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February 5, 2010

Summary of Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2010 (Nine Months Ended December 31, 2009)

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

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Scheduled date of filing of Quarterly Report: February 12, 2010

Scheduled date of dividend payment: -

(Amounts are rounded down to the nearest million yen)

1. Consolidated Business Performance for the Third Quarter of March 2010 Term (Apr. 1, 2009 – Dec. 31, 2009)

(1) Consolidated business performance (cumulative)

(The percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q March 2010 Term	139,982	(22.6)	1,789	(38.5)	1,772	(51.3)	1,209	(25.8)
3Q March 2009 Term	180,765	-	2,906	-	3,642	-	1,629	-

	Net profit per share	Diluted net profit per share
	Yen	Yen
3Q March 2010 Term	39.93	-
3Q March 2009 Term	52.49	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
3Q March 2010 Term	82,588	59,290	71.8	1,958.03
March 2009 Term	82,203	59,234	72.1	1,956.15

Reference) Shareholders' equity 3Q March 2010 Term: 59,290 million yen March 2009 Term: 59,234 million yen

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
March 2009 Term	-	18.00	-	20.00	38.00
March 2010 Term	-	10.00	-	-	-
March 2010 Term (forecast)	-	-	-	10.00	20.00

Note) Revision of dividend forecast during the term: None

3. Forecasts for Consolidated Business Performance for March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)

(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	185,000	(19.4)	2,000	(46.1)	2,000	(51.0)	1,350	(38.9)	44.58

Note) Revision of consolidated forecast during the term: None

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, (2)” 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: None

2) Other changes: Yes

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others, (3)” 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):

3Q March 2010 Term:	30,281,373 shares	March 2009 Term:	31,983,373 shares
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2) Number of treasury stock at the end of term:

3Q March 2010 Term:	525 shares	March 2009 Term:	1,702,344 shares
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3) Average number of shares outstanding during the term:

3Q March 2010 Term:	30,280,933 shares	3Q March 2009 Term:	31,043,391 shares
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* Cautionary statement with respect to forward-looking statements

Forecasts regarding future performance in these materials are based on data currently available, and contain 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.

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Consolidated Business Performance

(1) Overview

The global economy showed signs of a partial recovery in the first nine months of the fiscal year as individual government initiatives took effect. Fears of a prolonged recession could not be dispelled, however, as Japan, the U.S., and Europe continued to suffer from a harsh employment environment and high jobless rates. In the electronics sector, where Sanshin Electronics operates, the shipment value fell short of the year-ago level despite a marked recovery in orders for semiconductors and electronic components.

Under these conditions the Sanshin Group is undertaking to increase its corporate value and grow as an electronics trading company for customers and suppliers in response to diversifying and increasingly complex needs. We are delivering a wide range of solutions supported by the four pillars of global support for sales and distribution, product lineup, technological strength, and coordination. The Group is also strengthening organizational capabilities by systematically minimizing loss through enhanced CSR and risk response.

In the period under review, net sales fell 22.6% year-on-year to 139,982 million yen, operating profit fell 38.5% to 1,789 million yen, ordinary profit fell 51.3% to 1,772 million yen, and net profit fell 25.8% to 1,209 million yen.

(2) Overview of performance by business segment

1) Device Business

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

Among semiconductor products, sales including system LSIs for home game consoles, LCD televisions, and blu-ray player/recorders and LCD driver ICs for LCD televisions declined in the first nine months of the current fiscal year, falling below the level for the same period previous fiscal year. Among electronic components, products such as wireless WAN modules and connectors performed well while sales of circuit components for home games consoles, circuit boards for plasma TVs, and other such products declined, falling below the level for the same period previous fiscal year.

In total, consolidated segment sales fell 22.9% year-on-year to 132,719 million yen, while operating profit fell 32.1% to 2,626 million yen.

Orders received stood at 134,879 million yen, and the order backlog was 27,388 million yen.

2) Solution Business

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

Sales generally declined year-on-year for business related to network and image editing systems, due to restraints on capital investment from the private sector and other factors.

As a result, consolidated segment sales fell 16.7% year-on-year to 7,262 million yen while operating profit rose 39.7% to 102 million yen, due to efforts to improve gross margins and cut selling, general, and administrative expenses.

Orders received totaled 8,032 million yen, while the order backlog stood at 4,721 million yen.

2. Qualitative Information Regarding Consolidated Financial Position

(1) Assets, liabilities and net assets

Assets totaled 82,588 million yen as of December 31, 2009, 385 million yen increased from March 31, 2009. This was mainly attributable to an increase of 4,641 million yen in cash and deposits, a decrease of 2,167 million yen in others under current assets (mainly due to decrease in consumption tax receivable), a decrease of 1,296 million yen in merchandise inventories, and a decrease of 709 million yen in notes and accounts receivable.

Liabilities increased 328 million yen to 23,297 million yen, mainly because of a 753 million yen increase in notes and accounts payable.

Net assets increased 56 million yen to 59,290 million yen mainly the net results of an increase of 1,209 million yen from net profit, a 148 million yen increase in unrealized gains on available-for-sale securities, a decrease of 908 million yen for payment of year-end dividend, and a 406 million yen decrease in foreign exchange conversion adjustments.

(2) Cash flows

Cash and cash equivalents amounted to 13,718 million yen as of December 31, 2009, an increase of 4,641 million yen from March 31, 2009, mainly due to a decrease in consumption tax receivable and an increase in notes and accounts payable.

Operating activities

Net cash provided by operating activities increased 334 million yen year-on-year to 5,603 million yen. There was a decrease in consumption tax receivable, an increase in notes and accounts payable, and a decrease in inventories.

Investing activities

Net cash provided by investing activities was 60 million yen, increased by 216 million yen from cash used of 156 million yen in the same period previous fiscal year. Cash was provided primarily by the proceeds from sale of investment securities.

Financing activities

Net cash used in financing activities was 911 million yen, due to dividend paid. This was 4,415 million yen less than the figure of 5,326 million yen recorded for the same period of the previous fiscal year.

3. Qualitative Information Regarding Forecasts for Consolidated Business Performance

Due to the uncertain outlook for the global economy and economic conditions such as currency rates and stock markets, we are making no revisions to the full-year consolidated forecasts in the summary of financial results for the second quarter of the fiscal year ending March 31, 2010 (released on November 6, 2009).

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.

However, if use the annual projected tax rate results in taxes that are clearly inappropriate, taxes will be calculated instead by using the effective statutory tax rate.

“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

(Standard for translation of income and expenses at foreign consolidated subsidiaries into yen)

In the past, income and expenses at foreign subsidiaries were translated into yen by using the exchange rate at the end of each fiscal period. Due to the increasing importance of foreign subsidiaries in the consolidated financial statements, and for the purpose of presenting results of operations in each quarter more accurately, the average exchange rate in each fiscal period is used starting with the first quarter of the current fiscal year.

The effect of this change on earnings is insignificant.

5. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	3Q March 2010 Term (As of Dec. 31, 2009)	March 2009 Term (Summary) (As of Mar. 31, 2009)
Assets		
Current assets		
Cash and deposits	13,718	9,077
Notes and accounts receivable-trade	44,497	45,207
Merchandise inventories	13,819	15,115
Partly-finished work	47	0
Others	2,659	4,826
Allowance for doubtful receivables	(26)	(21)
Total current assets	74,716	74,206
Fixed assets		
Property and equipment	4,790	4,931
Intangible fixed assets		
Goodwill	60	68
Others	433	544
Total intangible fixed assets	493	613
Investments and other assets		
Others	2,631	2,496
Allowance for doubtful receivables	(43)	(44)
Total investments and other assets	2,587	2,451
Total fixed assets	7,872	7,996
Total assets	82,588	82,203
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,210	17,457
Current portion of long-term loans payable	1,800	1,800
Accrued corporate tax, etc.	128	617
Provision	287	630
Others	1,154	726
Total current liabilities	21,581	21,231
Fixed liabilities		
Long-term loans payable	1,500	1,500
Others	216	237
Total fixed liabilities	1,716	1,737
Total liabilities	23,297	22,969

(Million yen)

	3Q March 2010 Term (As of Dec. 31, 2009)	March 2009 Term (Summary) (As of Mar. 31, 2009)
Net assets		
Shareholders' equity		
Capital stock	14,811	14,811
Capital surplus	15,329	15,329
Retained earnings	31,241	32,628
Treasury stock	(0)	(1,703)
Total shareholders' equity	61,382	61,066
Valuation and foreign exchange adjustments, etc.		
Unrealized gains (losses) on available-for-sale securities	136	(11)
Deferred hedge gains/losses	(7)	(6)
Foreign exchange conversion adjustments	(2,221)	(1,814)
Total valuation and foreign exchange adjustments, etc.	(2,091)	(1,832)
Total net assets	59,290	59,234
Total liabilities and net assets	82,588	82,203

(2) Consolidated Profit and Loss Statement

(For the Nine-month Period)

(Million yen)

	3Q March 2009 Term (Apr. 1, 2008 – Dec. 31, 2008)	3Q March 2010 Term (Apr. 1, 2009 – Dec. 31, 2009)
Net sales	180,765	139,982
Cost of sales	170,073	131,191
Gross profit on sales	10,691	8,790
Selling, general and administrative expenses	7,784	7,001
Operating profit	2,906	1,789
Non-operating profit		
Interest income	59	33
Dividend income	36	23
Foreign exchange gains	657	-
Others	76	46
Total non-operating profit	829	103
Non-operating expenses		
Interest expenses	54	34
Sales discounts	30	28
Foreign exchange losses	-	52
Others	9	5
Total non-operating expenses	93	120
Ordinary profit	3,642	1,772
Extraordinary profits		
Gain on sale of fixed assets	3	0
Gain on sale of investment securities	0	91
Income from refund of allowance for doubtful receivables	11	-
Gain on transfer of goodwill	-	115
Total extraordinary profits	14	206
Extraordinary losses		
Loss on sales of fixed assets	0	-
Loss on disposition of fixed assets	3	0
Loss on valuation of investment securities	465	9
Loss on valuation of membership rights	11	-
Total extraordinary losses	480	10
Net profit before tax and adjustments	3,177	1,969
Corporate and other taxes	1,547	759
Net profit	1,629	1,209

(3) Consolidated Statement of Cash Flows

(Million yen)

	3Q March 2009 Term (Apr. 1, 2008 – Dec. 31, 2008)	3Q March 2010 Term (Apr. 1, 2009 – Dec. 31, 2009)
Operating activities		
Net profit before tax and adjustments	3,177	1,969
Depreciation and amortization	282	257
Amortization of goodwill	20	20
Decrease (increase) of prepaid pension expenses	(2)	42
Increase (decrease) of allowance for doubtful receivables	(11)	4
Interest and dividends income	(95)	(57)
Interest expense	54	34
Loss (gain) on sales of investment securities	-	(91)
Loss (gain) on sale of fixed assets	(3)	(0)
Loss (gain) on valuation of investment securities	465	9
Decrease (increase) of notes and accounts receivable	5,353	300
Decrease (increase) of inventories	(2,735)	1,011
Increase (decrease) of notes and accounts payable	(528)	1,041
Decrease (increase) of consumption and other taxes receivable	761	1,927
Increase (decrease) of consumption and other taxes payable	(10)	(4)
Others	(203)	329
Sub-total	6,524	6,795
Interest and dividend received	95	55
Interest paid	(57)	(23)
Corporate and other taxes paid	(1,293)	(1,224)
Net cash provided by operating activities	5,268	5,603
Investing activities		
Purchase of property and equipment	(29)	(6)
Proceeds from sale of property and equipment	4	0
Purchase of software	(38)	(9)
Purchase of investment securities	(123)	(10)
Proceeds from sale of investment securities	10	112
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	(16)
Others	21	(9)
Net cash provided by (used in) investing activities	(156)	60
Financing activities		
Proceeds from short-term loans	7,593	2,571
Repayment of short-term loans	(10,850)	(2,571)
Repayments of lease obligations	(38)	(29)
Net decrease (increase) of treasury stock	(892)	(0)
Dividend paid	(1,139)	(881)
Net cash used in financing activities	(5,326)	(911)
Foreign currency conversion adjustments for cash and cash equivalents	(302)	(110)
Increase (decrease) of cash and cash equivalents	(517)	4,641
Balance of cash and cash equivalents, beginning of the period	5,003	9,077
Balance of cash and cash equivalents, end of the period	4,486	13,718

(4) Going Concern Assumption

There are no relevant matters.

(5) Segment Information

Industrial Segments

3Q March 2009 Term (Apr. 1, 2008 – Dec. 31, 2008)

(Million yen)

	Device business	Solution business	Total	Elimination /Corporate	Consolidation
Net sales					
(1) Sales to external customers	172,044	8,720	180,765	-	180,765
(2) Internal sales or transfer between segments	-	-	-	-	-
Total	172,044	8,720	180,765	-	180,765
Operating profit	3,871	73	3,944	(1,037)	2,906

3Q March 2010 Term (Apr. 1, 2009 – Dec. 31, 2009)

(Million yen)

	Device business	Solution business	Total	Elimination /Corporate	Consolidation
Net sales					
(1) Sales to external customers	132,719	7,262	139,982	-	139,982
(2) Internal sales or transfer between segments	-	-	-	-	-
Total	132,719	7,262	139,982	-	139,982
Operating profit	2,626	102	2,729	(940)	1,789

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 and general electronic components

(2) Solution business: Electronic equipment

3. Change in accounting treatment

3Q March 2009 Term

(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” (Practical Issue Task Force (“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.

3Q March 2010 Term

(Standard for translation of income and expenses at foreign consolidated subsidiaries into yen)

In the past, income and expenses at foreign subsidiaries were translated into yen by using the exchange rate at the end of each fiscal period. Due to the increasing importance of foreign subsidiaries in the consolidated financial statements, and for the purpose of presenting results of operations in each quarter more accurately, the average exchange rate in each fiscal period is used starting with the first quarter of the current fiscal year.

The effect of this change on earnings is insignificant.

Geographical Segments

3Q March 2009 Term (Apr. 1, 2008 – Dec. 31, 2008)

(Million yen)

	Japan	Asia	North America	Total	Elimination /Corporate	Consolidation
Net sales						
(1) Sales to external customers	134,207	44,478	2,079	180,765	-	180,765
(2) Internal sales or transfer between segments	6,017	1,414	6	7,438	(7,438)	-
Total	140,225	45,892	2,086	188,204	(7,438)	180,765
Operating profit	2,180	869	142	3,191	(284)	2,906

3Q March 2010 Term (Apr. 1, 2009 – Dec. 31, 2009)

(Million yen)

	Japan	Asia	North America	Total	Elimination /Corporate	Consolidation
Net sales						
(1) Sales to external customers	91,007	46,591	2,383	139,982	-	139,982
(2) Internal sales or transfer between segments	11,257	1,767	1	13,027	(13,027)	-
Total	102,265	48,359	2,384	153,009	(13,027)	139,982
Operating profit	623	863	19	1,506	282	1,789

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 treatment

3Q March 2009 Term

(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, May 17, 2006) and has made the necessary adjustments to the consolidated financial statements.

The effect of this change on earnings is insignificant.

3Q March 2010 Term

(Standard for translation of income and expenses at foreign consolidated subsidiaries into yen)

In the past, income and expenses at foreign subsidiaries were translated into yen by using the exchange rate at the end of each fiscal period. Due to the increasing importance of foreign subsidiaries in the consolidated financial statements, and for the purpose of presenting results of operations in each quarter more accurately, the average exchange rate in each fiscal period is used starting with the first quarter of the current fiscal year.

The effect of this change on earnings is insignificant.

Overseas Sales

3Q March 2009 Term (Apr. 1, 2008 – Dec. 31, 2008)

(Million yen)

	Asia	North America	Other regions	Total
I Overseas sales	100,454	1,006	161	101,623
II Consolidated sales				180,765
III Ratio of overseas sales to consolidated sales (%)	55.6	0.5	0.1	56.2

3Q March 2010 Term (Apr. 1, 2009 – Dec. 31, 2009)

(Million yen)

	Asia	North America	Other regions	Total
I Overseas sales	74,671	1,925	58	76,655
II Consolidated sales				139,982
III Ratio of overseas sales to consolidated sales (%)	53.4	1.4	0.0	54.8

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

(Cancellation of treasury stocks)

The Board of Directors on May 19, 2009 approved a resolution to retire treasury stock in accordance with Article 178 of the Corporation Law. On May 26, 1,702 thousand shares of treasury stock were retired. Due to this action, there was a decrease of 1,703 million yen in treasury stock during the first quarter, and a 1,703 million yen decrease in retained earnings.