

(This notice has been translated from the original notice in Japanese. In the event of any discrepancy, the original in Japanese shall prevail.)



August 3, 2012

**Summary of Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2013
(Three Months Ended June 30, 2012)
[Japan Standards] (Consolidated)**

Name of Listed Company: Sanshin Electronics Co., Ltd. Stock Exchange Listed: 1st Section, Tokyo

Code No.: 8150

URL: <http://www.sanshin.co.jp>

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Scheduled date of filing of Quarterly Report: August 10, 2012

Scheduled date of dividend payment: -

Supplementary materials for the quarterly financial results: No

Investor conference for the quarterly financial results: No

*(Amounts are rounded down to the nearest million yen)***1. Consolidated Business Performance for the First Quarter of March 2013 Term (April 1, 2012 – June 30, 2012)****(1) Consolidated business performance (consolidated)***(The percentages shown for net sales, operating profit, ordinary profit and net profit represent year-on-year changes)*

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q March 2013 Term	26,785	(24.7)	80	(62.6)	149	(33.9)	(11)	-
1Q March 2012 Term	35,558	(14.0)	214	(62.9)	226	(68.6)	149	(68.8)

(Note) Comprehensive profit 1Q March 2013 Term: -433 million yen (-%) 1Q March 2012 Term: -154 million yen (-%)

	Net profit per share	Diluted net profit per share
	Yen	Yen
1Q March 2013 Term	(0.39)	-
1Q March 2012 Term	4.93	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
June 2012 Term	75,759	57,990	76.5
March 2012 Term	79,882	58,716	73.5

Reference) Shareholders' equity 1Q March 2013 Term: 57,990 million yen March 2012 Term: 58,716 million yen

2. Dividends

(Record date)	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
March 2012 Term	-	10.00	-	10.00	20.00
March 2013 Term	-	-	-	-	-
March 2013 Term (forecast)	-	10.00	-	10.00	20.00

(Note) Revision of most recent dividend forecast: None

3. Forecasts for Consolidated Business Performance for March 2013 Term (April 1, 2012 – March 31, 2013)*(The percentages represent year-on-year changes)*

	Net sales		Operating profit		Ordinary profit		Net profit		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	80,000	1.4	400	(34.3)	500	(21.3)	350	(12.9)	11.95
Full year	180,000	24.9	1,450	43.7	1,600	99.5	1,100	113.1	37.57

(Note) Revision of most recent earnings forecast: None

*** Notes**

(1) Changes in consolidated subsidiaries during the term (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of unique accounting to the preparation of quarterly consolidated financial statements: None

(3) Change of accounting principles, change of accounting estimate, and redisplay after revision

1) Change of accounting principles caused by revision of accounting standards: Yes

2) Change of accounting principles other than 1): None

3) Change of accounting estimate: Yes

4) Redisplay after revision: None

Note: Please refer to “2. Matters Concerning Summary Information (Notes) - (3) Change of accounting principles, change of accounting estimate, and redisplay after revision”, on page 3 of [Appendix] for further information.

(4) Number of shares outstanding (ordinary shares)

1) Number of shares outstanding at the end of term (including treasury stock):

1Q March 2013 Term:	30,281,373 shares	March 2012 Term:	30,281,373 shares
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2) Number of treasury stock at the end of term:

1Q March 2013 Term:	1,001,424 shares	March 2012 Term:	1,001,371 shares
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3) Number of average stock during the term (quarterly total):

1Q March 2013 Term:	29,279,963 shares	1Q March 2012 Term:	30,280,400 shares
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***Indication concerning execution condition of quarterly review procedure**

The audit procedure of quarterly financial statements based on Financial Instruments and Exchange Law has not finished at the time of indication of this brief quarterly report.

*** Cautionary statement with respect to forward-looking statements**

The above forecast is a forecast for the future based on data currently available and the Company does not promise the achievement of the forecast.

The actual performance may considerably differ from the forecast due to various factors.

See the section “1. Qualitative Information Concerning the Current Quarterly Settlement - (3) Qualitative information concerning consolidated business performance” on page 3 of [Appendix] regarding the relevant matters for the above forecast for the business performance.

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1. Qualitative Information Concerning the Current Quarterly Settlement

(1) Qualitative Information of Business Results

1) Overview for the first quarter of the consolidated fiscal year ending March 2013

In the current first quarter of the consolidated cumulative period, in addition to prolonged financial issues in Europe, concerns about an economic slowdown in the U.S. and China have increased and unclear outlook continued for the global economy. In addition, Japan's economy faced severe situations such as the continuously high yen exchange rate and stagnant stock prices.

Regarding the electronics industry, to which the Group belongs, although the diffusion of smartphones globally progressed, sales of anchor products such as televisions and personal computers slumped, and as a result, the recovery of semiconductors and electronic components lacked intensity.

In these circumstances, the Group made a continuous effort to increase sales and improve profitability by strengthening our business power and consolidating management foundations.

However, net sales decreased 24.7% year-on-year to 26,785 million yen, operating profit decreased 62.6% to 80 million yen, and ordinary profit decreased 33.9% to 149 million yen in the first quarter of the consolidated cumulative period. In addition, in the current first quarter, a 104 million yen loss on valuation of investment securities was recorded, and there was a 160 million yen decrease compared to the same period a year ago for a total net loss of 11 million yen.

2) Overview of performance by business segment

a. Device Business

In the device segment, our leading products are semiconductors (including system LSIs, microcomputers, LCD driver ICs, and memories, etc.) and electronic components (including connectors, capacitors, and circuit boards, etc.). These products are sold mainly to the electronics manufacturers. We also provide technical support, such as software development and ASIC designs.

In the current first quarter of the consolidated cumulative period, the device business overall including game consoles and digital electric home appliances remained on a down note and the sales of both semiconductor and electronic components decreased compared to the same period a year ago.

As a result, consolidated segment sales decreased 26.5% year-on-year to 24,753 million yen. The segment balance ended at 178 million yen (down 22.5% from the previous term).

Orders received stood at 29,020 million yen, and the order backlog was 34,572 million yen.

b. Solution Business

In the solution segment, the Company develops business related to network and image editing systems. In the network system business, we offer services including sales, maintenance, and support of the information communication network and enterprise resource planning (ERP) systems, mainly targeting companies, medical institutions, and national and local government agencies. In the image editing system business, we provide systems and software products for editing, transmitting, and distribution of video content to customers including the broadcast stations and video production companies.

In the current first quarter of the consolidated cumulative period, the image editing systems business decreased, however, in the network system business, businesses such as services for public institutions and embedded OEM recorded robust sales. As a result, sales increased compared to the same period a year ago.

As a result, consolidated segment sales increased 8.8% year-on-year to 2,032 million yen. The segment balance ended at 79 million yen (up 43.5% from the previous term).

Orders received totaled 2,843 million yen, while the order backlog stood at 5,169 million yen.

(2) Qualitative Information Concerning the Consolidated Financial Status

Assets, liabilities and net assets

As of June 30, 2012, assets totaled 75,759 million yen. This represented a decrease of 4,123 million yen compared with March 31, 2012. This was mainly attributable to an increase of 2,555 million yen in cash and deposits, a decrease of 3,194 million yen in notes and accounts receivable, a decrease of 1,922 million yen in merchandise inventories, and a decrease of 1,229 million yen in consumption and other taxes receivable.

Liabilities decreased 3,397 million yen to 17,769 million yen, mainly because of a 1,913 million yen decrease in purchase liabilities and a 1,243 million yen decrease in short-term loans payable.

Net assets decreased 725 million yen to 57,990 million yen, mainly because of a 304 million yen decrease in retained earnings and a 399 million yen decrease in foreign exchange conversion adjustments.

(3) Qualitative Information Concerning Consolidated Business Performance

The forecasts throughout the term and the consolidated cumulative period of the second quarter are not changed from the ones stated in the brief settlement report of the term ended March 2012 (announced on May 16, 2012).

2. Matters Concerning Summary Information (Notes)

(1) Significant Subsidiary Change in the Consolidated Cumulative Period of This Quarter

None

(2) Application of Unique Accounting to the Preparation of Quarterly Consolidated Financial Statements

None

(3) Change of Accounting Principles, Change of Accounting Estimate, and Redisplay after Revision

(Change of Accounting Principles for Items that are Difficult to Categorize as Change of Accounting Estimate)

The Company and its domestic consolidated subsidiaries changed to the depreciation method based on the amended Corporation Tax Act due to amendments to the Corporation Tax Act for tangible fixed assets acquired on and after April 1, 2012. The influences of this change on earnings and loss are minimal.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	March 2012 Term (As of Mar. 31, 2012)	1Q March 2013 Term (As of Jun. 30, 2012)
Assets		
Current assets		
Cash and deposits	15,235	17,790
Notes and accounts receivable-trade	38,676	35,482
Merchandise inventories	16,329	14,407
Partly-finished work	3	16
Others	2,524	1,190
Allowance for doubtful receivables	(24)	(23)
Total current assets	72,744	68,863
Fixed assets		
Property and equipment	4,313	4,292
Intangible fixed assets		
Goodwill	52	49
Others	163	138
Total intangible fixed assets	215	187
Investments and other assets		
Others	2,791	2,592
Allowance for doubtful receivables	(182)	(176)
Total investments and other assets	2,609	2,415
Total fixed assets	7,138	6,896
Total assets	79,882	75,759
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,777	13,863
Short-term loans payable	3,470	2,226
Accrued corporate tax, etc.	148	106
Allowance	578	269
Others	974	1,092
Total current liabilities	20,948	17,558
Fixed liabilities	218	211
Total liabilities	21,166	17,769

(Million yen)

	March 2012 Term (As of Mar. 31, 2012)	1Q March 2013 Term (As of Jun. 30, 2012)
Net assets		
Shareholders' equity		
Capital stock	14,811	14,811
Capital surplus	15,329	15,329
Retained earnings	32,125	31,821
Treasury stock	(767)	(767)
Total shareholders' equity	61,499	61,195
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities	105	69
Deferred hedge gains/losses	6	21
Foreign exchange conversion adjustments	(2,895)	(3,295)
Total Accumulated other comprehensive income	(2,783)	(3,205)
Total net assets	58,716	57,990
Total liabilities and net assets	79,882	75,759

(2) Quarterly Consolidated Profit and Loss Statement, Consolidated Comprehensive Profit Statement
 (Quarterly Consolidated Profit and Loss Statement for the First Quarter)

(Million yen)

	1Q March 2012 Term (Apr. 1, 2011 – Jun. 30, 2011)	1Q March 2013 Term (Apr. 1, 2012 – Jun. 30, 2012)
Net sales	35,558	26,785
Cost of sales	33,046	24,509
Gross profit on sales	2,511	2,276
Selling, general and administrative expenses	2,297	2,196
Operating profit	214	80
Non-operating profit		
Interest income	3	5
Dividend income	7	51
Exchange gain	-	4
Others	16	12
Total non-operating profit	27	74
Non-operating expenses		
Interest expenses	8	4
Sales discounts	1	0
Foreign exchange loss	3	-
Others	1	0
Total non-operating expenses	15	5
Ordinary profit	226	149
Extraordinary profits		
Gain on sale of fixed assets	2	0
Gain on sale of investment securities	0	-
Total extraordinary profits	2	0
Extraordinary losses		
Loss on valuation of investment securities	-	104
Loss on valuation of membership	-	0
Total extraordinary losses	-	104
Net profit before tax and adjustments	228	45
Corporate, resident and enterprise taxes	42	78
Adjustment for corporate tax, etc.	36	(21)
Total income taxes	79	56
Income (loss) before minority interest	149	(11)
Net profit (loss)	149	(11)

(Quarterly Consolidated Comprehensive Profit Statement)
(Consolidated cumulative period of the first quarter)

	1Q March 2012 Term (Apr. 1, 2011 – Jun. 30, 2011)	1Q March 2013 Term (Apr. 1, 2012 – Jun. 30, 2012)
Income (loss) before minority interest	149	(11)
Other comprehensive incomes		
Valuation difference on available-for-sale securities	(27)	(36)
Deferred hedge gains/losses	54	14
Foreign currency translation adjustment	(331)	(399)
Total of other comprehensive incomes	(304)	(421)
Comprehensive profit	(154)	(433)
(Details)		
Comprehensive income relating to parental company	(154)	(433)
Comprehensive income relating to minority shareholders	-	-

(3) Notes regarding Going Concern

There are no relevant matters.

(4) Notes regarding Remarkable Change of Shareholder's Equity

None

(5) Segment Information

(Segment Information)

I. 1Q March 2012 Term (Apr. 1, 2011 – Jun. 30, 2011)

Information regarding the amounts of sales, profit or loss, assets, liabilities, and other items in each report segment

(Million yen)

	Reported segment			Adjustment amount (Note)1	Amount accounted on quarterly consolidated profit and loss statement (Note) 2
	Device segment	Solution segment	Total		
Net sales					
Sales to outside customers	33,689	1,868	35,558	-	35,558
Inter-segment sales or transfers	-	-	-	-	-
Total	33,689	1,868	35,558	-	35,558
Segment profit or loss	229	55	285	(58)	226

Notes: 1. The adjustment amount of segment income or loss -58 million yen includes expenses related to such management divisions as planning, general affairs, accounting, and personnel affairs divisions that were not apportioned to each report segment and interest expense that was apportioned to each report segment.

2. The segment income or loss is adjusted with the ordinary income in the quarterly consolidated profit and loss statement.

II. 1Q March 2013 Term (Apr. 1, 2012 – Jun. 30, 2012)

Information regarding the amounts of sales, profit or loss, assets, liabilities, and other items in each report segment

(Million yen)

	Reported segment			Adjustment amount (Note)1	Amount accounted on quarterly consolidated profit and loss statement (Note) 2
	Device segment	Solution segment	Total		
Net sales					
Sales to outside customers	24,753	2,032	26,785	-	26,785
Inter-segment sales or transfers	-	-	-	-	-
Total	24,753	2,032	26,785	-	26,785
Segment profit	178	79	257	(108)	149

Notes: 1. The adjustment amount of segment income -108 million yen includes expenses related to such management divisions as planning, general affairs, accounting, and personnel affairs divisions that were not apportioned to each report segment and interest expense that was apportioned to each report segment.

2. The segment income is adjusted with the ordinary income in the quarterly consolidated profit and loss statement.