entry in new markets which are expected to achieve high growth particularly through acceleration of development of new products corresponding to “eco” and sales promotion by manufacturing and sales as one united body.

#### **4. OTHER**

(1) Changes in significant subsidiaries during the year (changes in particular subsidiaries accompanying the change in scope of consolidation)

There is no pertinent matter.

(2) Application of Simplified Accounting and the accounting method particular to Preparation of Quarterly Consolidated Financial Statements

1) Calculation Method of Estimation of Bad Debts of General Credits

As it is recognized that there is no significant change in the actual ratio of bad debts at the end of the current consolidated third quarter from the estimation at the end of the previous consolidated fiscal year, estimation of bad debts was calculated by using the actual ratio of bad debts at the end of the previous consolidated fiscal year.

2) Calculation Method of Deferred Tax Assets and Deferred Tax Liabilities

If it has been determined that significant changes have arisen in the business environment since the end of the previous consolidated fiscal year, the recoverability of deferred tax assets is calculated by a method based on future earnings estimates used in the previous fiscal year's consolidated settlement of accounts and tax planning taking into account the impact of the aforementioned significant changes.

3) Calculation of Tax Expense

We adopted the method in which we have reasonably estimated the effective tax rate after application of tax effect accounting to the net income before tax in the current consolidated fiscal year and calculating by multiplying the quarterly net income before tax by the said estimated effective tax rate. However, in case calculating tax expenses using an estimation of the effective tax rate would significantly lack rationality, tax expenses are estimated by using the statutory effective tax rate. Deferred income tax is included in income taxes.

(3) Changes in Principles, Procedures and Indication Method of Accounting concerning Preparation of Quarterly Consolidated Financial Statements

1) Application of Accounting Standard for Quarterly Financial Reporting

"Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12) and "Guidance on Accounting Standard for Quarterly Financial Reporting." (ASBJ Guidance No. 14) have been applied from the current consolidated fiscal year. Quarterly consolidated financial statements are prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."

2) Application of Accounting Standard for Measurement of Inventories

"Accounting Standard for Measurement of Inventories" (ASBJ, July 5, 2006, Statement No. 9) have been applied from the current consolidated first quarter and the valuation standards were changed from lower-of-cost-or-market method to the cost method (method of reducing the book value according to the decreased profitability).

There is no effect on income by this change.

3) Application of Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

"Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ, May 17, 2006, PITF No. 18) have been applied from the consolidated first quarter and adjustment necessary for consolidated closing of accounts was made.

The effect on income is insignificant.

4) Application of Accounting Standards concerning Lease Transactions

"Accounting Standard for Lease Transactions" (ASBJ, June 17, 1993, final amendment, March 30, 2007, Statement No.13) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ, January 18, 1994, final amendment, March 30, 2007, Guidance No.16) have been applied early from the consolidated first quarter. For the finance lease transactions in which ownership is not transferred, accounting was changed from the method according to that concerning ordinary lease transactions to that concerning ordinary sales transactions and they were recorded in lease assets.

Depreciation of lease assets adopted the method which calculates the remaining value as zero, setting the lease period as the life.

For the finance lease transactions in which ownership is not transferred whose lease commencement date is before the first year of application, accounting according to the method concerning ordinary lease transactions has been continually adopted.

As a result, lease assets are recorded in tangible fixed assets at 56 million yen and in intangible assets at 4 million yen as compared to the previous method.

There is no effect on income by this change.

## **5. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS**

### **(1) Quarterly Consolidated Balance Sheets**

	Millions of yen	
	<b>December 31 2008</b>	<b>March 31 2008 (Summary)</b>
<b>ASSETS</b>		
Current assets		
Cash and deposits	<b>12,852</b>	9,763
Notes and accounts receivable-trade	<b>32,165</b>	43,603
Merchandise and finished goods	<b>15,478</b>	13,517
Work in process	<b>16,813</b>	14,369
Raw materials and supplies	<b>11,019</b>	12,719
Deferred tax assets	<b>374</b>	3,371
Other	<b>4,636</b>	6,835
Allowance for doubtful accounts	<b>(171 )</b>	(129 )
Total current assets	<b>93,168</b>	104,050
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	<b>18,826</b>	20,932
Machinery, equipment and vehicles, net	<b>27,235</b>	32,081
Tools, furniture and fixtures, net	<b>1,503</b>	2,266
Land	<b>4,388</b>	4,412
Construction in progress	<b>3,475</b>	1,907
Lease assets, net	<b>56</b>	—
Property, plant and equipment, net	<b>55,485</b>	61,600
Intangible assets		
Software	<b>303</b>	429
Other	<b>592</b>	1,127
Total intangible assets	<b>896</b>	1,556
Investments and other assets		
Investment securities	<b>2,125</b>	2,859
Deferred tax assets	<b>72</b>	655
Other	<b>3,173</b>	3,055
Allowance for doubtful accounts	<b>(250 )</b>	(249 )
Total investments and other assets	<b>5,121</b>	6,321
Total noncurrent assets	<b>61,503</b>	69,479
Total assets	<b>154,672</b>	173,529

	December 31 2008	March 31 2008 (Summary)
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Notes and accounts payable-trade	22,344	25,699
Short-term loans payable	20,013	12,894
Current portion of bonds	10,000	10,000
Commercial papers	—	30,000
Accrued expenses	6,987	8,160
Income taxes payable	758	394
Deferred tax liabilities	61	0
Provision for directors' bonuses	37	30
Other	1,735	1,084
Total current liabilities	61,937	88,262
Noncurrent liabilities		
Bonds payable	20,000	—
Long-term loans payable	4,767	2,200
Deferred tax liabilities	1,197	1,069
Provision for retirement benefits	2,805	3,092
Provision for directors' retirement benefits	152	172
Other	626	651
Total noncurrent liabilities	29,549	7,185
Total liabilities	91,487	95,447
Net assets		
Shareholders' equity		
Capital stock	20,896	20,896
Capital surplus	21,252	21,261
Retained earnings	31,823	42,239
Treasury stock	(3,886 )	(3,878 )
Total shareholders' equity	70,086	80,518
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	92	526
Foreign currency translation adjustment	(7,532 )	(3,444 )
Total valuation and translation adjustments	(7,440 )	(2,917 )
Subscription rights to shares	236	189
Minority interests	302	291
Total net assets	63,185	78,081
Total liabilities and net assets	154,672	173,529

## (2) Quarterly Consolidated Statements of Income

Millions of yen

	<b>Nine months ended Dec.31,2008</b>
Net sales	<b>122,639</b>
Cost of sales	<b>102,202</b>
Gross profit	<b>20,437</b>
Selling, general and administrative expenses	<b>19,425</b>
Operating income	<b>1,012</b>
Non-operating income	
Interest income	<b>74</b>
Dividends income	<b>30</b>
Gain on forgiveness of consumption taxes	<b>131</b>
Miscellaneous income	<b>324</b>
Total non-operating income	<b>560</b>
Non-operating expenses	
Interest expenses	<b>518</b>
Foreign exchange losses	<b>831</b>
Compensation expense	<b>644</b>
Miscellaneous loss	<b>513</b>
Total non-operating expenses	<b>2,507</b>
Ordinary loss	<b>(934 )</b>
Extraordinary income	
Gain on sales of noncurrent assets	<b>12</b>
Other	<b>0</b>
Extraordinary income	<b>12</b>
Extraordinary loss	
Loss on retirement of noncurrent assets	<b>118</b>
Loss on sales of noncurrent assets	<b>0</b>
Special retirement expenses	<b>207</b>
Loss on disaster	<b>60</b>
Impairment loss	<b>2,281</b>
Other	<b>0</b>
Total extraordinary losses	<b>2,668</b>
Loss before income taxes and minority interests	<b>(3,590 )</b>
Income taxes	<b>5,030</b>
Minority interests in income	<b>28</b>
Net loss	<b>(8,649 )</b>



### (3) Quarterly Consolidated Statements of Cash Flows

Millions of yen

**Nine months ended  
Dec.31,2008**

Net cash provided by (used in) operating activities	
Loss before income taxes and minority interests	(3,590 )
Depreciation and amortization	9,496
Impairment loss	2,281
Increase (decrease) in allowance for doubtful accounts	61
Increase (decrease) in provision for retirement benefits	(425 )
Interest and dividends income	(105 )
Interest expenses	518
Decrease (increase) in notes and accounts receivable-trade	10,805
Decrease (increase) in inventories	(4,355 )
Increase (decrease) in notes and accounts payable-trade	(2,456 )
Other, net	1,484
Subtotal	13,715
Interest and dividends income received	105
Interest expenses paid	(388 )
Income taxes paid	(614 )
Net cash provided by (used in) operating activities	12,817
Net cash provided by (used in) investment activities	
Purchase of property, plant and equipment	(7,317 )
Proceeds from sales of property, plant and equipment	146
Purchase of intangible assets	(207 )
Purchase of investment securities	(29 )
Payments of loans receivable	(1,430 )
Collection of loans receivable	1,612
Other, net	(430 )
Net cash provided by (used in) investment activities	(7,657 )
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	9,077
Increase (decrease) in commercial papers	(30,000 )
Repayments of finance lease obligations	(41 )
Proceeds from long-term loans payable	3,153
Repayment of long-term loans payable	(942 )
Proceeds from issuance of bonds	19,900
Proceeds from sales of treasury stock	6
Purchase of treasury stock	(23 )
Cash dividends paid	(1,522 )
Net cash provided by (used in) financing activities	(390 )
Effect of exchange rate change on cash and cash equivalents	(1,647 )
Net increase (decrease) in cash and cash equivalents	3,121
Cash and cash equivalents at beginning of period	9,543
Increase in cash and cash equivalents from newly consolidated subsidiary	0
Cash and cash equivalents at end of period	12,665

“Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and “Guidance on Accounting Standard for Quarterly Financial Reporting.” (ASBJ Guidance No. 14) have been applied from the current consolidated fiscal year. Quarterly consolidated financial statements are prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

#### (4) Notes on premise of Going Concern

none

#### (5) Segment information

[Segment information by business]

Nine months ended Dec.31,2008

Millions of yen

	Semicon- ductors	PM	PS	Total	Corporate and Eliminations	Consolidated
Sales						
(1) Third parties	96,151	16,603	9,884	122,639	-	122,639
(2) Intersegment	1,457	1,136	1	2,595	(2,595)	-
Total	97,608	17,740	9,886	125,235	(2,595)	122,639
Operating income (loss)	3,800	(1,432)	512	2,880	(1,867)	1,012

[Segment information by geographic area]

Nine months ended Dec.31,2008

Millions of yen

	Japan	Asia	North America	Europe	Total	Corporate and Eliminations	Consolidated
Sales							
(1) Third parties	85,025	14,293	15,067	8,253	122,639	-	122,639
(2) Intersegment	9,340	18,608	14,247	3	42,199	(42,199)	-
Total	94,365	32,902	29,315	8,256	164,839	(42,199)	122,639
Operating income	(301)	1,205	1,338	92	2,384	(1,372)	1,012

[Overseas Sales]

Nine months ended Dec.31,2008

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	48,897	8,693	8,836	7	66,435
Consolidated sales					122,639
Ratio of overseas sales to consolidated	39.9	7.1	7.2	0.0	54.2

**(6) Notes on significant changes in the amount of shareholders' equity**

Nine months ended Dec.31,2008

Millions of yen

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2008	20,896	21,261	42,239	(3,878)	80,518
Resulting from change of accounting policies applied to foreign subsidiaries			(142)		(142)
Changes of items during the period:					
Distribution of retained earnings			(1,700)		(1,700)
Net income			(8,649)		(8,649)
Redemption of treasury stock				(23)	(23)
Disposal of treasury stock		(8)		15	6
Resulting from increase in number of consolidated subsidiaries			76		76
Total changes of items	-	(8)	(10,273)	(8)	(10,290)
Balance at June 30, 2008	20,896	21,252	31,823	(3,886)	70,086

[Reference]

Consolidated Statements of Income (Summary)

Nine months ended Dec.31,2007

Millions of yen

	<b>December 31 FY 2007</b>
Net sales	<b>137,414</b>
Cost of sales	<b>111,902</b>
Gross profit	<b>25,512</b>
Selling, general and administrative expenses	<b>20,509</b>
Operating income	<b>5,003</b>
Non-operating income	<b>448</b>
Non-operating expenses	<b>2,924</b>
Ordinary income	<b>2,527</b>
Extraordinary income	<b>145</b>
Extraordinary loss	<b>343</b>
Income before income taxes, minority interests	<b>2,330</b>
Income taxes	<b>1,275</b>
Minority interest in consolidated subsidiaries	<b>84</b>
Net income	<b>969</b>

[Reference]

## Consolidated Statements of Cash Flows (Summary)

Nine months ended Dec.31,2007

	Nine months ended Dec.31,2007
Operating activities	
Income before income taxes and minority interests in earnings of affiliates	2,330
Depreciation and amortization	11,289
Decrease (increase) in notes and accounts receivable	5,317
(Increase) decrease in inventories	(3,805 )
(Increase) decrease in notes and accounts payable	(6,231 )
Other	(885 )
Income taxes paid	(2,652 )
	<hr/>
Net cash provided by (used in) operating activities	5,361
	<hr/>
Investing activities	
Purchases of property, plant and equipment	(6,391 )
Proceeds from sales of property, plant and equipment	50
(Increase) decrease in investment securities	0
Increase (decrease) in Loan	(192 )
Other	(422 )
	<hr/>
Net cash used in investing activities	(6,954 )
	<hr/>
Financing activities	
Increase (decrease) in short-term bank loans	6,045
Repayment of long-term debt	(2,736 )
Redemption of treasury stock	(46 )
Cash dividends paid	(1,598 )
Dividends paid to minority interests	(91 )
	<hr/>
Net cash provided by (used in) financing activities	1,572
	<hr/>
Effect of exchange rate changes on cash and cash equivalents	92
	<hr/>
Net increase (decrease) in cash and cash equivalents	72
	<hr/>
Cash and cash equivalents at beginning of the year	10,367
	<hr/>
Cash and cash equivalents at end of the period	10,439
	<hr/> <hr/>

[Reference]

Segment information

[Segment information by business]

Nine months ended Dec.31,2007

Millions of yen

	Semicon- ductors	PM	PS	Total	Corporate and Eliminations	Consolidated
Sales						
(1) Third parties	105,286	22,022	10,106	137,414	-	137,414
(2) Intersegment	1,003	787	2	1,793	(1,793)	-
Total	106,289	22,810	10,108	139,208	(1,793)	137,414
Operating expenses	100,186	23,283	8,851	132,320	90	132,411
Operating income	6,102	(472)	1,257	6,887	(1,884)	5,003

[Segment information by geographic area]

Nine months ended Dec.31,2007

Millions of yen

	Japan	Asia	North America	Europe	Total	Corporate and Eliminations	Consolidated
Sales							
(1) Third parties	91,757	15,902	18,275	11,480	137,414	-	137,414
(2) Intersegment	11,399	22,824	12,706	33	46,964	(46,964)	-
Total	103,157	38,726	30,981	11,514	184,379	(46,964)	137,414
Operating income	3,975	94	1,521	574	6,165	(1,162)	5,003

[Overseas Sales]

Nine months ended Dec.31,2007

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	55,685	12,867	10,669	76	79,298
Consolidated sales					137,414
Ratio of overseas sales to consolidated	40.5	9.4	7.8	0.0	57.7