

FY 2008 Consolidated Financial Results

(April 1, 2008 to March 31, 2009)

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1. Consolidated Financial Performance over the year, April 1, 2008 to March 31, 2009

(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)	Net income (percentage change from the previous year)
FY 2008	147,003 (-20.2%)	-4,891 (- %)	-7,716 (- %)	-15,773 (- %)
FY 2007	184,309 (-9.6%)	8,269 (-44.9%)	4,481 (-64.8%)	1,776 (-76.3%)

	Net income per share	Diluted net income per share	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
FY 2008	-129.85yen	-	-23.4%	-4.8%	-3.3%
FY 2007	14.62yen	13.47yen	2.2%	2.4%	4.5%

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

Notes2: Equity in net income/loss non-consolidated subsidiaries and/or affiliates:

Mar./ 2009: - yen (Mar./ 2008: - yen)

(2) Consolidated Financial Position

(Millions of Yen)

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
FY 2008	147,768	57,818	38.8%	471.98yen
FY 2007	173,529	78,081	44.7%	638.73yen

Note: Shareholders' equity:

Mar./ 2009: 57,325million yen (Mar./ 2008: 77,600million yen)

(3) 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 year
FY 2008	14,056	(12,181)	2,999	12,891
FY 2007	11,535	(9,298)	(3,422)	9,543

2. Dividend Information

(Record date)	Dividend per share					Total dividend (full year)	Dividend payout ratio (consolidated)	Dividend to total net assets (consolidated)
	First quarter	Second quarter	Third quarter	Fiscal-year -end	Annual			
FY 2007	-	7.00yen	-	7.00yen	14.00yen	1,700	95.8%	2.1%
FY 2008	-	7.00yen	-	3.00yen	10.00yen	1,214	-	1.8%
FY 2009 (forecast)	-	3.00yen	-	3.00yen	6.00yen		-	

3. FY 2009 Consolidated Financial Forecast (April 1, 2009 to March 31, 2010)

(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)	Net income (percentage change from the previous year)	Net income per share
1st half	63,000 (-29.8%)	-5,000 (- %)	-5,400 (- %)	-5,400 (- %)	-44.45yen
Full year	141,000 (-4.1%)	800 (- %)	0 (- %)	0 (- %)	0.00yen

4. Other

- (1) Changes in significant subsidiaries during the year (changes in particular subsidiaries accompanying the change in scope of consolidation): No
- (2) Changes in principles, procedures and representation method, etc., of accounting concerning preparation of consolidated financial statements (those to be stated in the changes of the underlying material matters for preparation of consolidated financial statements)
 - (a) Changes in connection with the accounting standards, etc. : Yes
 - (b) Changes other than (a) : Yes
- (3) Number of shares outstanding (common stock)

Number of shares outstanding at the end of the term (including treasury stock)
Mar./ 2009: 125,490,302 (Mar./ 2008: 125,490,302)

Number of treasury stocks at the end of the term
Mar./ 2009: 4,033,630 (Mar./ 2008: 3,998,156)

(Reference) Summary of Non-consolidated Financial Performance

1. Non-consolidated Financial Performance over the year, April 1, 2008 to March 31, 2009

(1) Non-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)	Net income (percentage change from the previous year)
FY 2008	110,553 (-20.2%)	-4,730 (- %)	-5,747 (- %)	-9,485 (- %)
FY 2007	138,556 (-10.9%)	2,774 (-72.5%)	2,015 (-78.9%)	450 (-92.7%)

	Net income per share	Diluted net income per share
FY 2008	-78.09yen	-
FY 2007	3.71yen	-

(2) Non-consolidated Financial Position (Millions of Yen)

	Total assets	Total net assets	Shareholders' equity ratio	Net assets per share
FY 2008	131,878	58,829	44.6%	484.37yen
FY 2007	151,869	70,539	46.4%	580.61yen

Notes: Shareholders' equity:

Mar./ 2009: 58,829million yen (Mar./ 2008: 70,539million yen)

2. FY 2009 Non-consolidated Financial Forecast (April 1, 2009 to March 31, 2010)

(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)	Net income (percentage change from the previous year)	Net income per share
1st half	47,500 (-30.7%)	-5,800 (- %)	-6,500 (- %)	-6,600 (- %)	-54.33yen
Full year	105,000 (-5.0%)	-2,200 (- %)	-3,700 (- %)	-3,900 (- %)	-32.11yen

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

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.

1. OPERATING RESULTS

(1) Analysis of Operating Results

1) Overview of the Current Period

General Review

The world economy during the current consolidated fiscal period advanced steadily in the first half, generally supported by significantly growing economies in emerging nations. But in the second half, as the financial crisis that originated in the United States rapidly affected the real economies of the world within a short period of time, the global economy fell into a very severe situation, which can be termed a “simultaneous global recession.” The Japanese economy has also suffered from serious recessionary forces as a result of a decline in demand, mainly from Europe and the United States and development of a stronger yen, which significantly deteriorated corporate income, particularly that of exporting industries. In particular, in the electronics industry to which our corporate group belongs, the environment surrounding our group has become much more challenging at a speed faster than we expected as each manufacturer has vigorously implemented inventory adjustments in the automobile and digital home appliance markets, our major customers.

Under such circumstances, our group has aimed at a “V-shaped recovery in performance” since the beginning of the period by exerting our total solution capability, from power sources to CCFL to respond to the needs of consumers who want products boasting “ecology and flat products.” In the semiconductor device business and the PM business, we have launched into the flat-panel TV market, small, thin-type and highly efficient new products as part of our efforts to expand our global share and also in the CCFL business, we have focused on development and sales expansion of high brightness and low priced next generation products. In addition, we have actively proceeded with development of products in new fields, including electricity saving technology and LED lighting, which take the environment into consideration. Further, to respond to the sharp decline in orders received due to rapid environmental changes since the second half, our group has carried out emergency measures since last November. Among these measures, we have made efforts to improve yields and cost reductions at production sites to endeavor to strengthen manufacturing and we have also carried out streamlining measures for management in general, including conducting reviews of personnel assignments, wide ranging production adjustments and overall assessment of capital investments and fixed costs.

Even with such measures, we were unable to keep pace with the sharp decline in sales, however, and in addition, from the impact of impairment of business equipment and reversal of deferred tax assets, for the current consolidated fiscal period, consolidated net sales were ¥147,003 million, a decrease of ¥37,306 million (20.2%) and for income, we recorded large losses as consolidated operating loss was ¥4,891 million, consolidated ordinary loss of ¥7,716 million and consolidated net loss of ¥15,773 million.

Overview of the Business by Segments

Semiconductors

Consolidated net sales of this segment were ¥110,544 million, a decrease of ¥31,544 million (22.2%) as compared to the previous period.

For semiconductor devices in the semiconductor business, sales increased for automotive products in the first half, but due to the impact of production adjustments in automotive and digital home appliance markets since the second half, orders received sharply decreased. In addition, we experienced such unprecedented adverse conditions as sluggish demand in the OA, industrial machines and white goods markets. For CCFL, we recorded in the first half net sales greater than those in the same period of the previous year, but orders received rapidly decreased due to inventory adjustments of liquid crystal panels greater than our forecast last autumn and net sales for the entire year decreased as compared to the previous period.

Power Modules

Consolidated net sales of this segment were ¥21,667 million, a decrease of ¥5,917 million (21.5%) as compared to the previous period.

In this segment, we made efforts at such structural reforms as more efficient operation by concentration of production to P.T. Sanken Indonesia and realization of a low cost and stable procurement system by reinforcing supply chain management, including localization and diversification of suppliers. Under such circumstances, although products for flat-panel TVs showed signs of recovery as we acquired new business transactions, net sales decreased as compared to the previous period due to the sluggish market for flat-panel TVs in general and inventory adjustments in particular.

Power Systems

Consolidated net sales of this segment were ¥14,791 million, an increase of ¥156 million (1.1%) as compared to the previous period.

As capital investment in China progressed at a low level, sales of VVVF inverters decreased in the second half, but in the domestic market, as sales generally progressed steadily, mainly for products for mobile phone base stations and public agencies, net sales in this segment recorded approximately the same level as the previous period.

2) Forecast of the Next Term

In the electronics industry for the next fiscal period, some markets are showing signs of recovery in demand, mainly in digital home appliances, after global inventory adjustments since last autumn, but we expect that production levels will continue to be low for the time being. Under such circumstances, the Company has a keen grasp of recovery trends in existing markets and aims to securely link such opportunities with business results as well as build on our efforts to expand sales by developing new markets and new applications. Through development of products such as devices that reduce electricity consumption and standby electricity, small size highly efficient module power supplies, LED lighting and solar power generation systems, we will actively pursue entering “ecology and energy savings” related markets. In addition to the above, by thoroughly promoting cost reductions through cost cuts in materials and fixed costs, we will lower our breakeven point to improve profitability as soon as possible.

For the full-year of consolidated business results, we expect net sales of ¥141,000 million, operating income of ¥800 million, ordinary income of ¥0 and net income of ¥0. In this regard, the figures are based on an exchange rate of 1US\$ = ¥95 for the year 2009.

(Note) 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) Analysis of Financial Conditions

1) Status of Assets, Liabilities and Net Assets

Total assets were ¥147,768 million as of the end of the current consolidated fiscal year, a decrease of

¥25,761 million from the end of the previous consolidated fiscal year. This was mainly due to a decrease in notes receivable and accounts receivable of ¥20,491 million and in deferred tax assets of ¥3,674 million.

Liabilities were ¥89,950 million, a decrease of ¥5,497 million from the end of the previous consolidated fiscal year. This was mainly due to a decrease in commercial paper of ¥14,000 million, bonds to be redeemed for the current period of ¥10,000 million and the increase in bonds of ¥20,000 million.

Net Assets were ¥57,818 million, a decrease of ¥20,263 million from the end of the previous consolidated fiscal year. This was mainly due to a decrease in retained earnings of ¥17,540 million and a decrease in the foreign currency translation adjustment account of ¥2,210 million.

2) Status of Cash Flow

Balance of cash and cash equivalents as of the end of the current consolidated fiscal year was ¥12,891 million, an increase of ¥3,348 million as compared to the end of the previous consolidated fiscal year.

Net cash provided by operating activities increased by ¥14,056 million, an increase of ¥2,520 million as compared to the previous year. This was mainly due to a decrease in accounts receivable.

Net cash used in investing activities decreased by ¥12,181 million, an increase of ¥2,883 million as compared to the previous year. This was mainly due to an increase in expenditures for the acquisition of tangible fixed assets.

Net cash provided by financing activities increased by ¥2,999 million, an increase of ¥6,421 million as compared to the previous year. This was mainly due to an increase in borrowings and issuing bonds to correspond to the funds for redemption of bonds and commercial paper.

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

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Equity ratio	48.3%	44.3%	42.7%	44.7%	38.8%
Equity ratio on the basis of market price	121.3%	142.2%	77.5%	41.0%	20.8%
Redemption years for liabilities	3.5year	3.1year	4.1year	4.8year	4.3year
Interest coverage ratio	13.1times	18.9times	12.5times	9.2times	21.0times

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: final stock 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 the consolidated 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 of interest paid according to the consolidated statement of cash flow is used.

3) Profit Distribution Policy, and Dividends of This Fiscal Year and Next Fiscal Year

Our fundamental profit distribution policy holds that allotment of profits to our shareholders is one of the most important missions of management, and we are committed to ensuring steady and stable payment of

dividends through improvements in our earnings potential and enhancement of our financial conditions. The year-end dividend for the current period will be ¥3 per share based on large losses recorded in our consolidated closing of accounts and non-consolidated closing of accounts and this will allow for an annual dividend of ¥10 per share. For an annual dividend in the next period, we expect it to be ¥6 per share (¥3 for both the interim and year-end dividends), considering the forecast of business results of the Company, etc.

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.

2. GROUP COMPANIES

In our business group, we have 29 subsidiaries, among these, 28 are consolidated subsidiaries. Our group produces and sells Semiconductors, Power Modules (PM), Power Systems (PS) and other related products and services associated therewith. The business lines and roles of the group companies are as follows.

Division	Major Products	Company Name
Semiconductor	Semiconductors	Sanken Electric Co., Ltd.
	Power IC Control IC Hall-effect IC Bipolar Transister MOSFET IGBT Thyristor Rectifier Diode Light Emitting Diode(LED) Cold Cathode Fluorecent Lamp(CCFL)	Subsidiaries Ishikawa Sanken Co., Ltd. (Manufacturer) Yamagata Sanken Co., Ltd. (Manufacturer) Kashima Sanken Co., Ltd. (Manufacturer) Fukushima Sanken Co., Ltd. (Manufacturer) Sanken Optoproducts Co., Ltd. (Manufacturer) Sanken Transformer Co., Ltd. (Manufacturer) Allegro MicroSystems, Inc. (Manufacturing and Sales) Allegro MicroSystems Philippines, Inc. (Manufacturer) Allegro MicroSystems Philippines Realty, Inc. (Real estate leasing) Allegro Microsystems Philippines Carmona Inc.(Manufacturer) Allegro MicroSystems Europe Limited (Sales company) Allegro MicroSystems Argentina S.A. (IC design) Allegro MicroSystems Business Development, Inc. (Sales and Technical service) Polar Semiconductor, Inc. (Manufacturer) Korea Sanken Co., Ltd. (Manufacturer) Sanken Power Systems (UK) Limited (Sales and Technical service) Dalian Sanken Transformer Co., Ltd. (Manufacturer) Dalian Sanken Trading Co., Ltd. (Sales company) Sanken Electric Singapore Pte. Ltd. (Sales company) Sanken Electric Korea Co., Ltd. (Sales and Technical service) Sanken Electric (Shanghai)Co., Ltd. (Sales and Technical service) Sanken Electric Hong Kong Co., Ltd. (Sales and Technical service) Taiwan Sanken Electric Co., Ltd. (Sales and Technical service)
PM	Power Modules Switching Mode Power Supply unit Transformer	Sanken Electric Co., Ltd. Subsidiaries PT. Sanken Indonesia (Manufacturing and Sales) Sanken Power Systems (UK) Limited (Sales and Design) Sanken Transformer Co., Ltd. (Manufacturing and Sales) Sanken Transformer (Malaysia) Sdn. Bhd. (Manufacturing and Sales) Dalian Sanken Transformer Co., Ltd. (Manufacturing and Sales) Sanken Electric (Shanghai)Co., Ltd. (Sales company) Sanken Electric Hong Kong Co., Ltd. (Sales and Purchasing support) Taiwan Sanken Electric Co., Ltd. (Sales company)
PS	Power Systems 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. (Manufacturing and Sales)
Others		Subsidiaries Sanken Business Service Co., Ltd. (Business Service) Sanken Logistics Co., Ltd. (Logistics)

3. MANAGEMENT POLICIES

(1) 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 based on original technology. We will also strive to maintain a firm management foundation in order to maximize the corporate value of the Company and to become a socially and environmentally responsible corporate citizen.

(2) Management Goals

We believe that it is extremely difficult to calculate reasonable numerical targets for the coming three years due to sharp changes in the external environment such as the simultaneous global recession. As such, we have not set mid-term management goals at this time and have only set single year numerical targets in the initial year of the new mid-term plan. We will consider setting mid-term management goals, watching future economic trends.

(3) Mid and Long-term Management Strategies

We have established our mid-term business plan for the coming three years from April 2009 as follows.

Like the previous mid-term business plan, business domains were determined to be power electronics and optical devices and we set out the slogan of “The Powerful Leader in P&O (Achieve Further Strength Amid Constant Challenge).”

Fundamental Policy of the Plan

1) Pursuing “Ecology and Energy Savings” by Total Solutions

- Setting “Ecology and Energy Savings” as our key words, we will promote the development of new products and new markets and new applications.
- We will realize early commercialization of module power supplies and LED modules.
- Exerting the total capacity of our semiconductor, optical and power supply technologies, we will provide total solutions.

2) Creation of Differentiated Technologies and Promotion of Innovative Manufacturing

- We will realize commercialization of wide gap semiconductors (GaN, SiC) and power supply systems for solar power and fuel cells.
- Utilizing circuit and packaging technologies unique to Sanken Electric, including active PFC, secondary power supply modules, DC/DC converters, etc., we will develop highly efficient products with respective high added-value.
- In developing products, by establishing platforms, we will accelerate development by increasing QCDDE.
- We will convert to offensive intellectual property strategies from a defensive posture and promote differentiated technologies.
- By acceleration of internal manufacturing of equipment (by blackboxing production technologies) and thorough cost reductions, we will increase market competitiveness.

- By strengthening development purchases, development of global purchasing and optimization of SCM, we will further promote material cost reductions.

3) Establishment of Marketing and Thorough Sales Activities Close to Market

- In strategic cooperation among the technology, sales and marketing departments, we will provide customers with optimum solutions.
- The marketing department will mainly develop market strategies and deeply mine existing markets of flat-panel TVs, automobiles, white goods, and industrial equipment, etc., and firmly enter new markets such as lighting, communications and IT.
- We will deploy an offense-oriented sales approach, anticipating the needs of the market in close contact with customers.

4) Deploying Global Strategies and Exerting Total Capacity of the Group

- Making the most of our wafer processing capacity of Yamagata Sanken Co., Ltd., and Polar Semiconductor, Inc., we will promote enhancement of 3 production capacities and cost reductions.
- Through collaboration with Allegro MicroSystems, Inc., and Polar Semiconductor, Inc., we will promote development of products using the next generation process and aim at sales expansion.
- We will build up a comprehensive management system of assembly, including subcontractors and EMS and establish flexible production systems which enable us to respond to changes quickly.
- We will determine highly focused markets by sales area and formulate optimum sales strategies.
- By promoting a global risk management system and internal control, we will carry out group management focused on CSR.

5) Improvements in Productivity for Each and Every Employee

- We will establish target settings and visualization of results for each and every employee and make efforts to change the consciousness and actions of employees, challenging ever-higher goals.
- We will have employees acquire speed that can respond to rapidly changing digital markets and act with a sense of tension.

(4) Future Issues

For the future global economy, while specific actions are being taken for recovery such as large scale stimulus measures in the United States, Europe and China, on the other hand, there are such concerns as delays in the recovery of emerging markets, including some Asian countries and East European countries and we expect that the current depressed conditions will continue. In the electronics industry to which the Company belongs, global inventory adjustments since last autumn seemingly have bottomed out and there are signs of recovery in demand in some markets, mainly of digital home appliances. As we expect, however, that it would take some time for the momentum to spread across the entire electronics parts industry we forecast that the production level will continue to be kept low for some time.

Under such circumstances, we will actively implement initiatives for sales expansion and business structural reform both in existing markets and new markets. In existing markets, as signs of recovery can be seen in some markets, we will place priority in grasping such opportunities ahead of competitors and securely realizing financial recovery. For new markets, we will endeavor to penetrate into a number of consumer goods

sub-markets which we haven't previously entered and into the burgeoning "ecology and energy saving" markets, including hybrid cars, LED lighting, and photovoltaic power generation, which are expected to grow in the future. In addition, we will take an even more active approach in the development of overseas markets. Through these efforts, we will make structural changes that enable sales expansion even under a very challenging economic environment. For that purpose, we launched a large scale organizational change as of April 1, 2009, including establishment of a new organization to promote business structural reform, strengthening marketing organizations to assume more strategic roles and addition of cross-organizational functions in the engineering area for exerting a total solution capability unique to the Company.

We will, for the survival of our group, further try to strike a balance between the size of the personnel and the capacity of production facilities on one hand, and the current level of incoming orders on the other, and carry out a comprehensive review of expenses free from any conventional approaches and also focus on lowering break even points. We will also try to realize highly responsive management style corresponding to quickly changing conditions in the marketplace, and, united as one, make our best for the financial recovery and future growth of the Company.

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Millions of yen	
	March 31 2008	March 31 2009
ASSETS		
Current assets		
Cash and deposits	9,763	13,069
Notes and accounts receivable-trade	43,603	23,111
Inventories	40,606	-
Merchandise and finished goods	-	15,085
Work in process	-	16,522
Raw materials and supplies	-	11,227
Deferred tax assets	3,371	226
Other	6,835	3,890
Allowance for doubtful accounts	(129)	(233)
Total current assets	<u>104,050</u>	<u>82,900</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	20,932	19,077
Machinery, equipment and vehicles, net	32,081	29,590
Tools, furniture and fixtures, net	2,266	1,377
Land	4,412	4,502
Lease assets, net	-	87
Construction in progress	1,907	3,864
Total property, plant and equipment	<u>61,600</u>	<u>58,501</u>
Intangible assets		
Software	429	289
Other	1,127	700
Total intangible assets	<u>1,556</u>	<u>990</u>
Investments and other assets		
Investment securities	2,859	2,010
Deferred tax assets	655	126
Other	3,055	3,490
Allowance for doubtful accounts	(249)	(250)
Total investments and other assets	<u>6,321</u>	<u>5,376</u>
Total noncurrent assets	<u>69,479</u>	<u>64,868</u>
Total assets	<u><u>173,529</u></u>	<u><u>147,768</u></u>

	March 31 2008	March 31 2009
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current liabilities		
Notes and accounts payable-trade	25,699	16,240
Short-term loans payable	12,894	19,590
Current portion of bonds	10,000	-
Commercial papers	30,000	16,000
Accrued expenses	8,160	7,100
Income taxes payable	394	398
Deferred tax liabilities	0	19
Provision for directors' bonuses	30	-
Provision for business structure improvement	-	492
Other	1,084	1,237
Total current liabilities	<u>88,262</u>	<u>61,078</u>
Noncurrent liabilities		
Bonds payable	-	20,000
Long-term loans payable	2,200	4,212
Deferred tax liabilities	1,069	1,123
Provision for retirement benefits	3,092	2,798
Provision for directors' retirement benefits	172	156
Other	651	580
Total noncurrent liabilities	<u>7,185</u>	<u>28,871</u>
Total liabilities	<u>95,447</u>	<u>89,950</u>
Net assets		
Shareholders' equity		
Capital stock	20,896	20,896
Capital surplus	21,261	21,249
Retained earnings	42,239	24,699
Treasury stock	(3,878)	(3,885)
Total shareholders' equity	<u>80,518</u>	<u>62,960</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	526	19
Foreign currency translation adjustment	(3,444)	(5,655)
Total valuation and translation adjustments	<u>(2,917)</u>	<u>(5,635)</u>
Subscription rights to shares	<u>189</u>	<u>253</u>
Minority interests	<u>291</u>	<u>239</u>
Total net assets	<u>78,081</u>	<u>57,818</u>
Total liabilities and net assets	<u><u>173,529</u></u>	<u><u>147,768</u></u>

(2) Consolidated Statements of Income

	Millions of yen	
	March 31 2008	March 31 2009
Net sales	184,309	147,003
Cost of sales	149,064	127,107
Gross profit	35,244	19,895
Selling, general and administrative expenses	26,975	24,787
Operating income (loss)	8,269	(4,891)
Non-operating income		
Interest income	171	86
Dividends income	149	30
Rent income on facilities	113	-
Gain on forgiveness of consumption taxes	-	131
Miscellaneous income	282	416
Total non-operating income	717	664
Non-operating expenses		
Interest expenses	1,189	714
Loss on retirement of inventories	926	-
Foreign exchange losses	708	917
Expenses on facilities for rent	70	-
Compensation expense	601	756
Miscellaneous loss	1,008	1,101
Total non-operating expenses	4,504	3,489
Ordinary income (loss)	4,481	(7,716)
Extraordinary income		
Gain on sales of investment securities	-	0
Gain on sales of noncurrent assets	56	12
Subsidy	318	-
Compensation income for expropriation	-	19
Other	6	-
Total extraordinary income	381	32
Extraordinary loss		
Loss on disposal of noncurrent assets	167	177
Loss on sales of noncurrent assets	0	6
Impairment loss	-	1,762
Cost related to the closure of the production facility	65	-
Loss on disaster	-	60
Special retirement expenses	-	314
Cost of restructuring and rearrangement of the production facility	315	-
Provision for business structure reform	-	599
Other	42	5
Total extraordinary losses	591	2,927
Income (loss) before income taxes and minority interests	4,271	(10,611)
Income taxes-current	1,092	1,048
Income taxes-deferred	1,281	4,093
Total income taxes	2,374	5,141
Minority interests in income	121	20
Net income (loss)	1,776	(15,773)

(3) Consolidated Statements of Changes in Net Assets

Millions of yen

	March 31 2008	March 31 2009
Shareholders' equity		
Capital stock		
Balance at the end of previous period	20,896	20,896
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	<u>20,896</u>	<u>20,896</u>
Capital surplus		
Balance at the end of previous period	21,263	21,261
Changes of items during the period		
Disposal of treasury stock	(2)	(11)
Total changes of items during the period	(2)	(11)
Balance at the end of current period	<u>21,261</u>	<u>21,249</u>
Retained earnings		
Balance at the end of previous period	42,369	42,239
Effect of changes in accounting policies applied to foreign subsidiaries	-	(142)
Changes of items during the period		
Dividends from surplus	(1,701)	(1,700)
Net income (loss)	1,776	(15,773)
Increase of consolidated subsidiaries	-	76
Decrease of consolidated subsidiaries	(205)	-
Total changes of items during the period	(130)	(17,397)
Balance at the end of current period	<u>42,239</u>	<u>24,699</u>
Treasury stock		
Balance at the end of previous period	(3,832)	(3,878)
Changes of items during the period		
Purchase of treasury stock	(55)	(26)
Disposal of treasury stock	10	19
Total changes of items during the period	(45)	(7)
Balance at the end of current period	<u>(3,878)</u>	<u>(3,885)</u>
Total shareholders' equity		
Balance at the end of previous period	80,697	80,518
Effect of changes in accounting policies applied to foreign subsidiaries	-	(142)
Changes of items during the period		
Dividends from surplus	(1,701)	(1,700)
Net income (loss)	1,776	(15,773)
Purchase of treasury stock	(55)	(26)
Disposal of treasury stock	7	7
Increase of consolidated subsidiaries	-	76
Decrease of consolidated subsidiaries	(205)	-
Total changes of items during the period	(178)	(17,416)
Balance at the end of current period	<u>80,518</u>	<u>62,960</u>

	March 31 2008	March 31 2009
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	1,648	526
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,121)	(507)
Total changes of items during the period	(1,121)	(507)
Balance at the end of current period	526	19
Foreign currency translation adjustment		
Balance at the end of previous period	314	(3,444)
Changes of items during the period		
Net changes of items other than shareholders' equity	(3,759)	(2,210)
Total changes of items during the period	(3,759)	(2,210)
Balance at the end of current period	(3,444)	(5,655)
Total valuation and translation adjustments		
Balance at the end of previous period	1,962	(2,917)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,880)	(2,717)
Total changes of items during the period	(4,880)	(2,717)
Balance at the end of current period	(2,917)	(5,635)
Subscription rights to shares		
Balance at the end of previous period	111	189
Changes of items during the period		
Net changes of items other than shareholders' equity	77	64
Total changes of items during the period	77	64
Balance at the end of current period	189	253
Minority interests		
Balance at the end of previous period	314	291
Changes of items during the period		
Net changes of items other than shareholders' equity	(22)	(52)
Total changes of items during the period	(22)	(52)
Balance at the end of current period	291	239
Total net assets		
Balance at the end of previous period	83,086	78,081
Effect of changes in accounting policies applied to foreign subsidiaries	-	(142)
Changes of items during the period		
Dividends from surplus	(1,701)	(1,700)
Net income (loss)	1,776	(15,773)
Purchase of treasury stock	(55)	(26)
Disposal of treasury stock	7	7
Increase of consolidated subsidiaries	-	76
Decrease of consolidated subsidiaries	(205)	-
Net changes of items other than shareholders' equity	(4,825)	(2,705)
Total changes of items during the period	(5,004)	(20,121)
Balance at the end of current period	78,081	57,818

(4) Consolidated Statements of Cash Flows

	Millions of yen	
	March 31 2008	March 31 2009
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	4,271	(10,611)
Depreciation and amortization	14,970	12,709
Impairment loss	-	1,762
Increase (decrease) in allowance for doubtful accounts	228	110
Increase (decrease) in provision for retirement benefits	(1,973)	(520)
Increase (Decrease) in provision for business structure reform	-	599
Interest and dividends income	(320)	(117)
Interest expenses	1,189	714
Decrease (increase) in notes and accounts receivable-trade	5,075	20,355
Decrease (increase) in inventories	(3,128)	(2,971)
Increase (decrease) in notes and accounts payable-trade	(5,815)	(9,054)
Other, net	690	2,725
Subtotal	15,188	15,702
Interest and dividends income received	320	117
Interest expenses paid	(1,255)	(669)
Income taxes paid	(2,717)	(1,093)
Net cash provided by (used in) operating activities	11,535	14,056
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(8,460)	(12,186)
Proceeds from sales of property, plant and equipment	126	208
Purchase of intangible assets	(272)	(277)
Purchase of investment securities	(28)	(29)
Proceeds from liquidation of subsidiaries	(46)	-
Payments of loans receivable	(1,017)	(2,059)
Collection of loans receivable	817	2,122
Other, net	(417)	40
Net cash provided by (used in) investing activities	(9,298)	(12,181)
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	1,601	7,365
Increase (decrease) in commercial papers	-	(14,000)
Repayments of finance lease obligations	-	(58)
Proceeds from long-term loans payable	3,300	3,150
Repayment of long-term loans payable	(6,487)	(1,591)
Proceeds from issuance of bonds	-	19,900
Redemption of bonds	-	(10,000)
Proceeds from sales of treasury stock	7	7
Purchase of treasury stock	(55)	(26)
Cash dividends paid	(1,696)	(1,699)
Cash dividends paid to minority shareholders	(91)	(49)
Net cash provided by (used in) financing activities	(3,422)	2,999
Effect of exchange rate change on cash and cash equivalents	361	(1,526)
Net increase (decrease) in cash and cash equivalents	(823)	3,347
Cash and cash equivalents at beginning of period	10,367	9,543
Increase in cash and cash equivalents from newly consolidated subsidiary	-	0
Cash and cash equivalents at end of period	9,543	12,891

5. SEGMENT INFORMATION

(1) Segment information by business

Previous Fiscal Year (April 1, 2007 to March 31, 2008)

Millions of yen

	Semicon- ductors	PM	PS	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	142,089	27,585	14,635	184,309	-	184,309
(2) Intersegment	1,309	953	2	2,265	(2,265)	-
Total	143,398	28,539	14,637	186,575	(2,265)	184,309
Operating expenses	134,151	29,130	12,632	175,913	126	176,040
Operating income (loss)	9,247	(591)	2,005	10,661	(2,391)	8,269
Assets	120,932	26,775	8,162	155,869	17,660	173,529
Depreciation	13,764	718	144	14,627	342	14,970
Capital Expenditures	7,668	336	137	8,142	168	8,310

This Fiscal Year (April 1, 2008 to March 31, 2009)

Millions of yen

	Semicon- ductors	PM	PS	Total	Eliminations or unallocated amounts	Consolidated
Sales						
(1) Third parties	110,544	21,667	14,791	147,003	-	147,003
(2) Intersegment	1,728	1,181	1	2,910	(2,910)	-
Total	112,272	22,848	14,792	149,914	(2,910)	147,003
Operating expenses	113,979	24,867	13,704	152,551	(656)	151,894
Operating income (loss)	(1,706)	(2,019)	1,088	(2,637)	(2,254)	(4,891)
Assets	102,929	18,804	8,700	130,435	17,333	147,768
Depreciation	11,695	511	162	12,369	340	12,709
Impairment loss	18	1,744	-	1,762	-	1,762
Capital Expenditures	11,889	516	148	12,554	128	12,682

(2) Segment Information by Geographic Area

Previous Fiscal Year (April 1, 2007 to March 31, 2008)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	126,403	19,965	23,648	14,291	184,309	-	184,309
(2) Intersegment	14,515	29,738	17,169	33	61,458	(61,458)	-
Total	140,919	49,704	40,818	14,325	245,767	(61,458)	184,309
Operating expenses	134,658	49,026	38,670	13,699	236,054	(60,014)	176,040
Operating income	6,261	678	2,147	625	9,713	(1,444)	8,269
Assets	118,253	20,646	27,098	5,061	171,060	2,469	173,529

This Fiscal Year (April 1, 2008 to March 31, 2009)

Millions of yen

	Japan	Asia	North America	Europe	Total	Eliminations or unallocated amounts	Consolidated
Sales							
(1) Third parties	101,310	18,552	17,541	9,599	147,003	-	147,003
(2) Intersegment	11,045	21,823	17,207	5	50,081	(50,081)	-
Total	112,356	40,375	34,748	9,604	197,084	(50,081)	147,003
Operating expenses	117,706	38,891	34,008	9,495	200,102	(48,207)	151,894
Operating income (loss)	(5,350)	1,483	739	109	(3,017)	(1,873)	(4,891)
Assets	97,013	16,863	26,891	3,277	144,045	3,723	147,768

(3) Overseas Sales

Previous Fiscal Year (April 1, 2007 to March 31, 2008)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	72,792	16,478	13,481	17	102,769
Consolidated sales					184,309
Ratio of overseas sales to consolidated sales (%)	39.5	9.0	7.3	0.0	55.8

This Fiscal Year (April 1, 2008 to March 31, 2009)

Millions of yen

	Asia	North America	Europe	Other Regions	Total
Overseas sales	58,155	10,114	10,698	8	78,976
Consolidated sales					147,003
Ratio of overseas sales to consolidated sales (%)	39.5	6.9	7.3	0.0	53.7