

# FY 2011 FIRST QUARTER CONSOLIDATED FINANCIAL RESULTS

(April 1, 2011 to June 30, 2011)

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## 1. FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2011

### (1) Consolidated Results of Operations

	Net sales (millions of yen)	Operating income (millions of yen)	Ordinary income (millions of yen)	Net income (millions of yen)
Three months ended Jun.30,2011	31,478 (-10.9%)	-623 —	-914 —	-1,830 —
Three months ended Jun.30,2010	35,339 (30.4%)	694 —	231 —	-589 —

Note1: Comprehensive income: -2,632 million yen (—%) for the year ended June 30, 2011 / -1,993 million yen (—%) for the year ended June 30, 2010

Note2: Indication of percentages shows the ratio of increase or decrease from the first quarter of the previous fiscal year.

	Net income per share (yen)	Diluted net income per share (yen)
Three months ended Jun.30,2011	-15.09	—
Three months ended Jun.30,2010	-4.86	—

### (2) Consolidated Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
As of June 30, 2011	128,595	30,468	23.5%
As of March 31, 2011	132,384	33,520	25.1%

Reference: Shareholders' equity: 30,200 million yen as of June 30, 2011 / 33,256 million yen as of March 31, 2011

## 2. DIVIDEND INFORMATION

	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal-year-end	Annual
Fiscal year 2010	—	3.00yen	—	3.00yen	6.00yen
Fiscal year 2011	—				
Fiscal year 2011 (forecast)		3.00yen	—	3.00yen	6.00yen

## 3. FISCAL YEAR 2011 CONSOLIDATED FINANCIAL FORECAST (April 1, 2011 to March 31, 2012)

(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
Second quarter (cumulative)	71,400 (-0.5%)	2,400 (-20.1%)	1,700 (-22.6%)	0 (-100.0%)	0.00yen
Full Year	150,000 (3.5%)	7,500 (22.0%)	6,000 (20.7%)	2,500 —	20.60yen

## 4. OTHER

- (1) Changes in significant subsidiaries during the three months ended June 30, 2011 (changes in particular subsidiaries accompanying the change in scope of consolidation): No
- (2) Application of particular accounting method for quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, restatements
  - Changes in accounting policies due to the amendment of accounting standards, etc. : No
  - Changes in accounting policies due to reasons other than above : No
  - Changes in accounting estimates : No
  - Restatements : No
- (4) Number of shares outstanding (common share)
  - Number of shares outstanding at the end of the period (including treasury stock)
    - Jun./2011: 125,490,302
    - Mar./2011: 125,490,302
  - Number of treasury stocks at the end of the period
    - Jun./2011: 4,139,359
    - Mar./2011: 4,138,777
  - Average number of shares outstanding during three months ended June 30
    - Apr./2011-Jun./2011: 121,351,370
    - Apr./2010-Jun./2010: 121,398,218

\* The above description about future matters including financial forecast is based upon information available as of the present time and assumptions we considered valid. Due to various factors, our actual performance could greatly differ from the forecast. For assumptions and notes regarding the forecasts, refer to "Qualitative Information concerning the Forecast of Consolidated Business Results".

# **1. QUALITATIVE INFORMATION ABOUT CONSOLIDATED BUSINESS RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2011**

## **(1) QUALITATIVE INFORMATION OF CONSOLIDATED OPERATING RESULTS**

Conditions have remained as adverse as ever for the electronics industry for the current first quarter consolidated fiscal period, as a consequence of the production decreases due to the Great East Japan Earthquake, sluggish TV markets, and other factors. To accelerate development in “eco-friendly and energy saving” markets and “emerging country markets” under these circumstances, the Company group has sought to expand the scale of sales by developing sophisticated and multifunctional products through a blending of group resources. We have also focused on securing profits by continuously implementing structural reforms and cost improvement measures on a fundamental unit basis. Yet the business environment remained adverse throughout the period, as stated previously, with net sales in the first quarter consolidated fiscal period falling to 31,478 million yen, for a decline of 10.9% compared to the same period of the previous year. For income, operating loss was 623 million yen (operating income of 694 million yen in the same period in the previous year) and ordinary loss was 914 million yen (ordinary income of 231 million yen in the same period in the previous year). The Company group recorded net loss of 1,830 million yen (net loss of 589 million yen in the same period in the previous year), mainly due to disaster-related losses.

Overview of business by segment is as follows.

In the semiconductor device business, sales of products for white goods progressed favorably, backed by requests for ecofriendly, energy-saving solutions in the markets. Sales of automotive products also advanced favorably, mainly in overseas markets. Sales for this segment remained severe as a whole, however, as domestic production of automobiles decreased in response to the impacts of the earthquake, and inventory adjustment in products for LCD TVs continued because of sluggish demand. As a result, net sales from the segment were 23,156 million yen, a decrease of 1,328 million yen as compared to the same period in the previous year and operating income was 527 million yen, a decrease of 1,065 million yen as compared to the same period in the previous year.

In the CCFL business, orders received significantly declined, as the business environment remained stringent. As a result, net sales from the segment were 538 million yen, a decrease of 1,607 million yen as compared to the same period in the previous year. For income, our efforts to improve profitability while optimizing resource allocation met with limited success and we were forced to record an operating loss of 338 million yen (operating loss of 223 million yen in the same period in the previous year).

In the PM business, sales of products for LCD TVs remained sluggish due to inventory adjustment in overseas TV markets. As a result, net sales from the segment were 4,615 million yen, a decrease of 1,224 million yen as compared to the same period in the previous year and we recorded operating loss of 355 million yen (operating loss of 243 million yen in the same period in the previous year).

In the PS business, sales of products for public agencies and electric power companies remained sluggish due to postponements in construction affected by the earthquake, etc. Meanwhile, sales of products relating to the business continuity plan (BCP), including direct current power sources for communication and uninterruptible power supply units, advanced favorably. As a result, net sales from the segment were 3,167 million yen, an increase of 297 million yen as compared to the same period in the previous year and operating income was 92 million yen, an increase of 7 million yen as compared to the same period in the previous year.

## **(2) QUALITATIVE INFORMATION OF CONSOLIDATED FINANCIAL POSITION**

Assets as of the end of the three months ended June 30, 2011 were 128,595 million yen, a decrease of 3,788 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in notes and accounts receivable-trade of 4,245 million yen.

Liabilities were 98,126 million yen, a decrease of 737 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in commercial papers of 1,000 million yen.

Net Assets were 30,468 million yen, a decrease of 3,051 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in retained earnings of 1,885 million yen and a decrease in foreign currency translation adjustment of 702 million yen.

## **(3) QUALITATIVE INFORMATION OF CONSOLIDATED FINANCIAL FORECAST**

We expect demand for eco-friendly and energy saving products to increase steadily in emerging countries and other markets, though we face ongoing concerns such as the steadily rising yen precipitated by financial problems in Europe and concerns about inflation in China. The Company group will continue to launch new products in “eco-friendly and energy saving” markets and “emerging country markets.” We will also try to reorganize and reinforce production systems to expand the scale of sales and maximize profits in and around the semiconductor device business.

## 2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

### (1) QUARTERLY CONSOLIDATED BALANCE SHEETS

Millions of yen

	March 31 2011	June 30 2011
<b>ASSETS</b>		
Current assets		
Cash and deposits	12,826	<b>12,357</b>
Notes and accounts receivable-trade	31,208	<b>26,962</b>
Merchandise and finished goods	11,352	<b>11,496</b>
Work in process	14,302	<b>16,100</b>
Raw materials and supplies	10,783	<b>10,527</b>
Deferred tax assets	196	<b>283</b>
Other	3,809	<b>2,844</b>
Allowance for doubtful accounts	(64)	<b>(66)</b>
Total current assets	<u>84,414</u>	<u><b>80,506</b></u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	16,145	<b>16,802</b>
Machinery, equipment and vehicles, net	15,928	<b>16,841</b>
Tools, furniture and fixtures, net	792	<b>883</b>
Land	4,290	<b>4,262</b>
Lease assets, net	550	<b>756</b>
Construction in progress	5,724	<b>4,214</b>
Total property, plant and equipment	<u>43,430</u>	<u><b>43,760</b></u>
Intangible assets		
Software	165	<b>168</b>
Other	648	<b>638</b>
Total intangible assets	<u>813</u>	<u><b>807</b></u>
Investments and other assets		
Investment securities	1,956	<b>1,780</b>
Deferred tax assets	162	<b>134</b>
Other	1,855	<b>1,855</b>
Allowance for doubtful accounts	(249)	<b>(249)</b>
Total investments and other assets	<u>3,724</u>	<u><b>3,520</b></u>
Total noncurrent assets	<u>47,969</u>	<u><b>48,088</b></u>
Total assets	<u><u>132,384</u></u>	<u><u><b>128,595</b></u></u>

	March 31 2011	June 30 2011
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,138	<b>19,228</b>
Short-term loans payable	20,382	<b>25,596</b>
Commercial papers	19,000	<b>18,000</b>
Income taxes payable	395	<b>164</b>
Deferred tax liabilities	0	<b>0</b>
Provision for directors' bonuses	30	<b>12</b>
Accrued expenses	7,450	<b>8,020</b>
Other	1,073	<b>1,216</b>
Total current liabilities	<u>68,469</u>	<u><b>72,239</b></u>
Noncurrent liabilities		
Bonds payable	20,000	<b>20,000</b>
Long-term loans payable	5,031	<b>24</b>
Deferred tax liabilities	572	<b>501</b>
Provision for retirement benefits	3,029	<b>3,231</b>
Provision for directors' retirement benefits	38	<b>39</b>
Asset retirement obligations	60	<b>60</b>
Other	1,662	<b>2,030</b>
Total noncurrent liabilities	<u>30,394</u>	<u><b>25,887</b></u>
Total liabilities	<u>98,863</u>	<u><b>98,126</b></u>
Net assets		
Shareholders' equity		
Capital stock	20,896	<b>20,896</b>
Capital surplus	18,667	<b>18,303</b>
Retained earnings	6,834	<b>4,948</b>
Treasury stock	(3,916)	<b>(3,916)</b>
Total shareholders' equity	<u>42,483</u>	<u><b>40,233</b></u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	212	<b>108</b>
Foreign currency translation adjustment	(9,439)	<b>(10,141)</b>
Total accumulated other comprehensive income	<u>(9,226)</u>	<u><b>(10,032)</b></u>
Minority interests	<u>263</u>	<u><b>268</b></u>
Total net assets	<u>33,520</u>	<u><b>30,468</b></u>
Total liabilities and net assets	<u><u>132,384</u></u>	<u><u><b>128,595</b></u></u>

**(2) QUARTERLY CONSOLIDATED STATEMENTS OF INCOME AND  
QUARTERLY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

Millions of yen

<b>CONSOLIDATED STATEMENTS OF INCOME</b>	Three months ended Jun.30, 2010	Three months ended Jun.30, 2011
Net sales	35,339	<b>31,478</b>
Cost of sales	28,703	<b>26,009</b>
Gross profit	<u>6,636</u>	<u><b>5,469</b></u>
Selling, general and administrative expenses	<u>5,941</u>	<u><b>6,092</b></u>
Operating income (loss)	<u>694</u>	<u><b>(623)</b></u>
Non-operating income		
Interest income	3	2
Dividends income	17	19
Foreign exchange gains	-	49
Miscellaneous income	92	99
Total non-operating income	<u>112</u>	<u><b>170</b></u>
Non-operating expenses		
Interest expenses	166	166
Compensation expense	8	178
Foreign exchange losses	266	-
Miscellaneous loss	134	116
Total non-operating expenses	<u>575</u>	<u><b>461</b></u>
Ordinary income (loss)	<u>231</u>	<u><b>(914)</b></u>
Extraordinary income		
Gain on sales of noncurrent assets	0	-
Total extraordinary income	<u>0</u>	<u>-</u>
Extraordinary loss		
Loss on retirement of noncurrent assets	6	12
Loss on disaster	-	256
Special retirement expenses	-	61
Loss on adjustment for changes of accounting standard for asset retirement obligations	84	-
Other	0	-
Total extraordinary losses	<u>91</u>	<u><b>331</b></u>
Income (loss) before income taxes and minority interests	<u>140</u>	<u><b>(1,246)</b></u>
Income taxes	<u>731</u>	<u><b>587</b></u>
Loss before minority interests	<u>(590)</u>	<u><b>(1,833)</b></u>
Minority interests in loss	<u>(0)</u>	<u><b>(2)</b></u>
Net loss	<u><u>(589)</u></u>	<u><u><b>(1,830)</b></u></u>

Millions of yen

<b>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME</b>	Three months ended Jun.30, 2010	<b>Three months ended Jun.30, 2011</b>
Loss before minority interests	(590)	<b>(1,833)</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	(178)	<b>(104)</b>
Foreign currency translation adjustment	(1,224)	<b>(693)</b>
Total other comprehensive income	<u>(1,403)</u>	<u><b>(798)</b></u>
Comprehensive income	<u>(1,993)</u>	<u><b>(2,632)</b></u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,995)	<b>(2,637)</b>
Comprehensive income attributable to minority interests	2	<b>5</b>

**(3) SEGMENT INFORMATION****[Information about Sales and Operating Income (Loss) by Reporting Segment]****THREE MONTHS ENDED JUNE 30, 2010**

Millions of yen

	Reporting Segment				Total	Adjustment	Amount stated in QUARTERLY CONSOLIDATED STATEMENTS OF INCOME
	Semi-conductor Devices	CCFL	PM	PS			
Sales							
(1) Third parties	24,485	2,145	5,839	2,869	35,339	—	35,339
(2) Intersegment	577	—	107	0	686	(686)	—
Total	25,062	2,145	5,947	2,870	36,025	(686)	35,339
Income (loss) by segment	1,592	(223)	(243)	84	1,210	(516)	694

**THREE MONTHS ENDED JUNE 30, 2011**

Millions of yen

	Reporting Segment				Total	Adjustment	Amount stated in QUARTERLY CONSOLIDATED STATEMENTS OF INCOME
	Semi-conductor Devices	CCFL	PM	PS			
Sales							
(1) Third parties	23,156	538	4,615	3,167	31,478	—	31,478
(2) Intersegment	293	—	121	0	415	(415)	—
Total	23,450	538	4,737	3,168	31,894	(415)	31,478
Income (loss) by segment	527	(338)	(355)	92	(74)	(548)	(623)