

FY 2013 FIRST QUARTER CONSOLIDATED FINANCIAL RESULTS

(April 1, 2013 to June 30, 2013)

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1. FINANCIAL RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2013

(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.30.2013	32,108 (6.9%)	1,147 (172.5%)	846 -	2,276 -
Three months ended Jun.30.2012	30,037 (-4.6%)	421 -	-11 -	-428 -

Note1: Comprehensive income: 3,982 million yen (—%) for three months ended June 30, 2013 / -1,533 million yen (—%) for three months ended June 30, 2012

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.30.2013	18.77	-
Three months ended Jun.30.2012	-3.53	-

(2) Consolidated Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
As of June 30, 2013	155,276	43,053	27.5%
As of March 31, 2013	148,517	39,436	26.4%

Reference: Shareholders' equity: 42,744 million yen as of June 30, 2013 / 39,174 million yen as of March 31, 2013

2. DIVIDEND INFORMATION

	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal-year-end	Annual
Fiscal year 2012	-	3.00yen	-	3.00yen	6.00yen
Fiscal year 2013	-				
Fiscal year 2013 (forecast)		3.00yen	-	3.00yen	6.00yen

3. FISCAL YEAR 2013 CONSOLIDATED FINANCIAL FORECAST (April 1, 2013 to March 31, 2014)

(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)	68,700 (10.1%)	2,900 (53.1%)	2,200 (84.8%)	1,000 (167.1%)	8.24yen
Full Year	146,200 (15.7%)	8,600 (85.9%)	7,200 (77.9%)	4,700 (106.8%)	38.74yen

4. OTHER

(1) Changes in significant subsidiaries during the three months ended June 30, 2013 (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)
- Number of treasury stocks at the end of the period
- Average number of shares outstanding during three months ended June 30

Jun./2013:	125,490,302	Mar./2013:	125,490,302
Jun./2013:	4,184,672	Mar./2013:	4,177,195
Apr./2013-Jun./2013	121,310,479	Apr./2012-Jun./2012	121,329,649

* 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, 2013

(1) QUALITATIVE INFORMATION OF CONSOLIDATED OPERATING RESULTS

In the electronics industry for the current first quarter consolidated fiscal period, a moderate recovery trend continued as a whole, though the trend was rather weak. The industry was continuously oppressed by the sluggish European economy, while the US economy remained on a trend toward improvement against a backdrop of higher personal consumption and employment circumstances, and China sustained its economic growth at a slowing pace. Under these circumstances, the Company group targets the “environmentally-friendly and energy saving” and “green energy” markets under its basic policy for fiscal 2013, and strives to increase the scale of sales and accelerate overseas expansion, especially for product categories where energy-savings technologies are absolutely required, such as automotive products, white goods, industrial equipment, and LED lighting. Net sales in the first quarter consolidated fiscal period were ¥32,108 million, an increase of ¥2,070 million (6.9%) as compared to the same period in the previous year, thanks mainly to stronger sales of semiconductor devices, along with higher sales overall attributable to the weaker yen. Operating income and ordinary income both increased, as we recorded operating income of ¥1,147 million, an increase of ¥726 million (172.5%) as compared to the same period in the previous year and ordinary income of ¥846 million (ordinary loss of ¥11 million in the same period in the previous year). These results were attributable to increased sales and an improved product mix resulting from the Company group’s focus on automotive products and white goods markets, together with the effects of various measures to improve profitability by constraining fixed costs, etc. Quarterly net income was ¥2,276 million (quarterly net loss of ¥428 million in the same period in the previous year) thanks to increased ordinary income and the recording of ¥-2,022 million of income taxes-deferred resulted from the deferred tax assets posted by a US subsidiary. We achieved increases in both net sales and income as compared to the same period in the previous year.

Overview of business by segment is as follows.

In the semiconductor device business, sales of automotive products progressed favorably thanks to the development of automotive electrification. Sales of products for white goods remained steady as we focused on our efforts to increase sales of products for refrigerators and washers along with air conditioners. As a result, consolidated net sales from this segment were ¥26,142 million, an increase of ¥3,309 million (14.5%) as compared to the same period in the previous year, and consolidated operating income was ¥2,392 million, an increase of ¥1,047 million (77.9%) as compared to the same period in the previous year.

For the CCFL business, sales continued to decrease due to sluggish demand for products for TVs. As a result, consolidated net sales from this segment were ¥92 million, a decrease of ¥218 million (70.3%) as compared to the same period in the previous year. For income, we recorded consolidated operating loss of ¥13 million (consolidated operating loss of ¥170 million in the same period in the previous year), although it improved to some degree.

For the PM business, sales progressed favorably for adapters, which contribute to the miniaturization and weight reduction of the main bodies of TVs and printers, and power-supply units for office MFP and factory automation, while sales for power-supply units for audio products remained sluggish. As a result, consolidated net sales from this segment were ¥3,602 million, a decrease of ¥594 million (14.2%) as compared to the same period in the previous year. For income, we recorded consolidated operating loss of ¥577 million (consolidated operating loss of ¥168 million in the same period in the previous year) linked to sales decline.

For the PS business, sales of products for public agencies remained steady while sales overall in the segment remained sluggish. Corporate investments for telecommunication facilities decreased, sales of products for electric power companies remained sluggish, and sales of products for green energy fell below the planned targets. As a result, consolidated net sales from this segment were ¥2,270 million, a decrease of ¥426 million (15.8%) as compared to the same period in the previous year, and we recorded consolidated operating loss of ¥121 million (consolidated operating income of ¥13 million in 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, 2013 were ¥155,276 million, an increase of ¥6,758 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in cash and deposits of ¥2,280 million, an inventory of ¥2,746 million, property, plant and equipment of ¥1,733 million and deferred tax assets of ¥1,343 million and a decrease in notes and accounts receivable-trade of ¥2,181 million.

Liabilities were ¥112,222 million, an increase of ¥3,141 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in bonds of ¥10,000 million and a decrease in commercial papers of ¥7,000 million.

Net Assets were ¥43,053 million, an increase of ¥3,617 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in retained earnings of ¥8,095 million, foreign currency translation adjustment of ¥1,539 million and a decrease in capital surplus in ¥6,180 million.

(3) QUALITATIVE INFORMATION OF CONSOLIDATED FINANCIAL FORECAST

The US economy is expected to remain on a moderate recovery trend, while China and other emerging countries have shown signs of economic instability due to decreasing exports to Europe. We therefore expect the global economy to remain unpredictable, as before. Under these circumstances, the Company group will focus on increasing the scale of sales and accelerating overseas development of “environmentally-friendly and energy saving” and “green energy” related products, of which the market expansion is expected, and will make concerted efforts to achieve the group plan for fiscal 2013. As stated in the “Notice of Recording of Deferred Tax Assets and Income Taxes-Deferred” announced on August 8, 2013, we recorded ¥-2,022 million of income taxes-deferred in the first quarter consolidated fiscal period due to the deferred tax assets posted by a US subsidiary. Quarterly net income increased as a result, but we decided to leave our forecast announced on May 10, 2013 unchanged with regard to our consolidated business results for the six months ending September 30, 2013 and the full fiscal year ending March 31, 2014, because these results may change depending on income/loss in the future and other factors. We will announce any future adjustments when our next forecast becomes available.

2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(1) QUARTERLY CONSOLIDATED BALANCE SHEETS

Millions of yen

	March 31 2013	June 30 2013
ASSETS		
Current assets		
Cash and deposits	12,079	14,359
Notes and accounts receivable-trade	31,945	29,764
Merchandise and finished goods	11,735	12,117
Work in process	21,090	22,362
Raw materials and supplies	11,140	12,234
Deferred tax assets	1,210	2,550
Other	2,936	3,189
Allowance for doubtful accounts	(61)	(53)
Total current assets	<u>92,077</u>	<u>96,523</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	17,035	16,969
Machinery, equipment and vehicles, net	18,210	18,780
Tools, furniture and fixtures, net	759	793
Land	4,921	4,945
Lease assets, net	4,259	3,999
Construction in progress	5,758	7,188
Total property, plant and equipment	<u>50,945</u>	<u>52,678</u>
Intangible assets		
Software	802	1,073
Other	889	962
Total intangible assets	<u>1,691</u>	<u>2,035</u>
Investments and other assets		
Investment securities	1,769	1,954
Deferred tax assets	196	200
Other	2,079	2,125
Allowance for doubtful accounts	(242)	(242)
Total investments and other assets	<u>3,803</u>	<u>4,038</u>
Total noncurrent assets	<u>56,439</u>	<u>58,752</u>
Total assets	<u><u>148,517</u></u>	<u><u>155,276</u></u>

	March 31 2013	June 30 2013
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Notes and accounts payable-trade	16,235	16,171
Short-term loans payable	14,805	15,279
Current portion of bonds	20,000	20,000
Commercial papers	13,000	6,000
Lease obligations	1,238	1,207
Income taxes payable	526	215
Provision for directors' bonuses	—	12
Accrued expenses	8,818	9,713
Other	2,323	1,218
Total current liabilities	<u>76,948</u>	<u>69,818</u>
Noncurrent liabilities		
Bonds payable	10,000	20,000
Long-term loans payable	12,500	12,500
Lease obligations	3,157	2,905
Deferred tax liabilities	868	1,086
Provision for retirement benefits	5,128	4,990
Provision for directors' retirement benefits	20	14
Asset retirement obligations	60	60
Other	397	847
Total noncurrent liabilities	<u>32,132</u>	<u>42,404</u>
Total liabilities	<u>109,081</u>	<u>112,222</u>
Net assets		
Shareholders' equity		
Capital stock	20,896	20,896
Capital surplus	17,573	11,393
Retained earnings	9,493	17,589
Treasury stock	(3,926)	(3,930)
Total shareholders' equity	<u>44,037</u>	<u>45,948</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	141	261
Foreign currency translation adjustment	(5,004)	(3,465)
Total accumulated other comprehensive income	<u>(4,862)</u>	<u>(3,203)</u>
Minority interests	<u>262</u>	<u>308</u>
Total net assets	<u>39,436</u>	<u>43,053</u>
Total liabilities and net assets	<u><u>148,517</u></u>	<u><u>155,276</u></u>

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

Millions of yen

CONSOLIDATED STATEMENTS OF INCOME	Three months ended Jun.30, 2012	Three months ended Jun.30, 2013
Net sales	30,037	32,108
Cost of sales	23,822	24,340
Gross profit	<u>6,215</u>	<u>7,768</u>
Selling, general and administrative expenses	<u>5,794</u>	<u>6,620</u>
Operating income	<u>421</u>	<u>1,147</u>
Non-operating income		
Interest income	1	1
Dividends income	18	19
Foreign exchange gains	—	4
Miscellaneous income	106	90
Total non-operating income	<u>126</u>	<u>116</u>
Non-operating expenses		
Interest expenses	173	198
Foreign exchange losses	236	—
Miscellaneous loss	150	219
Total non-operating expenses	<u>559</u>	<u>417</u>
Ordinary income (loss)	<u>(11)</u>	<u>846</u>
Extraordinary income		
Gain on sales of noncurrent assets	148	—
Total extraordinary income	<u>148</u>	<u>—</u>
Extraordinary loss		
Loss on retirement of noncurrent assets	22	0
Loss on sales of noncurrent assets	—	2
Loss on valuation of investment securities	41	—
Total extraordinary losses	<u>63</u>	<u>3</u>
Income before income taxes and minority interests	<u>73</u>	<u>843</u>
Income taxes	<u>507</u>	<u>(1,410)</u>
Income (loss) before minority interests	<u>(434)</u>	<u>2,254</u>
Minority interests in loss	<u>(6)</u>	<u>(21)</u>
Net income (loss)	<u>(428)</u>	<u>2,276</u>

Millions of yen

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	Three months ended Jun.30, 2012	Three months ended Jun.30, 2013
Income (loss) before minority interests	(434)	2,254
Other comprehensive income		
Valuation difference on available-for-sale securities	(218)	119
Foreign currency translation adjustment	(879)	1,607
Total other comprehensive income	<u>(1,098)</u>	<u>1,727</u>
Comprehensive income	<u><u>(1,533)</u></u>	<u><u>3,982</u></u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,545)	3,935
Comprehensive income attributable to minority interests	12	46

(3) SEGMENT INFORMATION**[Information about Sales and Operating Income (Loss) by Reporting Segment]****THREE MONTHS ENDED JUNE 30, 2012**

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	22,832	311	4,197	2,696	30,037	—	30,037
(2) Intersegment	399	—	271	0	671	(671)	—
Total	23,231	311	4,468	2,697	30,708	(671)	30,037
Income (loss) by segment	1,344	(170)	(168)	13	1,019	(598)	421

THREE MONTHS ENDED JUNE 30, 2013

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	26,142	92	3,602	2,270	32,108	—	32,108
(2) Intersegment	358	—	199	0	558	(558)	—
Total	26,500	92	3,802	2,271	32,666	(558)	32,108
Income (loss) by segment	2,392	(13)	(577)	(121)	1,679	(531)	1,147