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November 6, 2008

Summary of Financial Results for the First Half of Fiscal Year Ending March 31, 2009 (Six Months Ended September 30, 2008)

Name of Listed Company: Sanshin Electronics Co., Ltd. Stock Exchange Listed: 1st Section, Tokyo
 Code No.: 8150 URL: <http://www.sanshin.co.jp>
 Representative: Mitsumasa Matsunaga, President
 Enquiries to: Keiji Nishio, Director and General Manager of Finance Headquarters Tel: +81-3-3453-5111
 Scheduled date of filing of Quarterly Report: November 13, 2008
 Scheduled date of dividend payment: December 10, 2008

(Amounts are rounded down to the nearest million yen)

1. Consolidated Business Performance for the First Half of March 2009 Term (April 1, 2008 – September 30, 2008)

(1) Consolidated business performance *(The percentages represent year-on-year changes)*

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q March 2009 Term	129,098	-	2,669	-	2,906	-	1,594	-
2Q March 2008 Term	137,718	10.5	3,256	6.9	3,310	9.8	2,057	2.5

	Net profit per share	Diluted net profit per share
	Yen	Yen
2Q March 2009 Term	50.96	-
2Q March 2008 Term	64.34	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
2Q March 2009 Term	98,866	60,668	61.4	1,939.43
March 2008 Term	97,276	59,762	61.4	1,910.45

Reference) Shareholders' equity

2Q March 2009 Term: 60,668 million yen March 2008 Term: 59,762 million yen

2. Dividends

(Record date)	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
March 2008 Term	-	18.00	-	20.00	38.00
March 2009 Term	-	18.00	-	-	-
March 2009 Term (forecast)	-	-	-	20.00	38.00

Note) Revision of dividend forecast during the term: None

3. Forecasts for Consolidated Business Performance for March 2009 Term (April 1, 2008 – March 31, 2009)

(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	250,000	(4.6)	5,100	0.8	5,300	(2.3)	3,000	(12.1)	99.07

Note) Revision of consolidated forecast during the term: Yes

4. Others

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

Newly added: - Excluded: -

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements: Yes

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others” on page 5 for further information.

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

1) Changes caused by revision of accounting standards: Yes

2) Other changes: Yes

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others” on page 5 for further information.

(4) Number of shares outstanding (ordinary shares)

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

2Q March 2009 Term:	31,983,373 shares	March 2008 Term:	31,983,373 shares
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2) Number of treasury stock at the end of term:

2Q March 2009 Term:	701,889 shares	March 2008 Term:	701,578 shares
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3) Average number of outstanding shares during the term:

2Q March 2009 Term:	31,281,673 shares	2Q March 2008 Term:	31,982,451 shares
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* Cautionary statement with respect to forward-looking statements

1. 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 the section “Qualitative Information and Financial Statements, 3. Qualitative Information Regarding Forecasts for Consolidated Business Performance” on page 4 regarding the relevant matters for the above forecast for the business performance.

2. Effective from the current term, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (ASBJ Statement No. 12) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14). In addition, the quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements.”

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Consolidated Business Performance

(1) First-half overview

The deepening financial crisis in the US and Europe and the deteriorating business climate among the industrialized nations has led to deep uncertainty over the outlook for the global economy during the first half of fiscal year.

In this environment, Sanshin Electronics is earnestly tackling the issues stated at the start of the fiscal year, such as establishing the technical support system, increasing sales capabilities for core products, expanding the product lineup, strengthening sales in growing business fields, expanding the sales network, and strengthening for social corporate responsibility (CSR) activities. The aim of these initiatives is to strengthen our capacity to deliver solutions supported by the four pillars of the distribution of purchased products, the product lineup, product coordination service, and technological skills, based on our fundamental management policy of demonstrating value rooted in reliability and solutions.

As a result of these activities, net sales fell 6.3% year-on-year to 129,098 million yen, operating profit fell 18.0% to 2,669 million yen, ordinary profit fell 12.2% to 2,906 million yen, and net profit fell 22.5% to 1,594 million yen.

(2) Overview of performance by business segment

1) Device Business

In the device segment, the main operations are sales and technical support (software development, ASIC designs, etc.) for semiconductors (system LSI, microcomputers, LCD driver ICs, memories, etc.) and electronic components (connectors, capacitors, circuit boards, etc.), primarily targeting electronics manufacturers.

Sluggish sales of LCD driver ICs for LCD TVs and mobile phone chip sets led to a year-on-year decline in net sales, despite semiconductors benefiting from the popularity of system LSIs for LCD TVs and blu-ray players. Meanwhile, the strong performance of circuit components for home game consoles could not prevent a decline in sales of electronic components occurring due to the overall fall in sales of connectors and substrates, which had performed well the previous year.

The result was a 6.0% decrease in consolidated sales to 122,653 million yen and a 16.7% decrease in operating profit to 3,156 million yen.

Orders received amounted 126,303 million yen and the order backlog was 31,862 million yen.

2) Solution Business

The solutions segment is comprised of a network systems business involved in sales, maintenance, and support services for information communication network and enterprise resource planning (ERP) systems primarily for corporations, medical institutions, and governments, and an imaging editing system business involved in sales of systems and software used for the editing, delivery, and distribution of image content for broadcast stations and production.

During the first half, network systems business sales fell year-on-year due to a downturn in sales of large-scale systems for newspaper companies and medical institutions, despite the strong performance of maintenance, support and other stock businesses. In the imaging editing system business, sluggish sales of systems for new products led to a year-on-year sales downturn.

The result was a 10.8% decrease in consolidated sales to 6,444 million yen and a 12.0% decrease in operating profit to 191 million yen.

Orders received totaled 6,866 million yen and the order backlog was 4,408 million yen.

Note: Since the accounting method for the first half differs from that applied in the same period of the previous year, the year-on-year percentage change is recorded for reference purposes.

2. Qualitative Information Regarding Consolidated Financial Position

(1) Assets, liabilities and net assets

Assets totaled 98,866 million yen as of September 30, 2008, 1,590 million yen increased from March 31, 2008. This was mainly attributable to an increase of 2,495 million yen in cash and deposits, an increase of 815 million yen in merchandise inventories, and a decrease of 1,293 million yen in other current assets.

Liabilities increased 684 million yen to 38,198 million yen, mainly because of a 6,259 million yen increase in notes and accounts payable-trade, a 5,959 million yen decrease in short-term loans payable, and a 742 million yen increase in accrued corporate taxes.

Net assets increased 905 million yen to 60,668 million yen mainly because of a 954 million yen increase in retained earnings, a 327 million yen decrease in unrealized gains on available-for-sale securities, a 129 million yen increase in deferred hedge gains/losses, and a 148 million yen increase in foreign exchange conversion adjustments.

(2) Cash flows

Cash and cash equivalents amounted to 7,498 million yen as of September 30, 2008, an increase of 2,495 million yen from March 31, 2008. Although cash outlays increased as a result of the repayment of short-term loans and other factors, cash receipts increased thanks to factors including an increase in notes and accounts payable and a decrease in consumption and other taxes receivable.

Operating activities

Net cash provided by operating activities was 9,165 million yen, as an increase in notes and accounts payable and a decrease in consumption and other taxes receivable absorbed an increase in inventories.

Investing activities

Net cash used in investing activities totaled 73 million yen. Cash was used primarily for IT investments and the purchase of investment securities.

Financing activities

Net cash used in financing activities totaled 6,610 million yen, mainly because of repayment of short-term loans.

3. Qualitative Information Regarding Forecasts for Consolidated Business Performance

Worldwide recession seems likely as the growing financial crisis in the United States and Europe spreads beyond the major economies to the real economies of the emerging nations. This outlook has led to fears that the consumer mindset will grow still more conservative from the third quarter on, leading to a situation where the Company is forced to incorporate the impact of the fall in finished product manufacturers' inventory adjustments and sales prices in its own performance projections. As regards stock held by the Company, continuation of current stock market trends will lead to the possibility of loss on valuation, creating projections for a harsh business environment.

On this basis, the Company revises its consolidated forecasts for the fiscal year ending March 31, 2009 as follows.

Forecasts for Full-year Consolidated Business Performance for March 2009 Term (April 1, 2008 – March 31, 2009)

	Net sales (Million yen)	Operating profit (Million yen)	Ordinary profit (Million yen)	Net profit (Million yen)	Net profit per share (Yen)
Previous forecast (A) (May 14, 2008)	258,000	5,450	5,500	3,300	105.49
Revised forecast (B)	250,000	5,100	5,300	3,000	99.07
Change (B - A)	(8,000)	(350)	(200)	(300)	-
Percentage change (%)	(3.1)	(6.4)	(3.6)	(9.1)	-
(For reference) Previous fiscal year	262,065	5,061	5,422	3,414	106.95

Assumed exchange rate: US\$ 1 = 100 yen

While the sudden change in the business environment has necessitated revisions to the previous projections, the Sanshin Group is working as one to further strengthen the corporation and recover its performance levels.

4. Others

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

There are no relevant matters.

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements

Corporate taxes are recorded based on the annual projected tax rate using the statutory tax rate as the standard. “Adjustment for corporate tax, etc.” is included in “Corporate and other taxes.”

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

1) Effective from the current term, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (ASBJ Statement No. 12) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14). In addition, the quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements.”

2) Inventories

In prior years, merchandise inventories were computed by the lower cost method using the moving average method. With the adoption of “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9) from the first quarter of the current fiscal year, merchandise inventories are valued by the moving average cost method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

This change has no effect on earnings.

3) Application of “Accounting Standards for Lease Transactions”

In prior years, the Company accounted for finance leases where there is no transfer of ownership as ordinary lease transactions for accounting purposes. However, the Company is able to use the following accounting standards beginning with quarterly consolidated financial statements for fiscal years starting on or after April 1, 2008: “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13: originally issued on June 17, 1993 by Section 1 of the Business Accounting Deliberation Counsel, and revised on March 30, 2007 by Accounting Standards Board of Japan); and “Guidance on Accounting Standards for Lease Transactions” (ASBJ Guidance No. 16: originally issued on January 18, 1994 by Accounting Standards Committee of the Japanese Institute of Certified Public Accountants, and revised on March 30, 2007 by Accounting Standards Board of Japan). The Company has adopted these standards and guidance beginning with the first quarter of the current fiscal year, using an accounting method for leases that is based on the method used for ordinary purchases and sales. Furthermore, for the depreciation of lease assets associated with finance leases where there is no transfer of ownership, the straight-line method with no residual value is applied with the lease period used as the useful life of the asset.

This change has no effect on earnings.

4) Application of “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

Effective from the first quarter of the current fiscal year, the Company has adopted “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (PITF No. 18) and has made the necessary adjustments to the consolidated financial statements.

The effect of this change on earnings is insignificant.

5. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	2Q March 2009 Term (As of Sep. 30, 2008)	March 2008 Term (Summary) (As of Mar. 31, 2008)
Assets		
Current assets		
Cash and deposits	7,498	5,003
Notes and accounts receivable-trade	61,406	61,377
Merchandise inventories	17,517	16,702
Partly-finished work	19	27
Others	3,875	5,169
Allowance for doubtful receivables	(44)	(47)
Total current assets	90,273	88,232
Fixed assets		
Property and equipment	5,014	4,939
Intangible fixed assets		
Goodwill	82	96
Others	612	699
Total intangible fixed assets	694	796
Investments and other assets	2,882	3,308
Total fixed assets	8,592	9,044
Total assets	98,866	97,276
Liabilities		
Current liabilities		
Notes and accounts payable-trade	31,269	25,009
Short-term loans payable	400	6,359
Accrued corporate tax, etc.	1,338	595
Provision	705	726
Others	922	1,217
Total current liabilities	34,636	33,908
Fixed liabilities		
Long-term loans payable	3,300	3,300
Others	262	305
Total fixed liabilities	3,562	3,605
Total liabilities	38,198	37,513
Net assets		
Shareholders' equity		
Capital stock	14,811	14,811
Capital surplus	15,329	15,329
Retained earnings	32,576	31,621
Treasury stock	(811)	(811)
Total shareholders' equity	61,906	60,951
Valuation and foreign exchange adjustments, etc.		
Unrealized gains on available-for-sale securities	(12)	314
Deferred hedge gains/losses	75	(54)
Foreign exchange conversion adjustments	(1,301)	(1,450)
Total valuation and foreign exchange adjustments, etc.	(1,237)	(1,189)
Total net assets	60,668	59,762
Total liabilities and net assets	98,866	97,276

(2) Consolidated Profit and Loss Statement (for the Six-month Period)

	(Million yen)
	2Q March 2009 Term (Apr. 1, 2008 – Sep. 30, 2008)
Net sales	129,098
Cost of sales	121,127
Gross profit on sales	7,970
Selling, general and administrative expenses	5,300
Operating profit	2,669
Non-operating profit	
Interest income	48
Dividend income	21
Foreign exchange gains	177
Others	66
Total non-operating profit	313
Non-operating expenses	
Interest expenses	39
Sales discounts	31
Others	5
Total non-operating expenses	76
Ordinary profit	2,906
Extraordinary profits	
Gain on sale of fixed assets	3
Gain on sale of investment securities	0
Income from refund of allowance for doubtful receivables	2
Total extraordinary profits	5
Extraordinary losses	
Loss on disposition of fixed assets	1
Loss on valuation of investment securities	27
Total extraordinary losses	29
Net profit before tax and adjustments	2,883
Corporate and other taxes	1,289
Net profit	1,594

(3) Consolidated Statement of Cash Flows

	(Million yen)
	2Q March 2009 Term (Apr. 1, 2008 – Sep. 30, 2008)
Operating activities	
Net profit before tax and adjustments	2,883
Depreciation and amortization	193
Amortization of goodwill	13
Decrease (increase) of prepaid pension expenses	(1)
Increase (decrease) of allowance for doubtful receivables	(2)
Interest and dividends income	(69)
Interest expense	39
Loss (gain) on sale of fixed assets	(3)
Loss (gain) on valuation of investment securities	27
Decrease (increase) of notes and accounts receivable	115
Decrease (increase) of inventories	(723)
Increase (decrease) of notes and accounts payable	6,119
Decrease (increase) of consumption and other taxes receivable	1,745
Increase (decrease) of consumption and other taxes payable	(7)
Others	(654)
Sub-total	9,677
Interest and dividend received	69
Interest paid	(54)
Corporate and other taxes paid	(527)
Net cash provided by operating activities	9,165
Investing activities	
Purchase of property and equipment	(22)
Proceeds from sale of property and equipment	4
Purchase of software	(27)
Purchase of investment securities	(60)
Proceeds from sale of investment securities	10
Others	22
Net cash used in investing activities	(73)
Financing activities	
Proceeds from short-term loans	4,500
Repayment of short-term loans	(10,458)
Repayments of lease obligations	(27)
Net decrease (increase) of treasury stock	(0)
Dividend paid	(624)
Net cash used in financing activities	(6,610)
Foreign currency conversion adjustments for cash and cash equivalents	13
Increase (decrease) of cash and cash equivalents	2,495
Balance of cash and cash equivalents, beginning of the term	5,003
Balance of cash and cash equivalents, end of the term	7,498

Effective from the current term, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (ASBJ Statement No. 12) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14). In addition, the quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements.”

(4) Going Concern Assumption

There are no relevant matters.

(5) Segment Information

Industrial Segments

2Q March 2009 Term (Apr. 1, 2008 – Sep. 30, 2008)

(Million yen)

	Device business	Solution business	Total	Elimination /Corporate	Consolidation
Net sales					
(1) Sales to external customers	122,653	6,444	129,098	-	129,098
(2) Internal sales or transfer between segments	-	-	-	-	-
Total	122,653	6,444	129,098	-	129,098
Operating profit	3,156	191	3,348	(679)	2,669

Notes:

1. 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.

2. Main products of each business segment

(1) Device business: Semiconductors, display units and general electronic components

(2) Solution business: Electronic equipment

3. Change in accounting principle

“Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

Effective from the first quarter of the current fiscal year, the Company has adopted “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (PITF No. 18: May 17, 2006) and has made the necessary adjustments to the consolidated financial statements.

The effect of this change on earnings is insignificant.

Geographical Segments

2Q March 2009 Term (Apr. 1, 2008 – Sep. 30, 2008)

(Million yen)

	Japan	Asia	North America	Total	Elimination /Corporate	Consolidation
Net sales						
(1) Sales to external customers	91,245	36,185	1,666	129,098	-	129,098
(2) Internal sales or transfer between segments	4,392	926	4	5,323	(5,323)	-
Total	95,638	37,112	1,671	134,421	(5,323)	129,098
Operating profit	1,658	744	106	2,509	159	2,669

Notes:

1. The classification of country or area is based on geographical proximity.

2. Main countries or area belonging to each region

(1) Asia: Hong Kong, Singapore and Taiwan

(2) North America: USA

3. Change in accounting principle

“Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

Effective from the first quarter of the current fiscal year, the Company has adopted “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (PITF No. 18: May 17, 2006) and has made the necessary adjustments to the consolidated financial statements.

The effect of this change on earnings is insignificant.

Overseas Sales

2Q March 2009 Term (Apr. 1, 2008 – Sep. 30, 2008)

(Million yen)

	Asia	North America	Other regions	Total
I Overseas sales	77,852	867	106	78,827
II Consolidated sales				129,098
III Ratio of overseas sales to consolidated sales (%)	60.3	0.7	0.1	61.1

Notes:

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

(6) Significant Changes in Shareholders' Equity

There are no relevant matters.

(Reference Materials)

Financial Statements for the Previous First Half

(1) Consolidated Profit and Loss Statement

(Million yen)

Account		2Q March 2008 Term (Apr. 1, 2007 – Sep. 30, 2007)		
		Amount	%	
I	Net sales		137,718	100.0
II	Cost of sales		128,900	93.6
	Gross profit on sales		8,817	6.4
III	Selling, general and administrative expenses		5,561	4.0
	Operating profit		3,256	2.4
IV	Non-operating profit			
	Interest income	124		
	Dividend income	23		
	Purchase discounts	10		
	Others	50	209	0.1
V	Non-operating expenses			
	Interest expenses	65		
	Sales discounts	46		
	Foreign exchange losses	35		
	Others	7	155	0.1
	Ordinary profit		3,310	2.4
VI	Extraordinary profits			
	Gain on sale of fixed assets	0		
	Gain on sale of investment securities	143	143	0.1
VII	Extraordinary losses			
	Loss on sale of fixed assets	6		
	Loss on disposition of fixed assets	2		
	Loss on valuation of investment securities	12	21	0.0
	Net profit before tax adjustments		3,433	2.5
	Corporate, resident and enterprise taxes	1,277		
	Adjustment for corporate tax, etc.	98	1,375	1.0
	Net profit		2,057	1.5

(2) Consolidated Statement of Cash Flows

(Million yen)

	2Q March 2008 Term (Apr. 1, 2007 – Sep. 30, 2007)
Account	Amount
I Operating activities	
Net profit before tax and adjustments	3,433
Depreciation and amortization	174
Increase of prepaid pension expenses	(25)
Increase of allowance for doubtful receivables	7
Interest and dividends income	(148)
Interest expense	65
Gain on sale of investment securities	(143)
Gain on sale of fixed assets	(0)
Loss on sale of fixed assets	6
Loss on valuation of investment securities	12
Decrease of notes and accounts receivable	3,802
Increase of inventories	(2,258)
Increase of notes and accounts payable	614
Increase of consumption and other taxes payable	2
Increase of consumption and other taxes receivable	(91)
Change of other assets and liabilities	(266)
Other non-fund transactions	2
Sub-total	5,189
Interest and dividend received	148
Interest paid	(73)
Corporate and other taxes paid	(1,766)
Net cash provided by operating activities	3,497
II Investing activities	
Purchase of property and equipment	(33)
Proceeds from sale of property and equipment	0
Purchase of software	(139)
Purchase of investment securities	(15)
Proceeds from sale of investment securities	231
Others	(16)
Net cash provided by investing activities	25
III Financing activities	
Proceeds from short-term loans	13,148
Repayment of short-term loans	(15,287)
Net expenditure for repurchase/sale of treasury stock	(1)
Dividend paid	(573)
Net cash used in financing activities	(2,713)
IV Foreign currency conversion adjustments for cash and cash equivalents	(32)
V Increase of cash and cash equivalents	777
VI Balance of cash and cash equivalents, beginning of the term	4,467
VII Balance of cash and cash equivalents, end of the term	5,245