

FY 2014 THIRD QUARTER (CUMULATIVE) CONSOLIDATED FINANCIAL RESULTS

(April 1, 2014 to December 31, 2014)

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1. FINANCIAL RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2014

(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)
Nine months ended Dec.31,2014	115,880 (11.7%)	7,174 (79.2%)	7,031 (100.7%)	4,932 (32.6%)
Nine months ended Dec.31,2013	103,726 (14.2%)	4,003 (90.7%)	3,502 (122.5%)	3,720 (—%)

Note1: Comprehensive income: 12,700 million yen (51.3%) for nine months ended Dec.31, 2014
 / 8,396 million yen (342.5%) for nine months ended Dec.31, 2013

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

	Net income per share (yen)	Diluted net income per share (yen)
Nine months ended Dec.31,2014	40.68	—
Nine months ended Dec.31,2013	30.68	—

(2) Consolidated Financial Position

(Millions of yen)

	Total assets	Net assets	Shareholders' equity ratio
As of December 31, 2014	187,072	60,891	32.3%
As of March 31, 2014	164,762	49,108	29.6%

<Reference> Shareholders' equity: 60,445 million yen as of Dec.31, 2014 / 48,718 million yen as of Mar.31, 2014

2. DIVIDEND INFORMATION

	Dividend per share				
	First quarter	Second quarter	Third quarter	Fiscal-year-end	Annual
Fiscal year 2013	—	3.00yen	—	3.00yen	6.00yen
Fiscal year 2014	—	3.00yen	—	3.00yen	6.00yen
Fiscal year 2014(forecast)				3.00yen	6.00yen

Note1: Revision to recently disclosed dividend forecast: No

3. FISCAL YEAR 2014 CONSOLIDATED FINANCIAL FORECAST (April 1, 2014 to March 31, 2015)

(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
Full Year	160,000 (10.8%)	12,000 (54.3%)	10,600 (40.0%)	7,900 (57.1%)	65.13yen

Note: Revision to recently disclosed financial forecast: No

4. OTHER

(1) Changes in significant subsidiaries during the nine months ended December 31, 2014 (changes to specified 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, restatement of revisions

- Changes in accounting policies according to revision of accounting standards, etc : Yes

- Changes in accounting policies due to reasons other than above : No

- Changes in accounting estimates : No

- Restatement of revisions : 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 nine months ended December 31

Dec./2014:	125,490,302	Mar./2014:	125,490,302
Dec./2014:	4,247,431	Mar./2014:	4,223,339
Apr./2014-Dec./2014	121,256,878	Apr./2013-Dec./2013	121,301,081

* 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 NINE MONTHS ENDED DECEMBER 31, 2014**

(1) QUALITATIVE INFORMATION ABOUT CONSOLIDATED OPERATING RESULTS

Looking into the trends in the global economy for the nine months ended December 31, 2014, demand stayed on a moderate expansion trend in the markets the Company mainly services with its products. Although the European economy showed signs of downturn such as declining consumer prices, the US economy continued to expand with help from steady personal consumption and the Chinese economy continued to advance steadily in spite of a slowdown in growth. Meanwhile, a prevailing sense of stagnation in the Japanese economy prompted a decision to institute the consumption tax hike later than planned. Under these circumstances, we focused on developing horizontally existing products and establishing new customers in overseas markets based on our basic policy for fiscal 2014 of “increasing the scale of sales” and “accelerating our overseas expansion.” As a result, net sales during the nine months ended December 31, 2014 were ¥115,880 million, an increase of ¥12,153 million (11.7%) as compared to the same period in the previous year, thanks mainly to strong sales of semiconductor devices primarily for automobiles and white goods and increased sales of PS products linked to expanding corporate investments for domestic telecommunications. For income, operating income and ordinary income both increased significantly as compared to the same period in the previous year, as we recorded operating income of ¥7,174 million, an increase of ¥3,171 million (79.2%), and ordinary income of ¥7,031 million, an increase of ¥3,528 million (100.7%). These results were attributable to an improved income ratio linked to an improved product mix and increased production volume and ongoing efforts to contain fix costs, as well as the absence of the valuation loss on inventories recorded in the previous year due to the termination of mainboards business for TVs. Quarterly net income was ¥4,932 million, an increase of ¥1,211 million (32.6%), even though the growth rate of quarterly net income as compared to the same period in the previous year dwindled because no tax effect was recorded at a US subsidiary that had recorded a tax effect in the previous fiscal year.

Overview of business by segment is as follows.

In the semiconductor device business, although sales of products for TVs and audio decreased, sales of automotive products progressed steadily in the automobile market thanks to increased sales volume of automobiles mainly in the US and the development of electrification all over the world. Sales of inverter IC products for white goods such as air conditioners, refrigerators, and washers for overseas and domestic markets increased significantly. As a result, consolidated net sales from this segment were ¥91,770 million, an increase of ¥10,060 million (12.3%) as compared to the same period in the previous year. Consolidated operating income was ¥8,686 million, an increase of ¥1,596 million (22.5%) as compared to the same period in the previous year.

For the PM business, sales of adaptors slightly increased as compared to the previous year, while sales of products for audio products remained sluggish and sales of products for copiers and industrial machinery became stagnant. As a result, consolidated net sales from this segment were ¥11,242 million, a decrease of ¥644 million (5.4%) as compared to the same period in the previous year. For income, although we succeeded in substantially narrowing the deficit margin owing to the absence of the valuation loss on inventories recorded in the previous year due to the termination of mainboards business for TVs, we were still forced to record consolidated operating loss of ¥534 million (consolidated operating loss of ¥1,139 million in the same period in the previous year).

Sales for the PS business progressed favorably due to the significantly increased sales of power-supply units for telecommunication facilities and the increased sales of products for public agencies, in spite of the sluggish sales of products for private demand. Consolidated net sales from this segment were ¥12,868 million, an increase of ¥2,866 million (28.7%) as compared to the same period in the previous year. Consolidated operating income was ¥717 million, a significant increase of ¥435 million (154.5%) as compared to the same period in the previous year.

(2) QUALITATIVE INFORMATION ABOUT CONSOLIDATED FINANCIAL POSITION

Total assets as of the end of December 31, 2014 were ¥187,072 million, an increase of ¥22,309 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in cash and deposits of ¥1,785 million, inventories of ¥8,445 million, property, plant and equipment of ¥9,525 million, and software of ¥1,126 million.

Total liabilities were ¥126,180 million, an increase of ¥10,526 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in notes and accounts payable-trade of ¥3,447 million, loans of ¥1,758 million, and commercial papers of ¥3,000 million.

Total net assets were ¥60,891 million, an increase of ¥11,782 million from the end of the previous consolidated fiscal year. This was mainly due to an increase in retained earnings of ¥4,766 million, and foreign currency translation adjustment of ¥7,757 million.

(3) QUALITATIVE INFORMATION ABOUT CONSOLIDATED FINANCIAL FORECAST

While there are mounting factors with unpredictable impacts such as unstable elements in political and social spheres emerging from the Middle East, Europe and elsewhere in the world, dropping crude oil prices, and erratic fluctuations in exchange rates, we still expect that the global economy will overall continue to recover, with ongoing expansion in the US as before, moderate expansion of the Chinese economy in spite of downward risk, and a gradual recovery of the economy in Europe. The Japanese economy is expected to moderately recover in spite of anxiety over the future economic trends, as the personal consumption is expected to progress steadily through improved income circumstances and decreasing energy costs. Under these circumstances, the Company group will strive to increase the scale of sales and accelerate overseas development of “environmentally-friendly and energy saving” and “green energy” related products including in emerging countries, and strengthen its supply capability by reinforcing production lines in the front-end wafer processes and the back-end assembly processes in order to steadily exploit increasing orders for sales, in addition to implementing measures focused mainly on the optimization of the production and procurement structure in response to the weaker-yen environment. Through these measures, the Company group will make concerted efforts to achieve the group plan for fiscal 2014.

2. QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

(1) QUARTERLY CONSOLIDATED BALANCE SHEETS

Millions of yen

	March 31 2014	December 31 2014
ASSETS		
Current assets		
Cash and deposits	14,943	16,728
Notes and accounts receivable - trade	33,986	33,710
Merchandise and finished goods	13,760	16,762
Work in process	20,885	24,467
Raw materials and supplies	11,464	13,326
Deferred tax assets	1,614	1,579
Other	4,171	6,400
Allowance for doubtful accounts	(61)	(25)
Total current assets	<u>100,764</u>	<u>112,948</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,697	20,471
Machinery, equipment and vehicles, net	20,944	25,162
Tools, furniture and fixtures, net	944	1,163
Land	5,183	5,498
Leased assets, net	3,506	2,790
Construction in progress	5,699	9,414
Total property, plant and equipment	<u>54,975</u>	<u>64,500</u>
Intangible assets		
Software	2,420	3,546
Other	1,198	1,485
Total intangible assets	<u>3,618</u>	<u>5,032</u>
Investments and other assets		
Investment securities	2,265	1,910
Deferred tax assets	888	72
Other	2,493	2,848
Allowance for doubtful accounts	(242)	(242)
Total investments and other assets	<u>5,404</u>	<u>4,589</u>
Total non-current assets	<u>63,998</u>	<u>74,123</u>
Total assets	<u><u>164,762</u></u>	<u><u>187,072</u></u>

	March 31 2014	December 31 2014
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,345	21,793
Short-term loans payable	27,030	26,289
Current portion of bonds	-	4,100
Commercial papers	15,000	18,000
Lease obligations	1,248	1,257
Income taxes payable	157	352
Provision for directors' bonuses	-	37
Accrued expenses	8,532	8,540
Other	1,061	3,582
Total current liabilities	<u>71,376</u>	<u>83,952</u>
Non-current liabilities		
Bonds payable	30,000	25,900
Long-term loans payable	5,000	7,500
Lease obligations	2,296	1,473
Deferred tax liabilities	1,951	2,171
Provision for directors' retirement benefits	18	24
Net defined benefit liability	3,087	2,121
Asset retirement obligations	60	60
Other	1,863	2,977
Total non-current liabilities	<u>44,277</u>	<u>42,228</u>
Total liabilities	<u>115,654</u>	<u>126,180</u>
Net assets		
Shareholders' equity		
Capital stock	20,896	20,896
Capital surplus	11,028	10,301
Retained earnings	20,340	25,106
Treasury shares	(3,954)	(3,975)
Total shareholders' equity	<u>48,310</u>	<u>52,328</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	461	599
Foreign currency translation adjustment	(1,615)	6,142
Remeasurements of defined benefit plans	1,561	1,374
Total accumulated other comprehensive income	<u>407</u>	<u>8,116</u>
Minority interests	390	446
Total net assets	<u>49,108</u>	<u>60,891</u>
Total liabilities and net assets	<u>164,762</u>	<u>187,072</u>

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

Millions of yen

QUARTERLY CONSOLIDATED STATEMENTS OF INCOME	Nine months ended Dec.31, 2013	Nine months ended Dec.31, 2014
Net sales	103,726	115,880
Cost of sales	<u>79,160</u>	<u>84,953</u>
Gross profit	<u>24,566</u>	<u>30,926</u>
Selling, general and administrative expenses	<u>20,563</u>	<u>23,752</u>
Operating income	<u>4,003</u>	<u>7,174</u>
Non-operating income		
Interest income	6	7
Dividend income	31	39
Foreign exchange gains	281	431
Miscellaneous income	297	402
Total non-operating income	<u>616</u>	<u>881</u>
Non-operating expenses		
Interest expenses	597	597
Miscellaneous loss	519	427
Total non-operating expenses	<u>1,116</u>	<u>1,024</u>
Ordinary income	<u>3,502</u>	<u>7,031</u>
Extraordinary income		
Gain on sales of non-current assets	0	1
Gain on sales of investment securities	-	408
Total extraordinary income	<u>0</u>	<u>410</u>
Extraordinary losses		
Loss on retirement of non-current assets	15	4
Loss on sales of non-current assets	2	-
Total extraordinary losses	<u>18</u>	<u>4</u>
Income before income taxes and minority interests	<u>3,484</u>	<u>7,436</u>
Income taxes	<u>(224)</u>	<u>2,488</u>
Income before minority interests	<u>3,709</u>	<u>4,948</u>
Minority interests in income (loss)	<u>(11)</u>	<u>15</u>
Net income	<u><u>3,720</u></u>	<u><u>4,932</u></u>

Millions of yen

QUARTERLY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	Nine months ended Dec.31, 2013	Nine months ended Dec.31, 2014
Income before minority interests	3,709	4,948
Other comprehensive income		
Valuation difference on available-for-sale securities	405	137
Foreign currency translation adjustment	4,281	7,800
Remeasurements of defined benefit plans, net of tax	-	(186)
Total other comprehensive income	<u>4,687</u>	<u>7,751</u>
Comprehensive income	<u>8,396</u>	<u>12,700</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,412	12,640
Comprehensive income attributable to minority interests	(15)	59

(3) SEGMENT INFORMATION**[Information on Net Sales, Incomes or Losses by Individual Reportable Segments]****NINE MONTHS ENDED DECEMBER 31, 2013**

Millions of yen

	Reportable Segments				Total	Adjusted Amount	Amount stated in Quarterly Consolidated Statements of Income
	Semi-conductor Device	CCFL	PM	PS			
Sales							
(1) Sales to Customers	81,709	128	11,886	10,001	103,726	—	103,726
(2) Intersegment Sales or Transfer	1,013	—	511	4	1,530	(1,530)	—
Total	82,723	128	12,398	10,006	105,257	(1,530)	103,726
Operating Income (loss) by segment	7,089	(598)	(1,139)	281	5,632	(1,629)	4,003

NINE MONTHS ENDED DECEMBER 31, 2014

Millions of yen

	Reportable Segments			Total	Adjusted Amount	Amount stated in Quarterly Consolidated Statements of Income
	Semiconductor Devices	PM	PS			
Sales						
(1) Sales to Customers	91,770	11,242	12,868	115,880	—	115,880
(2) Intersegment Sales or Transfer	637	474	1	1,112	(1,112)	—
Total	92,407	11,716	12,869	116,993	(1,112)	115,880
Operating Income (loss) by segment	8,686	(534)	717	8,868	(1,694)	7,174