

Quick Report on Interim Closing (Consolidated)

Name of Listed Company : Sanshin Electronics Co., Ltd. Stock Exchange Where Listed : Tokyo
 Code No. : 8150 Prefecture Where Head Office : Tokyo is Located
 (URL: <http://www.sanshin.co.jp>) TEL : 03-3453-5111

Representative : Mitsumasa Matsunaga (President)
 Enquiries to : Hitoshi Suzuki (Senior Vice-President)
 Date of Meeting of Board of Directors on Closing Accounts : 15th November, 2006
 Application of US Accounting Standards : No

1. Consolidated Business Performance for September, 2006 Interim Term (from 1st April, 2006 to 30th September, 2006)

(1) Consolidated Business Performance (Note: Amounts of less than one million yen are omitted for the figures given.)

	Sales Volume		Operating Profit		Ordinary Profit	
	¥ million	%	¥ million	%	¥ million	%
Sept., 2006 Interim Term	124,625	25.6	3,046	62.8	3,015	52.3
Sept., 2005 Interim Term	99,185	3.8	1,870	-0.4	1,979	3.8
March, 2006 Term	209,437		4,446		4,656	

	Interim Net Profit (for Current Term)		Interim Net Profit per Share (for Current Term)		Interim Net Profit per Share after Adjustment of Potential Shares (for Current Term)	
	¥ million	%	Yen		Yen	
Sept., 2006 Interim Term	2,007	81.7	61.66		-	
Sept., 2005 Interim Term	1,104	5.3	33.78		-	
March, 2006 Term	2,720		82.35		-	

Notes:

- ① Investment profit and loss based on the equity method: Sept., 2006 Interim Term: ¥—million, Sept., 2005 Interim Term: ¥—million, March, 2006 Term: ¥—million
- ② Average number of issued shares during the term (consolidated): September, 2006 Interim Term: 32,554,977 shares, Sept., 2005 Interim Term: 32,703,244 shares, March, 2006 Term: 32,675,808 shares
- ③ Change of accounting method: No
- ④ The percentages for the sales volume, operating profit, ordinary profit and interim net profit (for the current term) indicate an increase or decrease against the corresponding figures for the interim term of the previous year

(2) State of Consolidated Finance

	Gross Assets	Capital Stock	Ratio of Capital Stock	Capital Stock per Share
	¥ million	¥ million	%	Yen
Sept., 2006 Interim Term	136,641	59,358	43.4	1,839.23
Sept., 2005 Interim Term	97,301	56,670	58.2	1,733.09
March, 2006 Term	105,870	58,738	55.5	1,795.71

Note: Number of issued shares at the term end (consolidated): Sept., 2006 Interim Term: 32,273,513 shares, Sept., 2005 Interim Term: 32,698,987 shares, March, 2006 Term: 32,693,503 shares

(3) Consolidated Cash Flow Situation

	Cash Flow Based on Business Activities	Cash Flow Based on Investment Activities	Cash Flow Based on Financial Activities	Term-End Balance of Cash and Cash Equivalent
	¥ million	¥ million	¥ million	¥ million
Sept., 2006 Interim Term	-22,577	480	21,640	4,290
Sept., 2005 Interim Term	-207	101	-728	3,372
March, 2006 Term	-815	-1	1,260	4,722

(4) Matters Relating to Scope of Consolidation and Application of Equity Method

Number of consolidated subsidiaries : 7
 Number of non-consolidated subsidiaries to which the equity method is applied : 0
 Number of associated companies to which the equity method is applied : 0

(5) Changes of Scope of Consolidation and Application of Equity Method

Consolidation : (newly added) 0, (excluded) 0
 Application of the equity method : (newly added) 0, (excluded) 0

2. Forecast for Consolidated Business Performance for March, 2007 Term (from 1st April, 2006 to 31st March, 2007)

	Sales Volume	Ordinary Profit	Net Profit for Current Term
	¥ million	¥ million	¥ million
Whole Term	250,000	5,500	3,500

(Reference) Forecast for the net profit per share for the term (whole term): ¥108.45

* The above forecast is a forecast for the future based on data available at present and contains potential risks and uncertain factors. The actual performance may considerably differ from the forecast due to various factors.

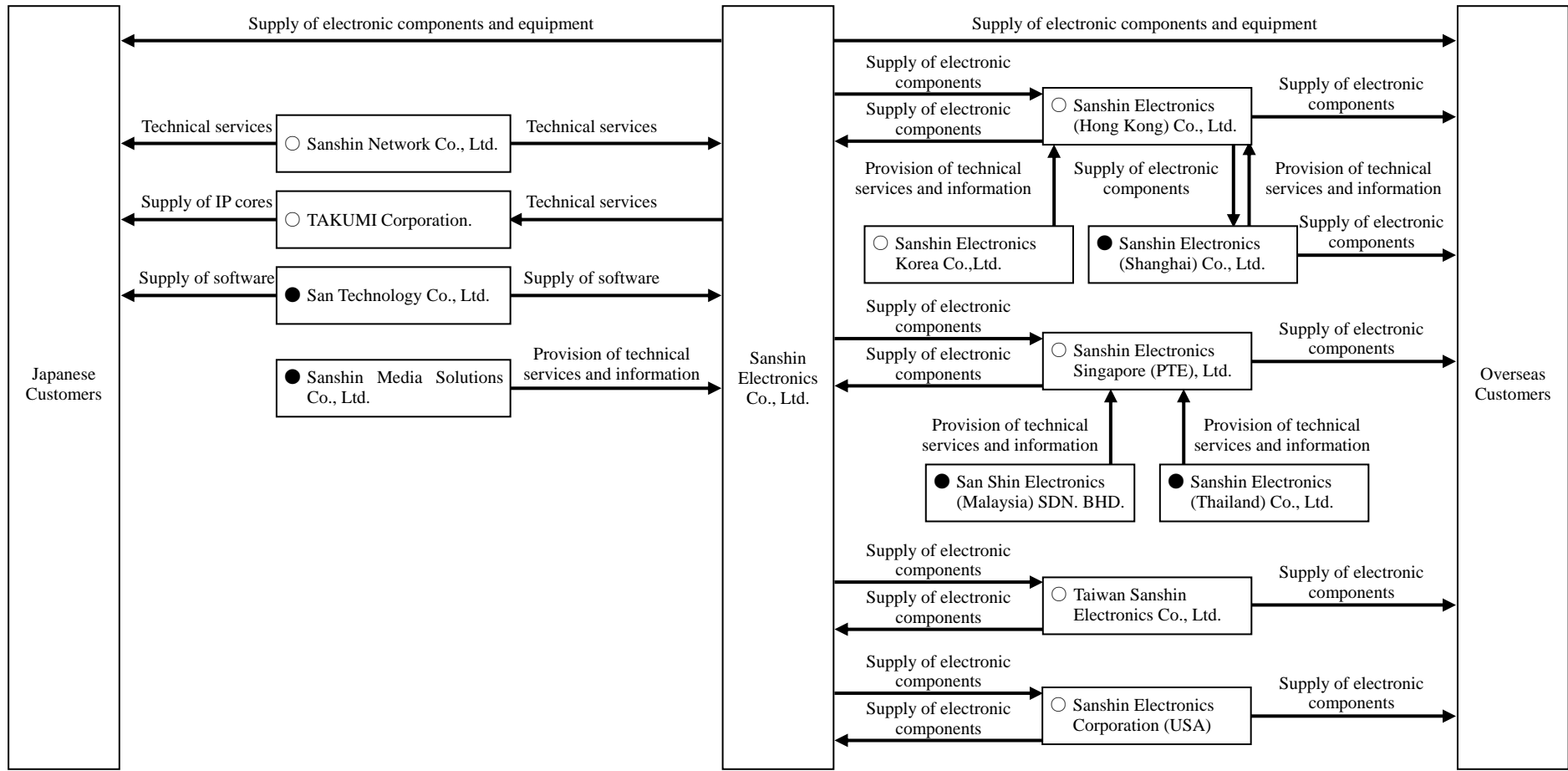
See Pages 6 through 10 regarding the relevant matters for the above forecast for the business performance.

(1) Situation of the Group

The Sanshin Group of companies consists of Sanshin Electronics Co., Ltd. (the Company) and its 12 subsidiaries. The main businesses and intra-group status of these companies are shown below.

The Company operates as a trading house specializing in electronic components and equipment and sells electronic components, communication equipment and electronic equipment to government offices and manufacturers of electronic equipment, etc. In addition, seven overseas subsidiaries, including Sanshin Electronics (Hong Kong) Co., Ltd., are engaged in marketing and procurement activities to expand their business operation at key overseas bases in their respective areas. Meanwhile, Sanshin Network Service Co., Ltd. provides technical services for the operation and maintenance of information and communication systems, TAKUMI Corporation. develops and provides technical services regarding IP cores to be incorporated in electronic components, San Technology Co., Ltd. develops software to be incorporated in electronic components and Sanshin Media Solutions Co., Ltd. provides technical services and information relating to image editing systems.

The linkage of the business operations of the group companies is shown below.



○ : Consolidated subsidiary

● : Non-consolidated subsidiary to which the equity method is not applied

(2) Basic Policies

1) Basic Business Policies

Since its foundation, the Company has consistently followed its corporate philosophy of “Trustability, Faith and Honesty” and has upheld the basic policy of creating “Sanshin Electronics Justifying the Value of Its Existence with Trustability and Genuine Solutions”. While harsh competition due to the advancement of technological innovation is continuing in the electronics and information communication/networking industries, the Company is determined to strive to enhance its corporate value by realizing management practices for growth through the active use of the distributor function (distribution of merchandise) and the further differentiation of the Company from others based on such added value as technological and service strength and its unique IP core business to the satisfaction of clients.

2) Basic Policy for Profit Distribution

The basic policy regarding the dividend of the Company is to determine an appropriate dividend level, taking the improved return of profits to the shareholders and consolidation of the internal reserves for strengthening of the business base into consideration. Under this policy, the Company is striving for the continuation and increase of the dividend for shareholders in a stable manner with a target pay-out ratio of 30% or higher to the consolidated net profit for the term.

3) Basic Concept and Policy Regarding Lowering of the Unit Investment Amount

The Company is fully aware of the importance of developing a business environment in which investors find it easy to invest in the company so that the investor base can be widened. Based on this understanding, the Company has decided to lower the unit minimum shares for investment from 1,000 to 100 from 1st December, 2006.

4) Target Business Indicator

The Company upholds the ROE (rate of earnings on shareholders' equity for the current term) as an important business indicator and will endeavour to improve the earning capacity while ensuring a shareholders equity ratio of 50% or higher.

5) Medium to Long-Term Business Strategy

The principal aim of the Company is to realize enhancement of the corporate value through the steady growth of both the device and solution businesses to the satisfaction of stakeholders

In the device business, the further advancement of globalization, accompanied by technological innovations and expansion of the application fields, is massively increasing the demand base. Under such circumstances, the Company will continually improve the matrix marketing system featuring clients and products and consolidate the business strength of overseas subsidiaries with a view to strengthening the technical support as well as marketing activities to satisfy the every needs of clients. The Company is also determined to secure higher growth potential by means of developing new supply sources to consolidate the product line-up and focusing on fast growing business fields as well as those with earning growth potential.

In the solution business, the Company has been aiming at expanding the business, primarily featuring the network system business and the image editing system business, to enhance its status as the core business of the Company. In the network system business, the Company will seek to increase its profit by providing total solutions against the background of a growing awareness of the importance of the Japanese version of SOX (J-SOX) and security and the increasing need for business reform and higher efficiency. Meanwhile, in the image editing system business, the priority tasks identified by the Company are the discovery and increased sale of competitive new merchandise and expansion of the business field through the development of new markets featuring consumers in addition to educational institutions and private enterprises. Moreover, the Company will seek synergy between the network system business and the image editing business in the light of the accelerating use of broadband and also the expansion of IT services using its technical subsidiaries in order to ensure the medium-term growth of the Company.

6) Matters to be Dealt With

The market conditions for electronics and IT/NW businesses are expected to support their gentle but continuous growth. The Company will make the utmost efforts to increase the value of its existence as a dealer to achieve the satisfaction of all stakeholders. To this end, the Company will thoroughly reinforce its business strength and improve the business base to strengthen the response to CSR. To be more precise, the implementation of the following measures will be sought.

- ① Expansion and strengthening of the earning capacity of the semiconductor and electronic component businesses
- ② Continued expansion of new businesses
- ③ Stable growth of overseas business operations
- ④ Strengthening of the earning base of the solution business
- ⑤ Increased collaboration with suppliers

- ⑥ Increased commitment to the environment
- ⑦ Strengthening of risk management

(3) Business Results and State of Finance

1) Business Results

① General Business Situation During Present Interim Term

The Japanese economy during the present interim term saw strong investment in plant and equipment reflecting the favourable business performance of many companies. The employment situation and personal income also improved. Personal consumption continued to rise despite signs of slowing down and the economy in general recorded a gentle trend of recovery. Meanwhile, while the US economy slowed down in some sectors due to the adverse impacts of the high oil price and others, the economy in Asia expanded, mainly led by China.

The electronics industry to which the Company belongs showed signs of stronger growth as the domestic shipment value of electronic equipment for civilian use exceeded that in the same period last year. The upward revision of the growth forecast for this year by the SIA of the US in June also supports the prospect of stronger growth.

Under these circumstances, the Company strove to strengthen the ability to propose the right solutions along with the continual expansion of a range of merchandise from new sources and the creation of new business models. The consolidated business performance for the present interim term showed sales of ¥124,625 million (a 25.6% increase on the same period of the previous year), ordinary profit of ¥3,015 million (a 52.3% increase on the same period of the previous year) and net profit of ¥2,007 million (an 81.7% increase on the same period of the previous year).

② Outline of Business Performance by Segment in Each Business Field

a) Device Business

Consolidated sales of the device business for the present interim term were ¥117,647 million (a 26.2% increase on the same period of the previous year). By segment, sales of LC display driver ICs for flat panel TVs and mobile phones increased along with sales of memories for mobile phones in the semi-conductor business. In the electronic component business, circuits and connectors, etc. for home gaming machines and digital AV equipment recorded better sales than the previous year.

Owing to increased sales, the consolidated operating profit for the device business was ¥3,428 million (a 49.6% increase on the same period of the previous year). The consolidated orders received amounted to ¥124,494 million and the balance of outstanding orders at the interim term end stood at ¥37,638 million.

b) Solution Business

The sales of the resolution business in the present interim term were ¥6,977 million (a 17.3% decline on the same period of the previous year). By segment, both the core businesses, i.e. network systems and image editing systems, increased their sales figures on the previous year. The improved earning strength of the network-related business and the increased sales returned a consolidated operating profit of ¥346 million (a 24.0% increase on the same period of the previous year).

The consolidated orders received amounted to ¥7,982 million and the balance of outstanding orders at the interim term end stood at ¥4,770 million.

③ Business Prospect for Whole Term

Regarding the business performance in the second half, careful attention must be paid to the impacts of the trends of the US economy and the oil price on the Japanese economy and the global economy. However, the consumer-led recovery of the Japanese economy is expected to continue, ensuring the continued growth of the Japanese economy albeit at a slower rate than in the first half.

In such a business environment, the Company will strive to capitalise on its group strength through stronger collaboration with subsidiaries by promoting design-in based on the strengthening of the solution proposal capability, consolidation of the product line-up through the discovery of new merchandise from new suppliers to meet customer needs and focusing on growing business fields and those promising a better profit. As such, the consolidated business performance for the whole term is expected to be steady, led by favourable sales for home gaming machines, even though a fall of the sales figure for memories is expected in the second half.

The business prospect for the whole term is outlined below.

(Prospect for Consolidated Business Results)

Sales	: ¥250 billion (19.4% increase on the previous year)
Ordinary profit	: ¥5.5 billion (18.1% increase on the previous year)
Net profit for the current term	: ¥3.5 billion (28.6% increase on the previous year)

(Prospect for Non-Consolidated Business Results)

Sales	: ¥183 billion (19.5% increase on the previous year)
Ordinary profit	: ¥4.6 billion (21.0% increase on the previous year)
Net profit for the current term	: ¥2.8 billion (47.3% increase on the previous year)

(Assumed exchange rate: US\$ 1 = ¥110)

The forecast dividend per share for the whole term is ¥33 (interim term dividend of ¥15 and term-end dividend of ¥18) based on the forecast for the consolidated business performance.

* The above prospects for the consolidated and non-consolidated business results are forecasts for the future based on currently available data and contain potential risks and uncertain factors. The actual performance may considerably differ from the forecast due to various factors. The important factors significantly affecting the actual business performance include the economic conditions in Japan, North America and Asia, etc., production trends and product development of customers, supply situation and product development of suppliers, price decline due to intensified competition and consumption trends of digital household electronic equipment and PC-related equipment. There are many other factors which may also affect the business performance.

2) Financial Situation

① Cash Flow Situation for Interim Term

The consolidated cash and cash equivalents during the present interim term fell by ¥431 million compared to the end of the previous consolidated term due to increased expenditure to meet the strong funding demand to finance increased sales receivable-trade and inventories reflecting an increased volume of trading. The balance at the term end was ¥4,290 million (a 9.1% decrease on the previous term).

(Cash Flow from Operating Activities)

The cash flow from operating activities for the present interim term recorded an expenditure excess of ¥22,577 million as the increased sales receivable and inventories could not be absorbed by the increased interim net profit before tax and accounts payable-trade. As a result, the cash flow for the present interim term showed increased expenditure of ¥22,370 million compared to the previous consolidated interim term.

(Cash Flow from Investment Activities)

The cash flow from investment activities for the present interim term recorded an income excess of ¥480 million due to the sale of investment securities and other reasons. Compared to the previous interim term, the income increased by ¥378 million compared to the previous consolidated interim term.

(Cash Flow from Financing Activities)

The cash flow from financing activities for the present consolidated interim term recorded an income excess of ¥21,640 million due to the receipt of short-term loans and other reasons from an expenditure excess of ¥728 million for the previous consolidated interim term.

② Prospect of Cash Flow for Whole Term

The consolidated balance of cash and cash equivalents at the end of the current term is expected to be approximately ¥3,400 million, a decrease of some ¥1,300 million compared to the balance at the end of the previous term although the increased expenditure due to reduced accounts payable-trade and the repayment of short-term loans, etc. is compensated for by income from the net income before adjustment, including tax, and the decrease of accounts receivable-trade. The balance of interest-bearing debts at the end of the current consolidated term is expected to be some ¥11,000 million. The trends of the cash flow indicators are shown below.

	52 nd Term (March 2003 Term)	53 rd Term (March, 2004 Term)	54 th Term (March, 2005 Term)	55 th Term (March, 2006 Term)	56 th Term (Sept., 2006 Term)
Ratio of Shareholders' Equity (%)	62.6	61.1	59.6	55.5	43.4
Ratio of Shareholders' Equity on Current Price Base (%)	16.3	29.5	32.1	44.0	28.6
Debt Redemption Period (year)	0.7	1.6	-	-	-
Interest Coverage Ratio (%)	54.6	79.7	-	-	-

Notes

Ratio of Shareholders' Equity	: Shareholders' Equity ÷ Gross Assets
Ratio of Shareholders' Equity on Current Price Base	: Total Current Value of Shares ÷ Gross Assets
Debt Redemption Period	: Interest-Bearing Debts ÷ Operating Cash Flow
Interest Coverage Ratio	: Operating Cash Flow ÷ Interest Payment

- * Each indicator is calculated using the consolidated financial figures.
- * The total current value of shares is calculated as the ending share price at the term end multiplied by the number of shares issued at the term end (after the deduction of treasury stock).
- * For the operating cash flow, the cash flow from operating activities shown in the consolidated statement of cash flows is used. The interest-bearing debts feature all debts bearing interest among the debts listed in the consolidated balance sheet. For the amount of interest paid, the paid interest listed in the consolidated statement of cash flows is used.
- * Figures for the debt redemption period and the interest coverage ratio are not entered when the operating cash flow figure is negative.

3) Business Risks

There are various risks possibly affecting the business performance and financial situation (including the share price) of the Sanshin Group and these are considered to be matters which may significantly affect the judgement of investors.

① Degree of Dependence on Major Trade Partners

Among the various suppliers for the Group, the total supply value of products from NEC Electronics, NEC and their group companies accounts for slightly more than 50% of the total value of the products supplied to the Sanshin Group. For this reason, the business performance of the Sanshin Group may be affected by the production trends/plans and any changes of the production policies of these suppliers. Meanwhile, more than 60% of the sales of the Sanshin Group is accounted for by four major electronics manufacturers in Japan and their group companies. Here again, the production trends, production system, trends of orders received from these customers and any changes of the production and ordering policies may affect the business performance of the Sanshin Group.

② Market Conditions

The electronics sector, especially semi-conductors, is prone to impacts of the global economy as well as domestic economy and product prices are easily affected. Given the proneness of the market to cyclical recession and recovery, it is possible that the Sanshin Group may be unable to continually secure a good sales figure or may experience a sudden change of the sales figure.

③ Financial Structure

The payment period for the accounts payable-trade for the Company is shorter than the period for the collection of accounts receivable-trade. As a result, increased sales necessitate a demand for fresh working capital which must be externally raised from banks, etc. The financial state and business performance of the Company based on the above financial structure may, therefore, be affected by the sales trends of the Company, interest rate trends and various conditions in the financial market in the future.

④ Foreign Exchange Rates

The business performance and financial situation of the Sanshin Group are affected by changes of the foreign exchange rates. While the consolidated financial statements of the Sanshin Group are denominated in yen, any changes of the foreign exchange rates affect the assets, liabilities, income and expenses denominated in foreign currencies and the yen-equivalents in the financial statements denominated in foreign currencies of the overseas consolidated subsidiaries. Although the Sanshin Group makes strenuous efforts to reduce or avoid the foreign exchange risk, it is impossible to completely eliminate this risk, possibly affecting the business performance, etc. of the Sanshin Group.

⑤ Potential Risk of Overseas Activities

The business activities of the Sanshin Group are conducted not only in Japan but also in foreign countries, mainly in Asia. As such, the business performance, etc. of the Sanshin Group may be affected by unexpected changes of the political and social conditions, occurrence of economic problems and the revision of laws and the taxation system in these countries.

(4) Consolidated Financial Statements for Interim Term

Consolidated Interim Balance Sheet

(Unit: ¥ million)

Item	Term		Previous Consolidated Accounting Year (as of 31st March, 2006)		Increase/ Decrease Amount	Previous Consolidated Interim Term (as of 30th Sept., 2005)	
	Current Consolidated Interim Term (as of 30th Sept., 2006)		Amount	%		Amount	%
(Assets)							
I. Current Assets	127,315	93.2	95,828	90.5	31,487	88,147	90.6
- Cash and Cash Equivalents	4,290		4,722		-431	3,372	
- Notes Receivable and Accounts Receivable-Trade	94,462		74,158		20,303	69,158	
- Securities	-		-		-	40	
- Inventories	26,120		15,753		10,366	14,556	
- Accrued Income	851		578		273	485	
- Differed Tax Assets	445		454		-8	418	
- Others	1,183		290		892	243	
- Allowance for Doubtful Receivables	-38		-128		90	-128	
II. Fixed Assets	9,325	6.8	10,042	9.5	-716	9,153	9.4
Property and Equipment	5,205	3.8	5,275	5.0	-70	5,348	5.5
- Buildings and Structures	2,748		2,795		-47	2,858	
- Land	2,240		2,240		-	2,240	
- Others	215		239		-23	249	
Intangible Fixed Assets	376	0.3	402	0.4	-26	312	
Investment and Other Assets	3,744	2.7	4,363	4.1	-618	3,492	0.3
- Investment in Securities	3,181		3,855		-674	3,088	3.6
- Prepaid Pension Expenses	90		58		31	53	
- Others	560		554		5	415	
- Allowance for Doubtful Receivables	-87		-104		17	-64	
Total Assets	136,641	100.0	105,870	100.0	30,771	97,301	100.0

(Unit: ¥ million)

Item	Term	Current Consolidated Interim Term (as of 30th Sept., 2006)		Previous Consolidated Accounting Year (as of 31st March, 2006)		Increase/Decrease Amount	Previous Consolidated Interim Term (as of 30th Sept., 2005)	
		Amount	%	Amount	%		Amount	%
(Liabilities)								
I.	Current Liabilities	76,620	56.1	46,347	43.8	30,273	40,061	41.2
	- Notes Payable and Accounts Payable-Trade	37,004		29,299		7,705	26,002	
	- Short-Term Loans Payable	28,397		11,193		17,203	8,818	
	- Long-Term Loans Due to Repayment within One Year	-		2,500		-2,500	2,500	
	- Commercial Papers	8,000		-		8,000	-	
	- Accrued Corporate Tax, etc.	1,416		1,412		4	880	
	- Allowance for Bonuses	695		670		25	640	
	- Allowance for Bonuses for Directors and Corporate Auditors	15		-		15	-	
	- Others	1,092		1,271		-179	1,221	
II.	Fixed Liabilities	662	0.5	785	0.7	-122	569	0.6
	- Deferred Tax Liabilities	407		536		-129	357	
	- Retirement Allowance for Directors and Corporate Auditors	-		208		-208	194	
	- Deposits Received	-		17		-17	16	
	- Others	254		21		232	0	
Total Liabilities		77,283	56.6	47,132	44.5	30,150	40,630	41.8
(Shareholders' Equity)								
I.	Capital Stock	-	-	14,811	14.0	-	14,811	15.2
II.	Capital Surplus	-	-	15,329	14.5	-	15,329	15.8
III.	Retained Earnings	-	-	27,540	26.0	-	26,633	27.4
IV.	Unrealised Gains on Available-for-Sale Securities	-	-	1,325	1.3	-	806	0.8
V.	Foreign Exchange Conversion Adjustments	-	-	-263	-0.3	-	-464	-0.5
VI.	Treasury Stock	-	-	-6	-0.0	-	-446	-0.5
Shareholders' Equity Total		-	-	58,738	55.5	-	56,670	58.2
Total Liabilities and Shareholders' Equity		-	-	105,870	100.0	-	97,301	100.0
(Net Assets)								
I.	Shareholders' Equity	58,575	42.8	-	-	-	-	-
	- Capital Stock	14,811	10.8	-	-	-	-	-
	- Capital Surplus	15,329	11.2	-	-	-	-	-
	- Retained Earnings	28,962	21.2	-	-	-	-	-
	- Treasury Stock	-528	-0.4	-	-	-	-	-
II.	Valuation and Foreign Exchange Adjustments, etc.	782	0.6	-	-	-	-	-
	- Unrealised Gains on Available for Sale Securities	1,059	0.8	-	-	-	-	-
	- Deferred Hedge Gains/Losses	0	0.0	-	-	-	-	-
	- Foreign Exchange Conversion Adjustments	-277	-0.2	-	-	-	-	-
Total Net Assets		59,358	43.4	-	-	-	-	-
Total Liabilities and Net Assets		136,641	100.0	-	-	-	-	-

Consolidated Interim Profit and Loss Statement

(Unit: ¥ million)

Item	Term	Current Consolidated Interim Term (from 1st Apr., 2006 to 30th Sept., 2006)		Previous Consolidated Interim Term (from 1st Apr., 2005 to 30th Sept., 2005)		Increase/Decrease		Previous Consolidated Accounting Year (from 1st Apr., 2005 to 31st Mar., 2006)	
		Amount	%	Amount	%	Amount	%	Amount	%
I. Sales		124,625	100.0	99,185	100.0	25,440	25.6	209,437	100.0
II. Cost of Sales		116,170	93.2	92,108	92.9	24,062	26.1	194,350	92.8
Gross Profit on Sales		8,454	6.8	7,076	7.1	1,378	19.5	15,087	7.2
III. Selling, General and Administrative Expenses		5,408	4.4	5,205	5.2	202	3.9	10,640	5.1
Operating Income		3,046	2.4	1,870	1.9	1,175	62.8	4,446	2.1
IV. Non-Operating Income		96	0.1	204	0.2	-108	-52.9	371	0.2
- Interest Received		41		20		20		53	
- Dividend Received		19		23		-3		31	
- Purchase Discounts		6		6		0		12	
- Profit from Foreign Exchange Transactions		-		73		-73		107	
- Others		28		81		-52		166	
V. Non-Operating Expenses		126	0.1	95	0.1	31	33.2	161	0.1
- Interest Paid		75		37		37		86	
- Sales Discounts		17		-		17		-	
- Foreign Exchange Gains/Losses		21		-		21		-	
- Others		12		57		-44		74	
Ordinary Income		3,015	2.4	1,979	2.0	1,035	52.3	4,656	2.2
VI. Extraordinary Profits		364	0.3	117	0.1	247	210.4	110	0.1
- Gain on Sale of Fixed Assets		7		-		7		0	
- Gain on Sale of Investment Securities		265		83		182		84	
- Income from Refund of Allowance for Doubtful Receivables		91		34		57		26	
VII. Extraordinary Losses		30	0.0	90	0.1	-60	-66.5	137	0.1
- Loss on Sale of Fixed Assets		0		49		-49		49	
- Loss on Disposition of Fixed Assets		4		4		-0		12	
- Loss on Valuation of Investment Securities		25		36		-11		36	
- Transfer to Allowance for Doubtful Receivables		-		-		-		40	
- Net Profit for Interim Term (Current Term Before Tax and Adjustments)		3,350	2.7	2,006	2.0	1,343	66.9	4,629	2.2
- Corporate, Resident and Enterprise Taxes		1,339	1.1	848	0.9	491	58.0	2,101	1.0
- Adjustment for Corporate Tax, etc.		3	0.0	54	0.0	-51	-94.3	-192	-0.1
- Net Profit for Interim Term (Current Term)		2,007	1.6	1,104	1.1	902	81.7	2,720	1.3

Consolidated Interim Surplus Statement

(Unit: million)

Term Item	Previous Consolidated Interim Term From 1st Apr., 2005 to 30th Sept., 2005	Previous Consolidated Accounting Year From 1st Apr., 2005 to 31st Mar., 2006
(Capital Surplus)		
I. Balance of Capital Surplus at Beginning of the Term	15,329	15,329
II. Balance of Capital Surplus at End of Interim Term (Current Term)	15,329	15,329
(Earned Surplus)		
I. Balance of Earned Surplus at Beginning of the Term	25,948	25,948
II. Increase of Earned Surplus	1,104	2,720
- Net Profit for Interim Term (Current Term)	1,104	2,720
III. Decrease of Earned Surplus	419	1,128
- Dividend	392	654
- Bonuses for Directors and Corporate Auditors	27	27
- Cancellation of Treasury Stock	-	447
IV. Balance of Earned Surplus at End of Interim Term (Current Term)	26,633	27,540

Statement of Changes of Shareholders' Equity, etc. for Consolidated Interim Term

Accounting Period for Consolidated Interim Term:

From 1st April, 2006 to 30th September, 2006

(Unit: ¥million)

	Shareholders' Equity					Valuation and Foreign Exchange Adjustments, etc.				Total Net Assets
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Shareholders' Equity Total	Unrealised Gains on Available for Sale Securities	Deferred Hedge Gains/Losses	Foreign Exchange Conversion Adjustments	Total of Valuation and Foreign Exchange Adjustments, etc.	
Balance as of 31 st March, 2006	14,811	15,329	27,540	-6	57,675	1,325	-	-263	1,062	58,738
Changes During Accounting Period for Interim Term										
- Dividend from Retained Earnings			-555		-555					-555
- Bonuses for Directors, etc. from Disposal of Profit			-30		-30					-30
- Net Interim Profit			2,007		2,007					2,007
- Acquisition of Treasury Stock				-521	-521					-521
- Changes Under Items Other Than Shareholders' Equity During the Period (Net Amount)						-266	0	-14	-279	-279
Total Change During the Period	-	-	1,421	-521	900	-266	0	-14	-279	620
Balance as of 30 th September, 2006	14,811	15,329	28,962	-528	58,575	1,059	0	-277	782	59,358

Consolidated Interim Cash Flow Statement

(Unit: ¥ million)

Term Item	Current Consolidated Interim Term From 1st Apr., 2006 to 30th Sept., 2006 Amount	Previous Consolidated Interim Term From 1st Apr., 2005 to 30th Sept., 2005 Amount	Increase/ Decrease Amount	Previous Consolidated Accounting Year From 1st Apr., 2005 to 31st Mar., 2006 Amount
I. Operating Activities				
- Income for Interim Term (Current Term) before Taxes	3,350	2,006	1,343	4,629
- Depreciation and Amortisation	155	172	-16	352
- Increase of Prepaid Pension Expenses	-31	-4	-27	-9
- Increase (Decrease) of Retirement Allowance for Directors and Corporate Auditors	-208	-48	-160	-34
- Increase (Decrease) of Allowance for Doubtful Receivables	-107	-34	-73	4
- Interest and Dividends Receivable	-60	-43	-17	-85
- Interest Payable	75	37	37	86
- Loss on Sale of Investment Securities	-265	-83	-182	-84
- Loss on Sale of Fixed Assets	0	49	-49	49
- Loss on Valuation of Investment Securities	25	36	-11	36
- Decrease (Increase) of Notes and Accounts Receivable	-20,296	-6,227	-14,068	-10,811
- Decrease (Increase) of Inventories	-10,365	1,718	-12,083	701
- Increase of Notes and Accounts Payable	7,692	2,570	5,122	5,506
- Increase (Decrease) of Consumption and Other Taxes Payable	-191	72	-263	189
- Decrease (Increase) of Consumption and Other Taxes Receivable	-513	421	-934	420
- Bonuses Paid to Directors	-30	-27	-3	-27
- Increase (Decrease) of Other Assets and Liabilities	-463	84	-548	-102
- Other Non-Fund Transactions	1	16	-14	18
Sub-Total	-21,233	717	-21,950	839
- Interest and Dividend Received	60	42	17	85
- Interest Paid	-68	-40	-28	-85
- Corporate and Other Taxes Paid	-1,335	-926	-409	-1,655
Net Cash Provided by Operating Activities	-22,577	-207	-22,370	-815
II. Investment Activities				
- Purchase of Property and Equipment	-18	-53	34	-84
- Proceeds from Sale of Property and Equipment	7	29	-21	29
- Purchase of Software	-24	-4	-19	-160
- Purchase of Investment Securities	-6	-9	3	-9
- Proceeds from Sale of Investment Securities	515	121	393	184
- Others	6	18	-11	39
Net Cash Used for Investment Activities	480	101	378	-1
III. Financing Activities				
- Repayment of Long-Term Debt	-2,500	-	-2,500	-
- Proceeds from Short-Term Bank Loans	33,897	6,718	27,179	19,893
- Repayment of Short-Term Bank Loans	-16,682	-7,048	-9,634	-17,967
- Proceeds from Issue of Commercial Papers	9,000	-	9,000	-
- Redemption of Commercial Papers	-1,000	-	-1,000	-
- Net Expenditure for Repurchase/Sale of Treasury Stock	-521	-6	-514	-14
- Dividend Paid	-553	-391	-162	-651
Net Cash Used for Financing Activities	21,640	-728	22,368	1,260
IV. Foreign Currency Conversion Adjustments for Cash and Cash Equivalents	25	73	-47	145
V. Net Increase of Cash and Cash Equivalents	-431	-760	328	589
VI. Balance of Cash and Cash Equivalents, Beginning of the Term	4,722	4,132	589	4,132
VII. Balance of Cash and Cash Equivalents, End of Interim Term (Current Term)	4,290	3,372	918	4,722

Important Basic Matters for Preparation of Consolidated Interim Financial Statements

1. Scope of Consolidation

The following seven subsidiaries are included for consolidated accounting purposes.

Sanshin Electronics (Hong Kong) Co., Ltd.

Sanshin Electronics Singapore (PTE), Ltd.

Taiwan Sanshin Electronics Co., Ltd.

Sanshin Electronics Corporation

Sanshin Electronics Korea Co., Ltd.

Sanshin Network Service Co., Ltd.

TAKUMI Corporation.

Other subsidiaries, namely San Technology Co., Ltd., Sanshin Media Solutions Co., Ltd., Sanshin Electronics (Shanghai) Co., Ltd., San shin Electronics (Malaysia) SDN, BHD and Sanshin Electronics (Thailand) Co., Ltd. are omitted from the scope of consolidated accounting as the total assets, sales, equity profit or loss and equity portion of the earned surplus, etc. of each of these companies are insignificant to the extent that a rational judgement on the Sanshin Group of companies in terms of the financial state and business results would not be affected by their omission from the consolidated accounting. For the profit criterion to judge the level of importance, the average value of the net profit or loss of the Company and its subsidiaries for the current term for the last five years is used.

2. Application of the Equity Method

The equity method is not applied to investment in five non-consolidated subsidiaries, i.e. San Technology Co., Ltd., Sanshin Media Solutions Co., Ltd., Sanshin Electronics (Shanghai) Co., Ltd., San shin Electronics (Malaysia) SDN. BHD and Sanshin Electronics (Thailand) Co., Ltd., as the equity profit or loss and equity portion of the earned surplus, etc. of these companies are insignificant to the extent that their combined business performance would not affect a rational judgement on the Sanshin Group of companies in terms of the financial state and business results. Instead, such investment is evaluated by the cost method. For this judgement, the average value of the net profit or loss for the current term of these five subsidiaries for the last five years is used.

3. Interim Settlement Date for Consolidated Subsidiaries

The interim settlement date for each consolidated subsidiary is the same date for consolidated interim settlement.

4. Accounting Standards

(1) Evaluation Criteria and Methods for Important Assets

① Securities

Other securities

- Those with a market value :

Market price method based on the market price on the last day of the interim settlement period (the unrealised gain on available-for-sale securities is entirely dealt with by the direct capitalisation method while the sales cost is calculated by the moving average method)

- Those without market value :

Cost method using the moving average method

② Derivatives :

Market price method

③ Inventories

- Merchandise :

Lower cost method using the moving average method

- Expenditure for work in progress :

Cost method using the individual production order costing method

(2) Depreciation Methods for Important Assets Subject to Depreciation

① Property and Equipment :

Fixed rate method except for buildings (excluding auxiliary equipment for buildings) to which the straight line method is applied.

The typical depreciation period is 9 – 50 years for buildings and structures and 3 – 20 years for others

② Intangible Fixed Assets :

- Straight line method

The typical depreciation period is 3 - 5 years for software used in-house.

(3) Accounting Criteria for Important Allowances

① Allowance for Doubtful Receivables :

In preparation for possible losses due to failure to recover receivables, the necessary amount in view of the ratio of bad debts in the past and other relevant matters is accounted for by ordinary receivables while the estimated amount of unrecoverable receivables based on the assessment results for recoverability in each case is accounted for by the receivables of which the recovery is doubtful and receivables subject to the rehabilitation process following bankruptcy.

② Allowance for Bonuses :

The estimated amount of bonuses in the second half is allowed in preparation for their pay-out to employees of the Company which has submitted consolidated interim financial statements.

③ Allowance for Bonuses for Directors and Corporate Auditors

The estimated amount of bonuses corresponding to the accounting period for the interim term is allowed based on the estimated annual payment amount of bonuses by the end of the consolidated accounting year in preparation for their pay-out to directors and corporate auditors of the Company who have submitted consolidated interim financial statements.

④ Liability for Retirement Benefits :

In preparation for the payment of retirement benefits to employees, the amount recognised as outstanding at the end of the current consolidated interim term is accounted for based on the estimated amount of liabilities for retirement benefits and pension plan assets at the end of the current consolidated term. However, as the estimation amount of the pension plan assets at the end of the current consolidated interim term exceeds the estimated amount of liability for retirement benefits which is adjusted with the liabilities based on unrecognised past services and unrecognised actuarial gains and losses, the difference is accounted for as pre-paid pension expenses.

The liability based on past services is recognised by the straight line method over a specific period (13 years) which is within the estimated average remaining service lives of the employees.

Unrecognised actuarial gains and losses of each consolidated accounting year are recognised by the straight line method over a specific period (13 years) which is within the estimated average remaining service lives of the employees from the next consolidated accounting year.

(4) Conversion Criteria for Important Receivables and Payables Denominated in Foreign Currencies into Japanese Yen

Receivables and payables denominated in foreign currencies and converted to Japanese yen at spot exchange rates on the interim settlement date and the gains or losses from this conversion are recognised in the profit and loss statement. The assets, liabilities, earnings and expenses of overseas subsidiaries, etc. were converted to Japanese yen at spot exchange rates on the last day of the consolidated interim term and the gains or losses from this conversion are included in the Foreign Currency Conversion Adjustments under Net Assets.

(5) Accounting Practice for Important Leases

Finance leases other than those which are deemed to transfer the ownership of the leased property to the lessee are accounted for by the method used for ordinary operating leases.

(6) Hedge Accounting

① Hedge Accounting Method

All receivables and payables denominated in foreign currencies with a foreign exchange contract are proportioned.

② Method of and Subjects to Hedge

Means : forward hedge contract

Subjects : receivables and payables denominated in foreign currencies

③ Hedge Policies

The Company conducts derivative transactions relating to forward exchange contracts for the purpose of hedging the risks of fluctuating earnings/expenses or values of receivables/payables due to the fluctuation of foreign exchange rates. These transactions are conducted in accordance with the internal policies which state that the Finance Division is solely responsible for such transactions

and no derivative transactions for speculative purposes not specified in these policies are conducted.

④ Evaluation Method for Effectiveness of Hedging

Evaluation is conducted at least once every half term to check if there is a high level of offset between fluctuations of the subject cash flow of hedging and fluctuations of the cash flow used as the means of hedging.

(7) Accounting of Consumption Taxes

The consumption tax and local consumption tax are accounted for using the without-tax method for the Company which has submitted consolidated interim financial statements and domestic consolidated subsidiaries.

5. Scope of Funds in Consolidated Interim Cash Flow Statement

The funds (cash and cash equivalents) showed in the consolidated interim cash flow statement consists of cash in hand and short-term investments which can be easily changed to cash and which are redeemed within three months of the date of investment, carrying little risk in terms of a change of the value.

• Change of Important Basic Matters for Preparation of Consolidated Interim Financial Statements

(Accounting Standards for the Listing of Net Assets on the Balance Sheet)

From the present consolidated interim accounting period, the Accounting Standards for the Listing of Net Assets on the Balance Sheet (Corporate Accounting Standards No. 5 of 9th December, 2005) and the Application Guidelines for the Accounting Standards for the Listing of Net Assets on the Balance Sheet (Application Guidelines for Corporate Accounting Standards No. 8 of 9th December, 2005) are applied.

The amount equivalent to the conventional total shareholders' equity is ¥59,357 million.

The section on the net assets on the consolidated interim balance sheet for the present consolidated interim accounting period is prepared in accordance with the latest Rules for Consolidated Interim Financial Statements after revision of the said rules.

(Accounting Standards for Bonuses for Directors and Corporate Auditors)

From the present consolidated interim accounting period, the Accounting Standards for Bonuses for Directors (Corporate Accounting Standards No. 4 of 29th November, 2005) are applied.

With this new practice, the amount of the operating profit, current profit and interim net profit before tax and after adjustments is decreased by ¥15 million each.

- Change of Listing Method

(Sales Discounts)

The sales discounts listed in Other Non-Operating Expenses in the previous consolidated interim accounting period (¥3 million) are now listed under their own heading because the total amount exceeded ten hundredths of the total amount of the non-operating expenses.

(Deposits Received)

The deposits received (of which the balance at the end of the current consolidated interim accounting period was ¥20 million) which were included in the Fixed Liabilities on the Balance Sheet up to the previous consolidated interim accounting year are now included in Others under Fixed Liabilities for the improved clarity of the Balance Sheet as these deposits received are not important.

- Additional Information

(Retirement Allowance for Directors and Corporate Auditors)

Historically, the amount required at the end of the interim term under the internal policies was accounted for as the retirement allowance for directors and corporate auditors for pay-out upon the retirement of directors and corporate auditors. This allowance, however, is not accounted for at the end of the current interim term because of the abolition of the retirement allowance system for directors and corporate auditors in June, 2006.

In regard to ¥215 million which is equivalent to the retirement allowance for directors and corporate auditors up to the abolition of the said system, the same amount has been transferred to Others under Fixed Liabilities following the

resolution passed at the regular general meeting of shareholders held on 23rd June, 2006 to pay out a final lump sum for directors and corporate auditors currently in office upon their retirement.

Notes:

(Related to the Interim Balance Sheet)

	<u>Present Consolidated</u> <u>Interim Term</u>	<u>Previous Consolidated</u> <u>Term</u>	<u>Consolidated Interim</u> <u>Term of Previous Year</u>
1. Accumulated Amount of Depreciation of Property and Equipment	¥4,786 million	¥4,776 million	¥4,800 million
2. Incidental Liabilities			
Payment Guarantees for Bank Loans by Non-Consolidated Subsidiary and Its Employees			
Sanshin Electronics (Shanghai) Co., Ltd. *1	¥23 million (US\$ 0.2 million)	¥76 million (US\$ 0.65 million)	¥84 million (US\$ 0.75 million)
<u>Employees *2</u>	<u>¥88 million</u>	<u>¥92 million</u>	<u>¥90 million</u>
Total	¥112 million	¥168 million	¥175 million

*1 Based on the supply of a memorandum on business management guidance.

*2 Among the debt guarantees for banks in connection with housing loans for employees, those with a housing loan insurance policy are excluded from the incidental liabilities because no real loss will occur with such loans.

3. Export Bill Discounts	¥99 million (US\$ 0.846 million)	¥116 million (US\$ 0.984 million)	¥125 million (US\$ 1.106million)
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4. Settlement of Notes Due on the Last Day of the Consolidated Interim Accounting Period

Notes due on the last day of the consolidated interim accounting period were settled on the exchange day of notes. As the last day of the present consolidated interim accounting period was a non-working day for banks, these notes are included in the following items.

Notes Receivable	¥125 million
Notes Payable	¥87 million

5. Handling of Consumption Tax, etc.

Temporarily paid consumption tax, etc. and temporarily received consumption tax, etc. are offset first and the remaining consumption tax, etc. receivable and consumption tax, etc. payable are added in Others under Current Assets and Others under Current Liabilities respectively.

(Related to Consolidated Interim Profit and Loss Statement)

	<u>Present Consolidated</u> <u>Interim Term</u>	<u>Consolidated Interim</u> <u>Term of Previous Year</u>	<u>Previous Consolidated</u> <u>Term</u>
1. Main Sales, General and Administrative Expenses			
- Packaging and Transportation Expenses	¥201 million	¥188 million	¥390 million
- Travelling and Transport Expenses	¥294 million	¥281 million	¥577 million
- Remuneration for Directors and Corporate Auditors	¥109 million	¥105 million	¥211 million
- Salaries and Allowances	¥1,787 million	¥1,712 million	¥4,119 million
- Transfer to Allowance for Bonuses	¥695 million	¥640 million	¥670 million
- Transfer to Allowance for Bonuses for Directors and Corporate Auditors	¥15 million	-	-
- Transfer to Retirement Allowance for Directors and Corporate Auditors	¥6 million	¥14 million	¥28 million
- Retirement Benefits	¥51 million	¥76 million	¥351 million
- Depreciation	¥109 million	¥117 million	¥247 million
2. Breakdown of Gain on Sale of Fixed Assets			
- Others (Vehicles and Fixtures)	¥7 million	-	¥0 million
3. Breakdown of Loss on Sale of Fixed Assets			
- Others (Fixtures)	¥0 million	¥0 million	¥0 million
- Land	-	¥49 million	¥49 million

	<u>Present Consolidated Interim Term</u>	<u>Consolidated Interim Term of Previous Year</u>	<u>Previous Consolidated Term</u>
4. Breakdown of Loss on Disposition of Fixed Assets			
- Buildings and Structures	¥0 million	¥3 million	¥4 million
- Others (Fixtures)	¥4 million	¥1 million	¥8 million

(Matters Relating to Statement of Changes of Shareholders' Equity, etc. for Consolidated Interim Term)

Current Consolidated Interim Term (from 1st April, 2006 to 30th September, 2006)

1. Types and Total Number of Shares Issued and Types and Number of Treasury Stock

	<u>No. of Shares at End of Previous Consolidated Accounting Year</u>	<u>No. of Increased Shares During Current Interim Term</u>	<u>No. of Decreased Shares During Current Interim Term</u>	<u>No. of Shares at End of Current Consolidated Interim Term</u>
Shares Issued				
Ordinary Shares	32,699,373	-	-	32,699,373
Total	32,699,373	-	-	32,699,373
Treasury Stock				
Ordinary Shares*	5,870	419,990	-	425,860
Total	5,870	419,990	-	425,860

* The number of ordinary shares held as treasury stock was increased by 419,990, of which 413,000 shares are from purchase in the market and 6,990 shares from the purchase of shares below the unit minimum shares.

2. Dividend

(1) Dividend Pay-Out

<u>Resolution Passed at</u>	<u>Type of Shares</u>	<u>Total Amount of Dividend (¥ million)</u>	<u>Dividend per Share (¥)</u>	<u>Reference Date</u>	<u>Effectuation Date</u>
Regular General Meeting of Shareholders on 23 rd June, 2006	Ordinary Shares	555	17	31 st March, 2006	23 rd June, 2006

(2) Dividend of Which Effectuation Date Falls After End of Current Consolidated Interim Term Among the Dividend of Which Reference Date Falls in Current Consolidated Interim Term

<u>Resolution Passed at</u>	<u>Type of Shares</u>	<u>Total Amount of Dividend (¥ million)</u>	<u>Source of Dividend</u>	<u>Dividend per Share (¥)</u>	<u>Reference Date</u>	<u>Effectuation Date</u>
Meeting of Board of Directors on 15 th November, 2006	Ordinary Shares	484	Retained Earnings	15	30 th September, 2006	8 th December, 2006

(Related to Consolidated Interim Cash Flow Statement)

Relationship between the balance of cash and cash equivalents at the end of the interim term (end of the term) and amounts under the items listed in the consolidated interim (full term) balance sheet

	<u>Present Consolidated Interim Term</u>	<u>Consolidated Interim Term of Previous Year</u>	<u>Previous Consolidated Term</u>
Cash and Deposits Account	<u>¥4,290 million</u>	<u>¥3,372 million</u>	<u>¥4,722 million</u>
Cash and Cash Equivalents	<u>¥4,290 million</u>	<u>¥3,372 million</u>	<u>¥4,722 million</u>

① Segment Information

1. Industrial Segments

Present Consolidated Interim Term (from 1st Apr., 2006 to 30th Sept., 2006)

(Unit: ¥ million)

	Device	Solution	Total	Elimination/ Corporate	Consolidated
Sales					
(1) Sales to External Customers	117,647	6,977	124,625	-	124,625
(2) Internal Sales or Transfer Between Segments	-	-	-	-	-
Total	117,647	6,977	124,625	-	124,625
Operating Expenses	114,218	6,631	120,850	728	121,579
Operating Income	3,428	346	3,774	(728)	3,046

Consolidated Interim Period of Previous Year (from 1st Apr., 2005 to 30th Sept., 2005)

(Unit: ¥ million)

	Device	Solution	Total	Elimination/ Corporate	Consolidated
Sales					
(1) Sales to External Customers	93,235	5,949	99,185	-	99,185
(2) Internal Sales or Transfer Between Segments	-	-	-	-	-
Total	93,235	5,949	99,185	-	99,185
Operating Expenses	90,943	5,670	96,614	699	97,314
Operating Income	2,291	279	2,570	(699)	1,870

Previous Consolidated Term (from 1st Apr., 2005 to 31st Mar., 2006)

(Unit: ¥ million)

	Device	Solution	Total	Elimination/ Corporate	Consolidated
Sales					
(1) Sales to External Customers	194,548	14,889	209,437	-	209,437
(2) Internal Sales or Transfer Between Segments	-	-	-	-	-
Total	194,548	14,889	209,437	-	209,437
Operating Expenses	189,636	14,094	203,730	1,259	204,990
Operating Income	4,911	795	5,706	(1,259)	4,446

Notes

- The classification of businesses is based on the organizational structure for business operation, taking the merchandise handled, classification of products and marketing modes, etc. into consideration.
- Main products of each business segment
 - Device business : ICs, semiconductors, display units and general electronic components
 - Solution business : electronic equipment
- The main expenses among those operating expenses which are impossible to distribute and which are included under the Elimination/Corporate heading are expenses relating to planning, general administration, accounting and personnel and other management indices of the parent company.
 - Present consolidated interim term : ¥728 million
 - Consolidated interim term of previous year : ¥699 million
 - Previous consolidated term : ¥1,259 million

2. Geographical Segments

Present Consolidated Interim Term (from 1st Apr., 2006 to 30th Sept., 2006)

(Unit: ¥ million)

	Japan	Asia	North America	Total	Elimination/ Corporate	Consolidated
Sales						
(1) Sales to External Customers	86,986	36,954	684	124,625	-	124,625
(2) Internal Sales or Transfer Between Segments	3,027	1,091	113	4,232	(4,232)	-
Total	90,014	38,045	797	128,857	(4,232)	124,625
Operating Expenses	87,954	37,230	842	126,027	(4,448)	121,579
Operating Income	2,060	814	(44)	2,830	215	3,046

Consolidated Interim Term of Previous Year (from 1st Apr., 2005 to 30th Sept., 2005)

(Unit: ¥ million)

	Japan	Asia	North America	Total	Elimination/ Corporate	Consolidated
Sales						
(1) Sales to External Customers	71,273	26,660	1,251	99,185	-	99,185
(2) Internal Sales or Transfer Between Segments	1,416	248	2,404	4,069	(4,069)	-
Total	72,689	26,908	3,656	103,254	(4,069)	99,185
Operating Expenses	71,573	26,453	3,464	101,491	(4,177)	97,314
Operating Income	1,115	455	191	1,762	107	1,870

Previous Consolidated Term (from 1st Apr., 2005 to 31st Mar., 2006)

(Unit: ¥ million)

	Japan	Asia	North America	Total	Elimination/ Corporate	Consolidated
Sales						
(1) Sales to External Customers	149,081	57,993	2,362	209,437	-	209,437
(2) Internal Sales or Transfer Between Segments	4,225	577	3,617	8,420	(8,420)	-
Total	153,306	58,571	5,979	217,857	(8,420)	209,437
Operating Expenses	150,340	57,626	5,715	213,682	(8,691)	204,990
Operating Income	2,966	944	264	4,174	271	4,446

Notes

- The classification of country or area is based on geographical proximity.
- Main countries/area belonging to each segment
 - Asia : Hong Kong, Singapore, Taiwan and Korea
 - North America : USA

3. Overseas Sales

Present Consolidated Interim Term (from 1st April, 2006 to 30th Sept., 2006)

(Unit: ¥ million)

	Asia	North America	Other Regions	Total
I. Overseas Sales	43,667	684	-	44,352
II. Consolidated Sales				124,625
III. Ratio of Overseas Sales to Consolidated Sales	35.0%	0.6%	-	35.6%

Consolidated Interim Term of Previous Year (from 1st Apr., 2005 to 30th Sept., 2005)

(Unit: ¥ million)

	Asia	North America	Other Regions	Total
I. Overseas Sales	29,047	1,257	5	30,310
II. Consolidated Sales				99,185
III. Ratio of Overseas Sales to Consolidated Sales	29.3%	1.3%	0.0%	30.6%

Previous Consolidated Term (from 1st Apr., 2005 to 31st Mar., 2006)

(Unit: ¥ million)

	Asia	North America	Other Regions	Total
I. Overseas Sales	61,983	2,367	5	64,356
II. Consolidated Sales				209,437
III. Ratio of Overseas Sales to Consolidated Sales	29.6%	1.1%	0.0%	30.7%

Notes

- 1) The classification of country or area is based on geographical proximity.
- 2) Main countries/area belonging to each region
 - (1) Asia : Hong Kong, Singapore, Taiwan, Korea and China
 - (2) North America : USA
- 3) Overseas sales mean sales in countries/area other than Japan by the Company which has submitted consolidated financial statements and its subsidiaries included in the consolidated financial statements.

② Leases

The descriptions of leases are omitted here as they are disclosed by the EDINET.

③ Securities

1. Securities with Market Price

(Unit: ¥ million)

Category	Present Consolidated Interim Term (as of 30th Sept., 2006)			Previous Consolidated Term (as of 31st Mar., 2006)			Consolidated Interim Term of Previous Year (as of 30th, Sept., 2005)		
	Purchase Cost	Value in Consolidated Interim Balance Sheet	Difference	Purchase Cost	Value in Consolidated Balance Sheet	Difference	Purchase Cost	Value in Consolidated Interim Balance Sheet	Difference
Shares	1,353	2,988	1,634	1,603	3,643	2,039	1,608	2,834	1,226
Total	1,353	2,988	1,634	1,603	3,643	2,039	1,608	2,834	1,226

2. Main Securities Not Evaluated at Market Price

(Unit: ¥ million)

Category	Present Consolidated Interim Term (as of 30th Sept., 2006)	Previous Consolidated Term (as of 31st Mar., 2006)	Consolidated Interim Term of Previous Year (as of 30th, Sept., 2005)
Other Securities	Value in Consolidated Interim Balance Sheet	Value in Consolidated Balance Sheet	Value in Consolidated Interim Balance Sheet
① Non-Listed Shares (excluding stock subject to over-the-counter dealing)	75	100	129
② Non-Listed Bonds	-	-	40
③ Others	62	56	69
Total	138	157	239

Note : During the present consolidated interim period, other securities with a nominal total price of ¥25 million but without a market price are treated as losses.

④ Derivatives

The descriptions of derivatives are omitted here as they are disclosed by the EDINET.