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August 3, 2007



**Summary of Financial Results**  
**For the First Quarter of Fiscal Year Ending March 31, 2008**  
**(Three Months Ended June 30, 2007)**

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>

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(Amounts are rounded down to the nearest million yen)

**1. Consolidated Business Performance for the First Quarter of March 2008 Term (April 1, 2007 – June 30, 2007)**

## (1) Consolidated business performance

(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 2008 Term	64,951	17.9	1,959	34.0	1,977	32.1	1,190	9.8
1Q March 2007 Term	55,078	21.3	1,462	46.8	1,496	47.6	1,083	71.7
March 2007 Term	269,523	-	6,073	-	5,953	-	3,776	-

	Net profit per share	Diluted net profit per share
	Yen	Yen
1Q March 2008 Term	37.22	-
1Q March 2007 Term	33.15	-
March 2007 Term	116.79	-

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
1Q March 2008 Term	108,838	61,354	56.4	1,918.36
1Q March 2007 Term	106,431	58,786	55.2	1,798.22
March 2007 Term	113,996	60,286	52.9	1,884.97

## (3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
1Q March 2008 Term	7,733	72	(8,269)	4,092
1Q March 2007 Term	(745)	498	(298)	4,148
March 2007 Term	(5,088)	(303)	5,105	4,467

**2. Forecasts for Consolidated Business Performance for March 2008 Term (April 1, 2007 – March 31, 2008)**

We have not revised the first-half and full-year forecasts released on May 16, 2007.

(Percentages represent changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Net profit		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	126,000	1.1	2,650	(13.0)	2,600	(13.8)	1,600	(20.3)	50.03
Full year	272,000	0.9	6,300	3.7	6,200	4.1	3,900	3.3	121.94

**3. Others**

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

(2) Adoption of a simple accounting method: Yes

(3) Change of the accounting method from the latest consolidated business year: None

Note: Please refer to "Qualitative Information and Financial Statements, 4. Others" on page 2 for further information.

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

The above forecast is a forecast for the future based on data currently available and contains potential risks and uncertain factors.

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

See pages 2 regarding the relevant matters for the above forecast for "3. Qualitative Information Regarding Forecasts for Consolidated Business Performance."

## [Qualitative Information and Financial Statements]

### 1. Qualitative Information Regarding Consolidated Business Performance

In the first quarter under review, the Japanese economy continued to stage a recovery, driven by rising capital investment on the back of strong corporate earnings, and a pick-up in consumer spending. Overseas, the U.S. housing market experienced a correction but the Euro block and Asian economies, on the whole, remained buoyant. In the electronics industry, Sanshin Electronics' core area of operations, sales of consumer electronic items, including LCD televisions and digital cameras, stayed favorable.

The Company worked on achieving further growth in sales of products purchased from major suppliers and on strengthening measures to raise sales of products from new suppliers. As a result, consolidated net sales increased 17.9% to 64,951 million yen, operating profit increased 34.0% to 1,959 million yen, ordinary profit increased 32.1% to 1,977 million yen and net profit increased 9.8% to 1,190 million yen.

In the first quarter, although sales of driver ICs and memories for mobile phone LCD displays were lower, sales of system LSIs for home game consoles were buoyant. Sales of circuit components and substrates were also expanded favorably. Also, sales of overseas semiconductor products such as new chip sets for mobile phones and wireless WAN modules for mobile devices were strong.

### 2. Qualitative Information Regarding Consolidated Financial Position

Assets totaled 108,838 million yen as of June 30, 2007, 5,157 million yen decreased from the end of previous fiscal year. This was attributable to decreases of 7,265 million yen in notes and accounts receivable. Liabilities decreased 6,224 million yen to 47,484 million yen, mainly because of a 7,741 million yen decrease in short-term loans payable due to decrease in notes and accounts receivable. Net assets increased 1,067 million yen to 61,354 million yen mainly because of a 614 million yen increase in retained earnings.

Cash and cash equivalents amounted to 4,092 million yen as of June 30, 2007, a decrease of 375 million yen, compared to the end of the previous fiscal year. There was a decrease in notes and accounts receivable and an increase in notes and accounts payable, but this was offset by increase in repayment of short-term loans.

#### Operating activities

Net cash provided by operating activities was 7,733 million yen, as a decline in notes and accounts receivable and an increase in notes and accounts payable absorbed the increase in inventories.

#### Investing activities

Net cash provided by investing activities totaled 72 million yen mainly because of payments for IT investments but this was offset by sale of investment securities.

#### Financing activities

Net cash used in financing activities totaled 8,269 million yen mainly because of repayment of short-term loans.

### 3 Qualitative Information Regarding Forecasts for Consolidated Business Performance

Despite the favorable first-quarter operating results, we are not revising our previous consolidated forecasts of operating results for the current fiscal year ending March 31, 2008 released on May 16, 2007 in the Summary of Financial Results for the Fiscal Year Ended March 31, 2007 because we expect prices to adjust in the second quarter, and uncertainties cloud the outlook for production and exchange rates.

### 4. Others

(1) Changes in consolidated subsidiaries during the term (changes in scope of consolidation)

There are no relevant matters.

(2) Adoption of a simple accounting method

The Company has adopted the simplified method for booking corporate taxes and other items.

(3) Change of the accounting method from the latest consolidated business year

There are no relevant matters.

## 5. Summarized Consolidated Financial Statements

## (1) Summarized Consolidated Balance Sheets

(Million yen)

Account	Period	March 2007 Term (As of March 31, 2007)		1Q March 2008 Term (As of June 30, 2007)		Change	1Q March 2007 Term (As of June 30, 2006)	
		Amount	%	Amount	%	Amount	Amount	%
Assets								
I Current assets		104,005	91.2	98,811	90.8	(5,193)	97,254	91.4
Cash and deposits		4,467		4,092		(375)	4,148	
Notes and accounts receivable-trade		76,188		68,922		(7,265)	71,078	
Inventories		19,592		23,311		3,719	20,401	
Others		3,756		2,484		(1,272)	1,625	
II Fixed assets		9,991	8.8	10,027	9.2	35	9,177	8.6
Property and equipment		5,086		5,063		(23)	5,221	
Others		4,904		4,963		59	3,956	
Total assets		113,996	100.0	108,838	100.0	(5,157)	106,431	100.0
Liabilities								
I Current liabilities		53,024	46.5	46,840	43.0	(6,184)	47,119	44.3
Notes and accounts payable-trade		28,569		31,221		2,652	30,684	
Short-term loans payable		20,710		12,969		(7,741)	10,332	
Long-term loans due to repayment within one year		-		-		-	2,500	
Others		3,744		2,648		(1,095)	3,602	
II Fixed liabilities		685	0.6	644	0.6	(40)	525	0.5
Total liabilities		53,709	47.1	47,484	43.6	(6,224)	47,644	44.8
Net assets								
I Shareholders' equity		59,499	52.2	60,113	55.3	614	58,171	54.6
Capital stock		14,811	13.0	14,811	13.6	-	14,811	13.9
Capital surplus		15,329	13.4	15,329	14.1	-	15,329	14.4
Retained earnings		29,358	25.8	29,973	27.6	614	28,039	26.3
Treasury stock		(0)	(0.0)	(1)	(0.0)	(0)	(9)	(0.0)
II Valuation and foreign exchange adjustments, etc.		787	0.7	1,240	1.1	453	615	0.6
Unrealized gains on available-for-sale securities		1,062	0.9	1,098	1.0	36	1,009	1.0
Deferred hedge gains/losses		11	0.0	11	0.0	-	(0)	(0.0)
Foreign exchange conversion adjustments		(286)	(0.2)	130	0.1	416	(393)	(0.4)
Total net assets		60,286	52.9	61,354	56.4	1,067	58,786	55.2
Total liabilities and net assets		113,996	100.0	108,838	100.0	(5,157)	106,431	100.0

(2) Summarized Consolidated Profit and Loss Statement

(Million yen)

Account	Period	1Q March 2007 Term (Apr. 1, 2006 – June 30, 2006)		1Q March 2008 Term (Apr. 1, 2007 – June 30, 2007)		Change		March 2007 Term (Apr. 1, 2006 – Mar. 31, 2007)	
		Amount	%	Amount	%	Amount	%	Amount	%
I	Net sales	55,078	100.0	64,951	100.0	9,873	17.9	269,523	100.0
II	Cost of sales	51,063	92.7	60,308	92.9	9,244	18.1	252,457	93.7
	Gross profit on sales	4,014	7.3	4,643	7.1	628	15.7	17,065	6.3
III	Selling, general and administrative expenses	2,551	4.6	2,683	4.1	132	5.2	10,991	4.1
	Operating profit	1,462	2.7	1,959	3.0	496	34.0	6,073	2.2
IV	Non-operating profit	59	0.1	99	0.2	40	66.9	285	0.1
V	Non-operating losses	26	0.1	82	0.1	56	214.7	404	0.1
	Ordinary profit	1,496	2.7	1,977	3.1	480	32.1	5,953	2.2
VI	Extraordinary profits	277	0.5	137	0.2	(139)	(50.4)	391	0.1
VII	Extraordinary losses	-	-	-	-	-	-	94	0.0
	Net profit before tax and adjustments	1,774	3.2	2,115	3.3	341	19.2	6,251	2.3
	Taxes	690	1.2	924	1.5	234	33.9	2,474	0.9
	Net profit	1,083	2.0	1,190	1.8	106	9.8	3,776	1.4

## (3) Summarized Consolidated Statement of Cash Flows

(Million yen)

Account	Period	1Q March 2007 Term (Apr. 1, 2006 – June 30, 2006)	1Q March 2008 Term (Apr. 1, 2007 – June 30, 2007)	Change	March 2007 Term (Apr. 1, 2006 – Mar. 31, 2007)
		Amount	Amount	Amount	Amount
<b>I Operating activities</b>					
Net profit before tax and adjustments		1,774	2,115	341	6,251
Decrease (increase) of notes and accounts receivable		2,871	7,849	4,977	(2,050)
Increase of inventories		(4,745)	(3,469)	1,276	(3,865)
Increase (decrease) of notes and accounts payable		1,562	2,256	694	(713)
Corporate and other taxes paid		(938)	(1,593)	(654)	(2,244)
Others		(1,268)	575	1,844	(2,465)
Net cash provided by (used in) operating activities		(745)	7,733	8,479	(5,088)
<b>II Investment activities</b>					
Purchase of investment securities		(0)	(8)	(8)	(616)
Proceeds from sale of investment securities		515	224	(291)	518
Others		(17)	(143)	(125)	(204)
Net cash provided by (used in) investment activities		498	72	(425)	(303)
<b>III Financing activities</b>					
Repayment of long-term loans		-	-	-	(2,500)
Proceeds from short-term loans		13,332	2,969	(10,363)	44,910
Repayment of short-term loans		(14,133)	(10,766)	3,367	(35,384)
Proceeds from issue of commercial papers		1,000	-	(1,000)	18,000
Redemption of commercial papers		-	-	-	(18,000)
Others		(497)	(472)	24	(1,920)
Net cash provided by (used in) financing activities		(298)	(8,269)	(7,970)	5,105
<b>IV Foreign currency conversion adjustments for cash and cash equivalents</b>		(28)	87	115	31
<b>V Decrease of cash and cash equivalents</b>		(573)	(375)	198	(254)
<b>VI Balance of cash and cash equivalents, beginning of the term</b>		4,722	4,467	(254)	4,722
<b>VII Balance of cash and cash equivalents, end of the term</b>		4,148	4,092	(55)	4,467