

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



February 6, 2013

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

Name of Listed Company: Sanshin Electronics Co., Ltd.      Stock Exchange Listed: 1<sup>st</sup> Section, Tokyo  
Code No.: 8150      URL: <http://www.sanshin.co.jp>  
Representative: Mitsumasa Matsunaga, President  
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Scheduled date of filing of Quarterly Report: February 13, 2013  
Scheduled date of dividend payment: -  
Supplementary materials for the quarterly financial results: None  
Investor conference for the quarterly financial results: None

(Amounts are rounded down to the nearest million yen)

**1. Consolidated Business Performance for the First Three Quarters of March 2013 Term (April 1, 2012 – December 31, 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	%
3Q March 2013 Term	115,019	1.4	1,051	45.5	948	46.7	670	71.9
3Q March 2012 Term	113,414	(16.0)	722	(59.7)	646	(64.3)	390	(69.3)

(Note) Comprehensive profit    3Q March 2013 Term: 1,098 million yen (-%)    3Q March 2012 Term: -310 million yen (-%)

	Net profit per share	Diluted net profit per share
	Yen	Yen
3Q March 2013 Term	22.90	-
3Q March 2012 Term	12.88	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
December 2012 Term	87,881	59,229	67.4
March 2012 Term	79,882	58,716	73.5

Reference) Shareholders' equity    3Q March 2013 Term: 59,229 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	-	10.00	-	-	-
March 2013 Term (forecast)	-	-	-	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
Full year	165,000	14.5	1,500	48.7	1,600	99.5	1,100	113.1	37.57

(Note) Revision of most recent earnings forecast: None

**\* Notes**

(1) Significant subsidiary change in the consolidated cumulative period of this quarter (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):

3Q 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:

3Q March 2013 Term:	1,001,442 shares	March 2012 Term:	1,001,371 shares
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3) Number of average stock during the term (quarterly total):

3Q March 2013 Term:	29,279,948 shares	3Q March 2012 Term:	30,280,355 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 three quarters of the consolidated fiscal year ending March 2013

In the global economy during the first three quarters of the current consolidated cumulative period, while some optimism could be seen in the continuing, albeit gradual, recovery in the U.S. economy and a recovery of the pace of economic expansion in China, risk of downturn in the economy including the debt crisis in Europe and the fiscal issues in the United States continued to cloud the future. Further, with respect also to the Japanese economy, the yen which had exhibited strength began to weaken in the second half and, at the same time, stock prices experienced some upswings; however, for the term under review overall, the conditions remained severe.

In the electronics industry in which the Group is engaged, while demand for smart phones, tablets and goods relating to energy saving housing continue to experience strength, the stagnation in demand for television and personal computers became clear and the environment surrounding the industry became severe.

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

As a result, net sales increased 1.4% year-on-year to 115,019 million yen, operating profit increased 45.5% to 1,051 million yen, ordinary profit increased 46.7% to 948 million yen, and net profit increased 71.9% to 670 million yen in the first three quarters of the consolidated cumulative period.

#### 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 consolidated cumulative period of the first three quarters, while sales of semiconductors for digital home appliances and hard disk drives declined, those for home gaming equipment and mobiles increased and, sales overall, expanded over the same period a year ago. Further, with respect to electronic components, while some startups of new businesses were seen, in general, sales declined in comparison with the same period a year ago.

As a result, consolidated segment sales increased 1.3% year-on-year to 107,746 million yen. The segment profit ended at 551 million yen (down 13.0% from the previous term).

Orders received stood at 110,930 million yen, and the order backlog was 33,490 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.

While network system related businesses suffered declines during the current consolidated cumulative period of the first three quarters, with deliveries of broadcasting equipment in large scale projects and the like, video imaging system related businesses expanded and the sales experienced increases in comparison with the same period previous year.

As a result, consolidated segment sales increased 3.6% year-on-year to 7,273 million yen. The segment profit ended at 557 million yen (up 69.6% from the previous term).

Orders received totaled 10,606 million yen, while the order backlog stood at 7,691 million yen.

**(2) Qualitative Information Concerning the Consolidated Financial Status**

Assets, liabilities and net assets

As of December 31, 2012, assets totaled 87,881 million yen. This represented an increase of 7,999 million yen compared with March 31, 2012. This was mainly attributable to an increase of 13,774 million yen in notes and accounts receivable, an increase of 2,096 million yen in merchandise inventories, and a decrease of 7,596 million yen in cash and deposits.

Liabilities increased 7,486 million yen to 28,652 million yen, mainly because of a 5,075 million yen increase in notes and accounts payable and an increase of 2,560 million yen in short-term loans payable.

Net assets increased 512 million yen to 59,229 million yen, mainly because of a 468 million yen increase in foreign exchange conversion adjustments.

**(3) Qualitative Information Concerning Consolidated Business Performance**

With respect to the consolidated performance forecast for the year, there has been no change from the forecasted figures contained in the bulletin issued announcing the financial results for the consolidated 2<sup>nd</sup> quarter of the year ending March 2013 (announced November 6, 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 property and equipment 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)	3Q March 2013 Term (As of Dec. 31, 2012)
<b>Assets</b>		
Current assets		
Cash and deposits	15,235	7,638
Notes and accounts receivable-trade	38,676	51,393
Electronically recorded monetary claims	-	1,057
Merchandise inventories	16,329	18,426
Partly-finished work	3	127
Others	2,524	2,797
Allowance for doubtful receivables	(24)	(27)
Total current assets	72,744	81,412
Fixed assets		
Property and equipment	4,313	4,263
Intangible fixed assets		
Goodwill	52	42
Others	163	134
Total intangible fixed assets	215	176
Investments and other assets		
Others	2,791	2,090
Allowance for doubtful receivables	(182)	(61)
Total investments and other assets	2,609	2,029
Total fixed assets	7,138	6,469
Total assets	79,882	87,881
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	15,777	20,853
Short-term loans payable	3,470	6,030
Accrued corporate tax, etc.	148	118
Allowance	578	258
Others	974	1,149
Total current liabilities	20,948	28,410
Fixed liabilities		
	218	241
Total liabilities	21,166	28,652

(Million yen)

	March 2012 Term (As of Mar. 31, 2012)	3Q March 2013 Term (As of Dec. 31, 2012)
Net assets		
Shareholders' equity		
Capital stock	14,811	14,811
Capital surplus	15,329	15,329
Retained earnings	32,125	32,210
Treasury stock	(767)	(767)
Total shareholders' equity	61,499	61,584
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities	105	167
Deferred hedge gains/losses	6	(96)
Foreign exchange conversion adjustments	(2,895)	(2,426)
Total Accumulated other comprehensive income	(2,783)	(2,355)
Total net assets	58,716	59,229
Total liabilities and net assets	79,882	87,881

**(2) Quarterly Consolidated Profit and Loss Statement, Consolidated Comprehensive Profit Statement**  
 (Quarterly Consolidated Profit and Loss Statement for the First Three Quarters)

(Million yen)

	3Q March 2012 Term (Apr. 1, 2011 – Dec. 31, 2011)	3Q March 2013 Term (Apr. 1, 2012 – Dec. 31, 2012)
Net sales	113,414	115,019
Cost of sales	105,641	107,237
Gross profit on sales	7,773	7,781
Selling, general and administrative expenses	7,051	6,730
Operating profit	722	1,051
Non-operating profit		
Interest income	12	15
Dividend income	15	60
Others	59	45
Total non-operating profit	87	122
Non-operating expenses		
Interest expenses	19	11
Sales discounts	8	12
Foreign exchange loss	128	199
Others	7	1
Total non-operating expenses	162	225
Ordinary profit	646	948
Extraordinary profits		
Gain on sale of fixed assets	2	0
Gain on sale of investment securities	0	299
Total extraordinary profits	2	299
Extraordinary losses		
Loss on sales of noncurrent assets	0	0
Loss on disposition of fixed assets	6	0
Loss on sales of investment securities	-	59
Loss on valuation of investment securities	18	125
Loss on valuation of membership	8	0
Settlement package	-	81
Total extraordinary losses	33	267
Net profit before tax and adjustments	615	980
Corporate, resident and enterprise taxes	199	251
Adjustment for corporate tax, etc.	25	58
Total income taxes	225	310
Income before minority interest	390	670
Net profit	390	670



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

	3Q March 2012 Term (Apr. 1, 2011 – Dec. 31, 2011)	3Q March 2013 Term (Apr. 1, 2012 – Dec. 31, 2012)
Income before minority interest	390	670
Other comprehensive incomes		
Valuation difference on available-for-sale securities	(99)	61
Deferred hedge gains/losses	19	(102)
Foreign currency translation adjustment	(620)	468
Total of other comprehensive incomes	(700)	428
Comprehensive profit	(310)	1,098
(Details)		
Comprehensive income relating to parental company	(310)	1,098
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. 3Q March 2012 Term (Apr. 1, 2011 – Dec. 31, 2011)

Information regarding the amounts of sales, profit or loss 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	106,395	7,018	113,414	-	113,414
Inter-segment sales or transfers	-	-	-	-	-
Total	106,395	7,018	113,414	-	113,414
Segment profit	633	328	962	(315)	646

- Notes: 1. The adjustment amount of segment profit -315 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 profit is adjusted with the ordinary profit in the quarterly consolidated profit and loss statement.

II. 3Q March 2013 Term (Apr. 1, 2012 – Dec. 31, 2012)

Information regarding the amounts of sales, profit or loss 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	107,746	7,273	115,019	-	115,019
Inter-segment sales or transfers	-	-	-	-	-
Total	107,746	7,273	115,019	-	115,019
Segment profit	551	557	1,108	(160)	948

- Notes: 1. The adjustment amount of segment profit -160 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 profit is adjusted with the ordinary profit in the quarterly consolidated profit and loss statement.