

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



May 14, 2010

Summary of Financial Results for Fiscal Year Ended March 31, 2010

Name of Listed Company: Sanshin Electronics Co., Ltd. Stock Exchange Listed: 1st Section, Tokyo
 Code No.: 8150 URL: <http://www.sanshin.co.jp>
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 Scheduled date of General Meeting of Shareholders: June 23, 2010
 Scheduled date of filing of Annual Securities Report: June 24, 2010
 Scheduled date of dividend payment: June 24, 2010

(Amounts are rounded down to the nearest million yen)

1. Consolidated Business Performance for March 2010 Term (April 1, 2009 – March 31, 2010)

(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	%
March 2010 Term	178,415	(22.3)	2,190	(41.0)	2,183	(46.5)	1,340	(39.3)
March 2009 Term	229,643	(12.4)	3,711	(26.7)	4,084	(24.7)	2,209	(35.3)

	Net profit per share	Diluted net profit per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
March 2010 Term	44.28	-	2.3	2.6	1.2
March 2009 Term	71.61	-	3.7	4.6	1.6

Reference) Investment profit and loss based on the equity method March 2010 Term: - million yen March 2009 Term: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 2010 Term	86,817	59,564	68.6	1,967.08
March 2009 Term	82,203	59,234	72.1	1,956.15

Reference) Shareholders' equity March 2010 Term: 59,564 million yen March 2009 Term: 59,234 million yen

(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
March 2010 Term	7,701	223	(1,446)	15,491
March 2009 Term	12,954	(240)	(8,480)	9,077

2. Dividends

(Record date)	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Dividend on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 2009 Term	-	18.00	-	20.00	38.00	1,168	53.1	2.0
March 2010 Term	-	10.00	-	10.00	20.00	605	45.2	1.0
March 2011 Term (forecast)	-	10.00	-	10.00	20.00		43.3	

3. Forecasts for Consolidated Business Performance for March 2011 Term (April 1, 2010 – March 31, 2011)*(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
First half	88,000	(10.6)	1,000	(10.8)	1,000	(8.7)	550	(32.3)	18.16
Full year	180,000	0.9	2,200	0.4	2,200	0.8	1,400	4.4	46.23

4. Others

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

Newly added: - Excluded: -

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

1) Changes caused by revision of accounting standards: Yes

2) Other changes: Yes

Note: Please refer to “Important Basic Matters for Preparation of Consolidated Financial Statements” on page 16 and “Change in Important Basic Matters for Preparation of Consolidated Financial Statements” on page 21 for further information.

(3) Number of shares outstanding (ordinary shares)

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

March 2010 Term: 30,281,373 shares March 2009 Term: 31,983,373 shares

2) Number of treasury stock at the end of term:

March 2010 Term: 627 shares March 2009 Term: 1,702,344 shares

Note: Please refer to “Per Share Information” on page 36 for the number of shares used in calculating consolidated net profit per share.

(Reference) Summary of Non-consolidated Business Performance**1. Non-consolidated Business Performance for March 2010 Term (April 1, 2009 – March 31, 2010)**

(1) Non-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	%
March 2010 Term	129,083	(26.5)	775	(64.8)	1,684	(50.2)	1,160	(33.1)
March 2009 Term	175,538	(14.6)	2,204	(37.2)	3,383	(14.3)	1,734	(27.9)

	Net profit per share	Diluted net profit per share
	Yen	Yen
March 2010 Term	38.31	-
March 2009 Term	56.21	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 2010 Term	74,198	54,347	73.2	1,794.78
March 2009 Term	72,601	53,960	74.3	1,781.99

Reference) Shareholders' equity: March 2010 Term: 54,347 million yen March 2009 Term: 53,960 million yen

*** 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 the section “1. Business Results” on pages 3 through 6 regarding the relevant matters for the above forecast for the business performance.

1. Business Results

(1) Analysis of business results

1) Overview for the Consolidated Fiscal Year ended March 2010

In the fiscal ended March 2010, there was a sign of the bottoming-out of the global economic recession, but the employment situations in Japan, the U.S., and Europe remained severe, and the future outlook was still uncertain. In the electronics sector, where Sanshin Electronics group operates, was also severe throughout the fiscal year, although the demand for semiconductors and electronic components mainly used for automobiles, PCs, and smartphones (high functional cell-phone) was expected to recover from the late fiscal year, as emerging countries are growing rapidly and governments took economic-stimulus measures. 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.

However, the business environment was more aggravated than we anticipated, with sales fell 22.3% year-on-year to 178,415 million yen, operating profit 41.0% to 2,190 million yen, ordinary profit 46.5% to 2,183 million yen, and net profit 39.3% to 1,340 million yen. The return on equity (ROE) was 2.3%.

2) Overview of performance by business segment

a. Device Business

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

In the current consolidated fiscal year, among semiconductor products, sales drop as compared with the previous fiscal year for system LSIs for home video game consoles, LCD televisions and blu-ray player/recorders and LCD driver ICs for LCD televisions etc. Among electronic components, while some products such as connectors and wireless WAN modules performed favorably, sales of circuit components for home video game consoles and circuit boards for plasma televisions declined, and overall sales fell below the figure for the previous fiscal year.

As a result, consolidated segment sales fell 23.0% year-on-year to 166,925 million yen, and operating profit fell 34.7% to 2,929 million yen.

Orders received stood at 170,038 million yen, and the order backlog was 28,341 million yen.

b. Solution Business

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

In the current consolidated fiscal year, attitudes remained highly cautious towards capital investment in the private sector, and sales declined from levels recorded in the previous fiscal year in both network and image editing systems business.

As a result, consolidated segment sales fell 11.1% year-on-year to 11,490 million yen for the current consolidated fiscal year, while operating profit rose 3.7% to 583 million yen, due to efforts to improve gross margins and cut selling, general, and administrative expenses.

Orders received totaled 11,220 million yen, while the order backlog stood at 3,681 million yen.

3) Outlook for the next fiscal year

Although a significant decrease in sales of system LSIs for home video game consoles is anticipated, a recovery is expected in sales of products including primarily those for digital appliances. Based on these factors, the Company's next fiscal year forecast is as follows.

(Prospect for Consolidated Business Results)

Net sales:	180.00 billion yen (0.9% increase on the previous fiscal year)
Operating profit:	2.2 billion yen (0.4% increase on the previous fiscal year)
Ordinary profit:	2.2 billion yen (0.8% increase on the previous fiscal year)
Net profit:	1.4 billion yen (4.4% increase on the previous fiscal year)

(Assumed exchange rate: US\$ 1 = 92.85 yen)

(With the average exchange rate for the fiscal year ended March 31, 2010 applied)

(2) Qualitative Information Regarding Consolidated Financial Position

1) Assets, liabilities and net assets

As of March 31, 2010, assets totaled 86,817 million yen. This represented an increase of 4,614 million yen from March 31, 2009. This was mainly attributable to an increase of 6,413 million yen in cash and deposits, an increase of 1,627 million yen in merchandise inventories, a decrease of 1,590 million yen in others under current assets (mainly due to a decrease in consumption tax receivable), and a decrease of 1,358 million yen in notes and accounts receivable.

Liabilities increased 4,283 million yen to 27,252 million yen, mainly because of a 4,999 million yen increase in notes and accounts payable.

Net assets increased 330 million yen to 59,564 million yen, mainly because of a 1,255 million yen decrease in retained earnings, a 1,703 million yen decrease in treasury stock, a 214 million yen increase in unrealized gains on available-for-sale securities, and a 252 million yen decrease in foreign exchange conversion adjustments.

2) Cash flows

Cash and cash equivalents amounted to 15,491 million yen as of March 31, 2010, an increase of 6,413 million yen from March 31, 2009. This was mainly due to an increase in cash income caused by a decrease in notes and accounts receivable, an increase in notes and accounts payable, and a decrease in consumption tax receivable.

(Operating activities)

Net cash provided by operating activities decreased 5,253 million yen to 7,701 million yen. This was mainly due to a decrease in notes and accounts receivable, an increase in notes and accounts payable, and a decrease in consumption tax receivable.

(Investing activities)

Net cash provided by investing activities was 223 million yen. This represented an increase of 463 million yen from cash used of 240 million yen in the previous fiscal year. Cash was provided primarily by the proceeds from sale of investment securities.

(Financing activities)

Net cash used in financing activities was 1,446 million yen, due to repayment of long-term loans and payments of dividends. This was 7,034 million yen from the previous fiscal year.

3) Outlook for assets, liabilities, net assets and cash flow

At the end of March 2011, the Company expects total assets to amount to 88.2 billion yen, 1.4 billion yen increase from the end of March 2010, mainly because of a projected increase in notes and accounts receivable. In addition, the Company expects interest-bearing debt to total about 2.8 billion yen at the end of March 2011.

Cash and cash equivalents are expected to decrease by about 100 million yen during the fiscal year to about 15.4 billion yen at the end of March 2011. This forecast is based on projected income from decreases in net profit before tax and adjustments, and inventories etc., as well as payment such as increase in notes and accounts receivable.

Performance indicators associated with cash flows are as follows.

	March 2006 Term	March 2007 Term	March 2008 Term	March 2009 Term	March 2010 Term
Ratio of shareholders' equity (%)	55.5	52.9	61.4	72.1	68.6
Ratio of shareholders' equity on current price base (%)	44.0	41.5	33.5	23.1	27.6
Interest-bearing debt to cash flow ratio (year)	-	-	0.7	0.3	0.4
Interest coverage ratio	-	-	100.9	156.5	172.8

Notes: Ratio of shareholders' equity: Shareholders' equity ÷ Total assets

Ratio of shareholders' equity on current price base: Market capitalization ÷ Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debts ÷ Operating cash flow

Interest coverage ratio: Operating cash flow ÷ Interest paid

* Each indicator is calculated using the consolidated financial figures.

* The market capitalization 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 "interest paid" listed in the consolidated statement of cash flows is used.

* Figures for the interest-bearing debt to cash flow ratio and the interest coverage ratio are not entered when the operating cash flow figure is negative.

(3) Basic policy for profit distribution and dividends for the current and next fiscal years

The Company's basic policy regarding profit distribution is to base these distributions on a comprehensive consideration of the need to increase distributions to shareholders and to increase retained earnings. In accordance with this policy, the Company strives to pay a stable dividend continuously as well as to increase the dividend, with a target payout ratio of 30% of consolidated net profit.

Based on the above policies, for the current fiscal year the Company plans to pay a year-end dividend of 10 yen per share, in line with reported values, and an interim dividend of 10 yen per share, for an annual dividend of 20 yen per share.

Regarding dividends for the next fiscal year, the Company will focus on stability, and plans to pay an annual dividend of 20 yen per share (unchanged from the current fiscal year), in two payments of 10 yen each (payable at the interim and year-end).

(4) Business risks

There are various risks that may affect the business performance and financial condition (including the share price) of the Sanshin Electronics Group. The following risks are considered to be matters that could have a significant effect on the decisions of investors.

1) Degree of dependence on major trade partners

In the current consolidated fiscal year, among the various suppliers for the Sanshin Electronics Group, products supplied by NEC Electronics accounted for about 60% of the total value of all products supplied to the Group. For this reason, the business performance of the Group may be affected by the production trends/plans and any changes in the production policies of this supplier. Five major electronics manufacturers in Japan and other countries and their group companies accounted for about 75% of the sales of the Sanshin Electronics Group. Again, the production trends, production system, trends in orders received from these customers and any changes in the production and ordering policies of these companies may affect the business performance of the Group.

On April 1, 2010, NEC Electronics became Renesas Electronics.

2) Market conditions

Semiconductors and electronic components, which account for the majority of the Group's sales, are used primarily in consumer electronics products like mobile phones, televisions and home game consoles. Changes in market conditions for these products and in economies in Japan and other countries may affect the business performance of the Group.

3) Financial structure

The payment period for the notes and accounts payable of the Group is shorter than the period for the collection of notes and accounts payable. As a result, growth in sales creates a demand for additional working capital that must be procured externally from banks and other sources. The financial condition 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 future trends in financial markets.

4) Foreign exchange rates

The business performance and financial condition of the Sanshin Electronics Group are affected by changes in foreign exchange rates. While the consolidated financial statements of the Group are denominated in yen, any changes in foreign exchange rates affects the assets, liabilities, income and expenses denominated in foreign currencies as well as the yen conversions of financial statements of overseas consolidated subsidiaries. The Group takes actions aimed at reducing or eliminating the effect of changes in foreign exchange rates. However, since it is impossible to completely eliminate this risk, changes in foreign exchange rates may affect the business performance of the Group.

5) Potential risks associated with overseas activities

The business activities of the Sanshin Electronics Group are conducted in Japan and foreign countries, mainly in Asia. Consequently unexpected changes in political and social conditions, the occurrence of economic problems, and revisions in laws and tax systems in these countries may affect the business performance of the Group.

2. The Corporate Group

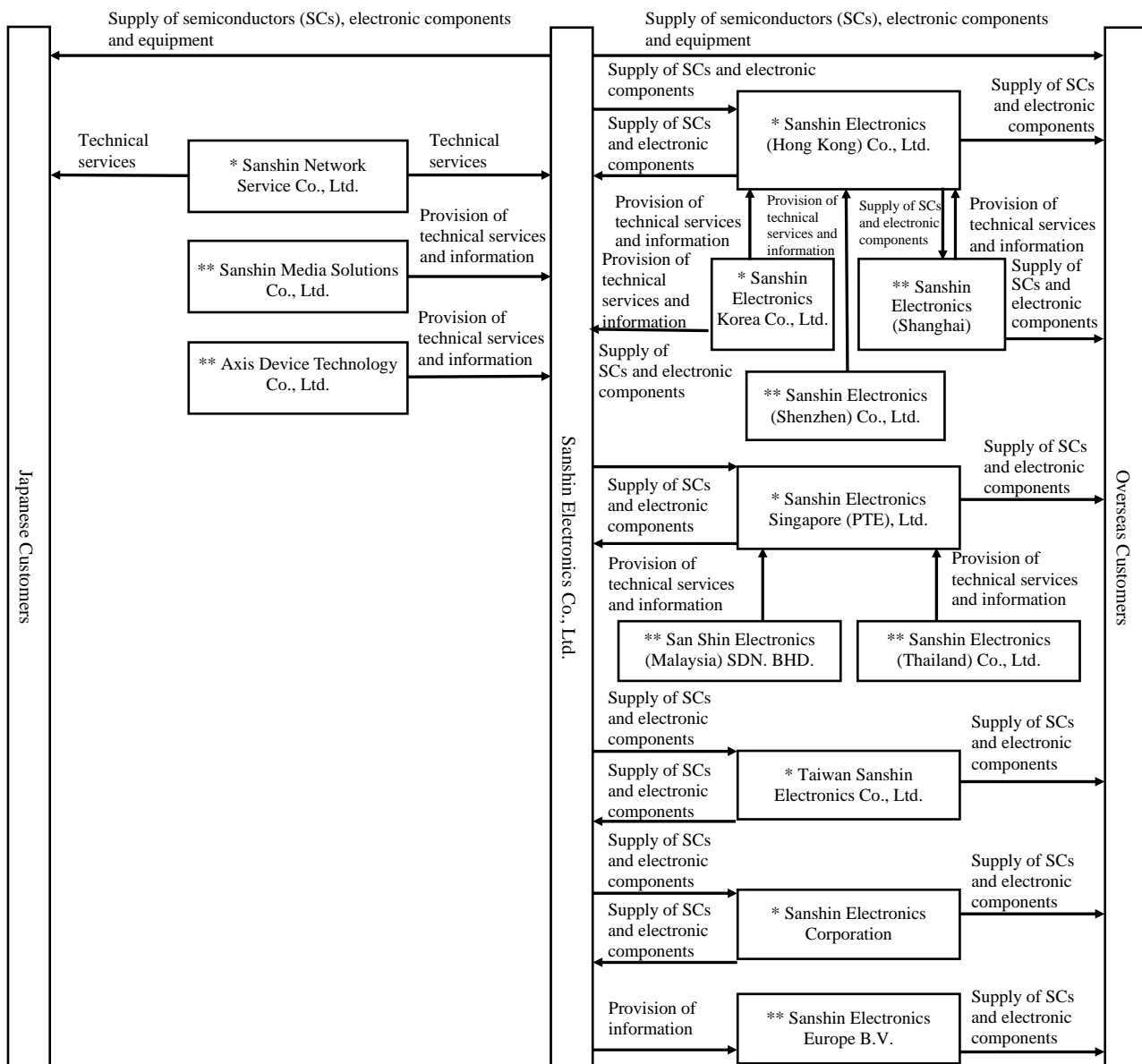
The Sanshin Electronics Group of companies (the Group) consists of Sanshin Electronics Co., Ltd. (the Company) and its 13 subsidiaries. The main businesses and positioning of these companies are shown below.

The Company operates as a trading house specializing in semiconductors, electronic components and electronic equipment. The Company sells these products to manufacturers of electronics products and to governments and their agencies. Nine overseas subsidiaries, including Sanshin Electronics (Hong Kong) Co., Ltd., serve as overseas bases that perform marketing and procurement activities in order to expand business operations in their respective areas. In addition, Axis Device Technology Co., Ltd. provides technical services and information associated with foreign semiconductor products, Sanshin Network Service Co., Ltd. provides technical services for the operation and maintenance of information and communication systems, and Sanshin Media Solutions Co., Ltd. provides technical services and information associated with image editing systems.

As a result of the Company selling some of the shares it held in TAKUMI Corporation, a former consolidated subsidiary of the company Group, during the current consolidated fiscal year, TAKUMI Corporation is no longer a subsidiary, and has therefore been excluded from the scope of consolidation.

Furthermore, Sanshin Electronics (Shenzhen) Co., Ltd. and Axis Device Technology Co., Ltd. have been established and open for business as of April 1, 2009 and September 1, 2009, respectively.

The following diagram shows the business operations of group companies.



*: Consolidated subsidiary

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

3. Basic Policies

(1) Basic management policies

The Company's basic policy is to adhere to the corporate philosophy of "Trust, Faith and Honesty" in order to earn a reputation as an organization to prove its value based on reliability and solutions. Today, manufacturers that supply products to the Company are all focusing their product development and manufacturing resources on fields where they are strongest. As a result, there is a growing need at these manufacturers to reinforce sales activities. In addition, the Company's customers need to use fewer suppliers in order to raise the efficiency of product procurement activities. Sanshin Electronics is dedicated to offering suppliers and customers the optimum solutions for their problems by focusing on excellence in four areas: product distribution, product range, coordination, and technological strength. The objective is to increase the Company's corporate value by earning a reputation among suppliers and customers as a highly reliable electronics trading company.

(2) Target business indicator

The Company positions the ROE (return on equity) as an important business indicator and will endeavor to improve earnings while maintaining a shareholders' equity ratio of at least 50%.

(3) Medium- to long-term business strategy

In the device business, suppliers and customers requirements are diversifying. By responding appropriately to such suppliers and customers requirements and displaying its value towards customers and suppliers, the Company will expand its business opportunities. In particular, as emerging countries' markets expand, low-priced sets are becoming volume zones in markets for televisions and cell phones, and so the Company will work to strengthen its expansion of sales in these fields.

In the device business, during the past several years there have been significant changes in our business structure, with the proportion of sales and profits contributed from overseas operations increasing substantially. These trends are expected to continue in future. As well as responding to the shift towards overseas production by Japanese electronics manufacturers, who are the Company's main customers, the Company will enhance its capability for developing business overseas, by focusing on expanding sales to foreign ODM and EMS manufacturers.

In the solution business, as business requirements for services increase due to advances in virtualization technology and cloud computing, the Company will build a solid revenue base by expanding its stock business such as maintenance and support.

(4) Important issues

To achieve these management strategies, the Company is committed to addressing the following issues:

1) Strengthening business capabilities

a. Deepening existing business and expanding new business

Regarding products from current leading domestic suppliers, the Company will establish its position as a vendor of choice by working to deepen relationships through a wide range of services for customers. As for products from new suppliers, including mainly overseas manufacturers, the Company will build a foothold for future business expansion by using its price advantage to expand sales for low-priced sets that are volume zones.

b. Strengthening capability for expanding international business

The Company will work to develop technical support systems and to supply a wide range of solutions for China block, which has become a major market. In addition, the Company will also strengthen its marketing activities and endeavor to discover new business chances in growing markets such as Vietnam and India.

c. Expanding stock business

In the solution business, in order to expand stock businesses such as maintenance and support, as well as strengthening the functions of the company Group's Technical Support Division, we will focus on developing new service menus through collaborations with our business partners.

2) Business infrastructure development

a. Balancing growth and minimum risk

While strengthening our capability for developing international business and launching products from overseas suppliers, we will consolidate management systems throughout the company Group to counter risks that may arise from differences in laws and business practices. Furthermore, as the earnings environment becomes even more severe, the Company will work to minimize risks by continuing to engage in thorough management of receivables and inventory.

b. Strengthening human resources

In order to strengthen its management bases, including risk management, the Company will also take action to improve its management skills and to secure human resources. By enhancing personnel programs and training programs, the Company will aim towards qualitative improvements in employees, as well as recruitment of skilled workers and ongoing graduate recruitment.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	March 2009 Term (As of Mar. 31, 2009)	March 2010 Term (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and deposits	9,077	15,491
Notes and accounts receivable-trade	45,207	43,849
Merchandise inventories	15,115	16,742
Partly-finished work	0	0
Accrued income	411	310
Deferred tax assets	452	573
Others	3,962	2,371
Allowance for doubtful receivables	(21)	(26)
Total current assets	74,206	79,313
Fixed assets		
Property and equipment		
Buildings and structures	6,656	6,655
Accumulated depreciation	(4,174)	(4,279)
Buildings and structures, net	2,482	2,375
Land	2,227	2,227
Lease assets	158	148
Accumulated depreciation	(42)	(67)
Lease assets, net	115	80
Other	741	688
Accumulated depreciation	(634)	(624)
Other, net	106	64
Total property and equipment	4,931	4,747
Intangible fixed assets	613	455
Investments and other assets		
Investment in securities	*1 1,770	*1 1,747
Prepaid pension expenses	175	118
Others	550	476
Allowance for doubtful receivables	(44)	(42)
Total investments and other assets	2,451	2,300
Total fixed assets	7,996	7,503
Total assets	82,203	86,817

(Million yen)

	March 2009 Term (As of Mar. 31, 2009)	March 2010 Term (As of Mar. 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	17,457	22,456
Short-term loans payable	-	1,300
Current portion of long-term loans payable	1,800	1,500
Lease obligations	37	33
Accrued corporate tax, etc.	617	206
Allowance for bonuses to employees	600	570
Allowance for bonuses to directors and corporate auditors	30	30
Others	688	939
Total current liabilities	21,231	27,037
Fixed liabilities		
Long-term loans payable	1,500	-
Lease obligations	78	46
Deferred tax liabilities	2	7
Others	156	161
Total fixed liabilities	1,737	215
Total liabilities	22,969	27,252
Net assets		
Shareholders' equity		
Capital stock	14,811	14,811
Capital surplus	15,329	15,329
Retained earnings	32,628	31,373
Treasury stock	(1,703)	(0)
Total shareholders' equity	61,066	61,514
Valuation and foreign exchange adjustments, etc.		
Unrealized gains on available-for-sale securities	(11)	203
Deferred hedge gains/losses	(6)	(85)
Foreign exchange conversion adjustments	(1,814)	(2,067)
Total valuation and foreign exchange adjustments, etc.	(1,832)	(1,949)
Total net assets	59,234	59,564
Total liabilities and net assets	82,203	86,817

(2) Consolidated Profit and Loss Statement

(Million yen)

	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
Net sales	229,643	178,415
Cost of sales	215,646	166,912
Gross profit on sales	13,997	11,503
Selling, general and administrative expenses	*1,*2 10,286	*1,*2 9,313
Operating profit	3,711	2,190
Non-operating profit		
Interest income	66	42
Dividend income	38	26
Purchase discounts	11	12
Foreign exchange gains	283	-
Others	86	51
Total non-operating profit	487	132
Non-operating expenses		
Interest expenses	68	44
Sales discounts	32	33
Foreign exchange loss	-	44
Others	12	16
Total non-operating expenses	114	139
Ordinary profit	4,084	2,183
Extraordinary profits		
Gain on sale of fixed assets	*3 3	*3 2
Gain on sale of investment securities	0	156
Income from refund of allowance for doubtful receivables	22	-
Gain on transfer of goodwill	-	115
Total extraordinary profits	26	274
Extraordinary losses		
Loss on sales of fixed assets	*4 0	-
Loss on disposition of fixed assets	*5 4	*5 0
Loss on sales of investment securities	367	-
Loss on valuation of investment securities	207	187
Loss on valuation of membership rights	11	-
Loss on investments in silent partnership	-	35
Total extraordinary losses	590	222
Net profit before tax and adjustments	3,519	2,234
Corporate, resident and enterprise taxes	1,466	905
Adjustment for corporate tax, etc.	(155)	(12)
Total income taxes	1,310	893
Net profit	2,209	1,340

(3) Consolidated Statements of Changes in Shareholders' Equity

(Million yen)

	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	14,811	14,811
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	14,811	14,811
Capital surplus		
Balance at the end of previous period	15,329	15,329
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	15,329	15,329
Retained earnings		
Balance at the end of previous period	31,621	32,628
Effect of changes in accounting policies applied to foreign subsidiaries	(13)	-
Changes of items during the period		
Dividends from surplus	(1,188)	(908)
Net profit	2,209	1,340
Retirement of treasury stock	-	(1,703)
Change of scope of consolidation	-	15
Total changes of items during the period	1,020	(1,255)
Balance at the end of current period	32,628	31,373
Treasury stock		
Balance at the end of previous period	(811)	(1,703)
Changes of items during the period		
Purchase of treasury stock	(892)	(0)
Retirement of treasury stock	-	1,703
Total changes of items during the period	(892)	1,703
Balance at the end of current period	(1,703)	(0)
Total shareholders' equity		
Balance at the end of previous period	60,951	61,066
Effect of changes in accounting policies applied to foreign subsidiaries	(13)	-
Changes of items during the period		
Dividends from surplus	(1,188)	(908)
Net profit	2,209	1,340
Purchase of treasury stock	(892)	(0)
Change of scope of consolidation	-	15
Total changes of items during the period	128	447
Balance at the end of current period	61,066	61,514

(Million yen)

	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
Valuation and foreign exchange adjustments, etc.		
Unrealized gains on available-for-sale securities		
Balance at the end of previous period	314	(11)
Changes of items during the period		
Net changes of items other than shareholders' equity	(326)	214
Total changes of items during the period	(326)	214
Balance at the end of current period	(11)	203
Deferred hedge gains/losses		
Balance at the end of previous period	(54)	(6)
Changes of items during the period		
Net changes of items other than shareholders' equity	47	(79)
Total changes of items during the period	47	(79)
Balance at the end of current period	(6)	(85)
Foreign exchange conversion adjustments		
Balance at the end of previous period	(1,450)	(1,814)
Changes of items during the period		
Net changes of items other than shareholders' equity	(364)	(252)
Total changes of items during the period	(364)	(252)
Balance at the end of current period	(1,814)	(2,067)
Total valuation and translation adjustments		
Balance at the end of previous period	(1,189)	(1,832)
Changes of items during the period		
Net changes of items other than shareholders' equity	(642)	(117)
Total changes of items during the period	(642)	(117)
Balance at the end of current period	(1,832)	(1,949)
Total net assets		
Balance at the end of previous period	59,762	59,234
Effect of changes in accounting policies applied to foreign subsidiaries	(13)	-
Changes of items during the period		
Dividends from surplus	(1,188)	(908)
Net profit	2,209	1,340
Purchase of treasury stock	(892)	(0)
Change of scope of consolidation	-	15
Net changes of items other than shareholders' equity	(642)	(117)
Total changes of items during the period	(514)	330
Balance at the end of current period	59,234	59,564

(4) Consolidated Statement of Cash Flows

(Million yen)

	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
Operating activities		
Net profit before tax and adjustments	3,519	2,234
Depreciation and amortization	376	339
Amortization of goodwill	27	27
Decrease (increase) of prepaid pension expenses	(2)	56
Increase (decrease) of allowance for doubtful receivables	(22)	2
Interest and dividends income	(105)	(68)
Interest expense	68	44
Loss (gain) on sale of fixed assets	(3)	(2)
Loss (gain) on sales of investment securities	367	(156)
Loss (gain) on valuation of investment securities	207	187
Decrease (increase) of notes and accounts receivable	15,717	1,112
Decrease (increase) of inventories	1,472	(1,819)
Increase (decrease) of notes and accounts payable	(7,279)	5,149
Decrease (increase) of consumption and other taxes receivable	262	1,539
Increase (decrease) of consumption and other taxes payable	(6)	(1)
Others	(147)	345
Sub-total	14,452	8,991
Interest and dividend received	105	67
Interest paid	(82)	(44)
Corporate and other taxes paid	(1,520)	(1,312)
Net cash provided by operating activities	12,954	7,701
Investing activities		
Purchase of property and equipment	(50)	(8)
Proceeds from sale of property and equipment	5	2
Purchase of software	(42)	(9)
Purchase of investment securities	(334)	(35)
Proceeds from sale of investment securities	158	297
Payment of sale of subsidiaries' stocks with a change of scope of consolidation	-	(16)
Others	22	(6)
Net cash used in investing activities	(240)	223
Financing activities		
Proceeds from short-term loans	12,886	3,868
Repayment of short-term loans	(19,239)	(2,568)
Repayment of long-term loans	-	(1,800)
Repayments of lease obligations	(48)	(38)
Net decrease (increase) of treasury stock	(892)	(0)
Dividend paid	(1,187)	(907)
Net cash used in financing activities	(8,480)	(1,446)
Foreign currency conversion adjustments for cash and cash equivalents	(158)	(64)
Increase (decrease) of cash and cash equivalents	4,074	6,413
Balance of cash and cash equivalents, beginning of the period	5,003	9,077
Balance of cash and cash equivalents, end of the period	*1 9,077	*1 15,491

Notes regarding going concern

There are no relevant matters.

Important Basic Matters for Preparation of Consolidated Financial Statements

Item	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
1. Scope of consolidation	<p>1) Number of consolidated subsidiaries: 7 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</p> <p>2) Name of non-consolidated subsidiaries: San Technology Corporation Sanshin Media Solutions Co., Ltd. Sanshin Electronics (Shanghai) Co., Ltd. San shin Electronics (Malaysia) SDN, BHD. Sanshin Electronics (Thailand) Co., Ltd. Sanshin Electronics Europe B.V. San Technology Corporation was dissolved as of March 31, 2009.</p> <p>(Reason for exclusion from the consolidation) Non-consolidated subsidiaries are omitted from the scope of consolidated accounting as the total assets, net sales, equity profit or loss and equity portion of the retained earnings, etc. of each of these companies are insignificant to the extent that a rational judgment on the Sanshin Electronics 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 fiscal year for the last five years is used.</p>	<p>1) Number of consolidated subsidiaries: 6 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.</p> <p>As a result of the Company selling some of the shares it held in TAKUMI Corporation, a former consolidated subsidiary of the company Group, during the current consolidated fiscal year, TAKUMI Corporation is no longer a subsidiary, and has therefore been excluded from the scope of consolidation.</p> <p>2) Name of non-consolidated subsidiaries: Sanshin Media Solutions Co., Ltd. Axis Device Technology Co., Ltd. Sanshin Electronics (Shanghai) Co., Ltd. Sanshin Electronics (Shenzhen) Co., Ltd. San shin Electronics (Malaysia) SDN, BHD. Sanshin Electronics (Thailand) Co., Ltd. Sanshin Electronics Europe B.V.</p> <p>During the current consolidated fiscal year, Axis Device Technology Co., Ltd. and Sanshin Electronics (Shenzhen) Co., Ltd. have been newly established and financed.</p> <p>(Reason for exclusion from the consolidation) Same as on the left.</p>

Item	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
2. Application of the equity method	<p>Non-consolidated subsidiaries not accounted for by the equity method</p> <p>San Technology Corporation Sanshin Media Solutions Co., Ltd. Sanshin Electronics (Shanghai) Co., Ltd. San shin Electronics (Malaysia) SDN. BHD. Sanshin Electronics (Thailand) Co., Ltd. Sanshin Electronics Europe B.V. San Technology Corporation was dissolved as of March 31, 2009.</p> <p>(Reason for not accounted for by the equity method) Non-consolidated subsidiaries not accounted for by the equity method, as the equity profit or loss and equity portion of the retained earnings, etc. of these companies are insignificant to the extent that their combined business performance would not affect a rational judgment on the Sanshin Electronics Group of companies in terms of the financial state and business results. Instead, such investment is evaluated by the cost method. For this judgment, the average value of the net profit or loss for the current fiscal year of the Company and its subsidiaries for the last five years is used.</p>	<p>Non-consolidated subsidiaries not accounted for by the equity method</p> <p>Sanshin Media Solutions Co., Ltd. Axis Device Technology Co., Ltd. Sanshin Electronics (Shanghai) Co., Ltd. Sanshin Electronics (Shenzhen) Co., Ltd. San shin Electronics (Malaysia) SDN, BHD. Sanshin Electronics (Thailand) Co., Ltd. Sanshin Electronics Europe B.V. During the current consolidated fiscal year, Axis Device Technology Co., Ltd. and Sanshin Electronics (Shenzhen) Co., Ltd. have been newly established and financed.</p> <p>(Reason for exclusion from the consolidation) Same as on the left.</p>
3. Accounting year for consolidated subsidiaries	<p>The settlement date for each consolidated subsidiary is the same date for consolidated settlement.</p>	<p>Same as on the left.</p>
4. Accounting standards (1) Evaluation criteria and methods for important assets	<p>1) Securities Available-for-sale securities Those with a market value Market price method based on the market price on the last day of the settlement period (the unrealized gain on available-for-sale securities are included entirely in net asset while the sales cost is calculated by the moving average method) Those without market value Moving average cost method.</p> <p>2) Derivatives Market price method.</p> <p>3) Inventories a. Merchandise inventories Mainly the cost method using the moving average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).</p>	<p>1) Securities Available-for-sale securities Those with a market value Same as on the left.</p> <p>Those without market value Same as on the left.</p> <p>2) Derivatives Same as on the left.</p> <p>3) Inventories a. Merchandise inventories Same as on the left.</p>

Item	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
	<p>b. Partly-finished work Cost method using the individual production order costing method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).</p> <p>(Change in accounting policy) In prior years, merchandise inventories were computed by the lower cost method using the moving average method and partly-finished work were computed by the individual production order costing method. With the adoption of “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) from 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) and partly-finished work are valued by the cost method using the individual production order costing 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.</p>	<p>b. Partly-finished work Cost method using the individual production order costing method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).</p>
(2) Depreciation methods for important assets subject to depreciation	<p>1) Property and equipment Mainly 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.</p> <p>2) Intangible fixed assets Straight-line method. The typical depreciation period is 3-5 years for software used in-house.</p> <p>3) Lease assets The straight-line method with no residual value is applied with the lease period used as the useful life of the asset.</p>	<p>1) Property and equipment (excluding lease assets) Same as on the left.</p> <p>2) Intangible fixed assets (excluding lease assets) Same as on the left.</p> <p>3) Lease assets Same as on the left.</p>
(3) Accounting criteria for important allowances	<p>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.</p> <p>2) Allowance for bonuses to employees A portion to be borne by the current fiscal year in the estimated amount of bonuses to employees in the next fiscal year is allowed in preparation for their pay-out to employees of the Company.</p>	<p>1) Allowance for doubtful receivables Same as on the left.</p> <p>2) Allowance for bonuses to employees Same as on the left.</p>

Item	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
	<p>3) Allowance for bonuses to directors and corporate auditors A portion to be borne by the current fiscal year in the estimated amount of bonuses to directors and corporate auditors in the next fiscal year is allowed in preparation for their pay-out to directors and corporate auditors of the Company.</p> <p>4) Liability for retirement benefits In preparation for the payment of retirement benefits to employees, the amount recognized as outstanding at the end of the current fiscal year is accounted for based on the estimated amount of liabilities for retirement benefits and pension plan assets at the end of the current fiscal year. However, as the estimated amount of the pension plan assets at the end of the current fiscal year exceeds the estimated amount of liability for retirement benefits which is adjusted with the liabilities based on unrecognized past services and unrecognized actuarial gains and losses, the difference is accounted for as prepaid pension expenses. A liability based on past services is recognized by the straight-line method over a specific period (13 years) which is within the estimated average remaining service lives of the employees at the time when this liability occurred. Actuarial gains and losses are recognized by the straight line method over a specific period (13 years) which is within the estimated average remaining service lives of the employees at the beginning of each fiscal year from the next fiscal year for the year when such actuarial gains and losses occur.</p>	<p>3) Allowance for bonuses to directors and corporate auditors Same as on the left.</p> <p>4) Liability for retirement benefits In preparation for the payment of retirement benefits to employees, the amount recognized as outstanding at the end of the current fiscal year is accounted for based on the estimated amount of liabilities for retirement benefits and pension plan assets at the end of the current fiscal year. However, as the estimated amount of the pension plan assets at the end of the current fiscal year exceeds the estimated amount of liability for retirement benefits which is adjusted with the liabilities based on unrecognized past services and unrecognized actuarial gains and losses, the difference is accounted for as prepaid pension expenses. A liability based on past services is recognized by the straight-line method over a specific period (13 years) which is within the estimated average remaining service lives of the employees at the time when this liability occurred. Actuarial gains and losses are recognized by the straight line method over a specific period (13 years) which is within the estimated average remaining service lives of the employees at the beginning of each fiscal year from the next fiscal year for the year when such actuarial gains and losses occur. (Changes in accounting principles) As of the current consolidated fiscal year, the Company has applied “Minor Alterations (part 3) to ‘Accounting Standards for Retirement Benefits’” (Corporate Accounting Standards vol. 19, July 31, 2008). This has no effect on earnings.</p>
(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 settlement date and the gains or losses from this conversion are recognized 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 term and the gains or losses from this conversion are included in the Foreign exchange conversion adjustments under Net assets.	Same as on the left.
(5) Hedge accounting	1) Hedge accounting method Deferred hedge accounting is used. Hedge accounting is adopted for foreign currency receivables and payables etc. on exchange forward contract.	1) Hedge accounting method Same as on the left.

Item	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
	<p>2) Method of and subjects to hedge Means: Forward hedge contract Subjects: Receivables and payables denominated in foreign currencies</p> <p>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.</p> <p>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.</p>	<p>2) Method of and subjects to hedge Same as on the left.</p> <p>3) Hedge policies Same as on the left.</p> <p>4) Evaluation method for effectiveness of hedging Same as on the left.</p>
(6) Accounting of consumption taxes	The consumption tax and local consumption tax are accounted for using the without-tax method for the Company and domestic consolidated subsidiaries.	Same as on the left.
5. Evaluation of assets and liabilities of consolidated subsidiaries	Evaluation of the assets and liabilities of consolidated subsidiaries is entirely conducted by the market price evaluation method.	Same as on the left.
6. Amortization of goodwill and negative goodwill	Goodwill is amortized by the straight line method over a period of five years.	Same as on the left.
7. Scope of funds in consolidated cash flow statement	The funds (cash and cash equivalents) showed in the consolidated 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.	Same as on the left.

Change in Important Basic Matters for Preparation of Consolidated Financial Statements

<p>March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)</p>	<p>March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)</p>
<p>(Accounting Standards for Lease Transactions) In prior years, the Company accounted for finance lease transactions where there is no transfer of ownership as ordinary lease transactions for accounting purposes. However, effective from the current fiscal year, the Company has adapted “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 changed to an accounting method for leases that is based on the method used for ordinary purchases and sales. For finance lease transactions where there is no transfer of ownership beginning prior to the fiscal year when these standards are first applied, the Company recognizes year-end balance equivalents of outstanding lease commitments in the previous fiscal year as an acquisition cost, and retroactively adjusts for the acquisition to the beginning of the current fiscal year and includes the amounts in lease assets. This change has no effect on earnings.</p>	<p>_____</p>
<p>(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements) Effective from 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.</p>	<p>_____</p>
<p>_____</p>	<p>(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 more accurately, the average exchange rate in each fiscal period has been used as of the current consolidated fiscal year. The effect of this change on earnings is insignificant.</p>

Reclassifications

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
(Consolidated balance sheets) With the adoption of “Cabinet Office Ordinance Partially Revising Regulation for Terminology, Forms and Preparation Methods of Financial Statements” (Cabinet Office Ordinance No. 50, August 7, 2008), “Inventories” is reclassified and divided into “Merchandise inventories” and “Partly-finished work” in the current fiscal year. “Merchandise inventories” and “Partly-finished work” those included in “Inventories” were 16,702 million yen and 27 million yen in the previous fiscal year.	—————
(Consolidated statement of cash flows) “Amortization of goodwill,” which was included in “Depreciation and amortization” under “Cash flows from operating activities” in the previous fiscal year, is shown as a separate line item in the current fiscal year, to clarify its contents. “Amortization of goodwill,” which included in “Depreciation and amortization” was 27 million yen in the previous fiscal year.	—————

Notes

(Related to Consolidated Balance Sheet)

(Million yen)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)																																					
<p>*1. Note to non-consolidated subsidiaries and affiliates Assets and liabilities applicable to non-consolidated subsidiaries and affiliates</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Account</th> <th style="text-align: center;">Item</th> <th style="text-align: center;">Amount</th> </tr> </thead> <tbody> <tr> <td>Fixed assets (Investments and other assets)</td> <td>Investment securities (Equity)</td> <td style="text-align: right;">393</td> </tr> </tbody> </table> <p>2. Incidental liabilities</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Description</th> <th style="text-align: center;">Affiliates</th> <th style="text-align: center;">Amount</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Payment guarantees for bank loans</td> <td>Sanshin Electronics (Shanghai) Co., Ltd. *1</td> <td style="text-align: right;">196 (2,000,000 US dollars)</td> </tr> <tr> <td>Employees*2</td> <td style="text-align: right;">91</td> </tr> <tr> <td>Liability guarantees for notes and accounts payable-trade</td> <td>SANSHIN ELECTRONICS EUROPE B.V.</td> <td style="text-align: right;">94 (957,000 US dollars)</td> </tr> <tr> <td colspan="2" style="text-align: center;">Total</td> <td style="text-align: right;">382</td> </tr> </tbody> </table> <p>*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 housing loan insurance policy are excluded from the incidental liabilities because no real loss will occur with such loans.</p> <p>3. Export bill discounts</p>	Account	Item	Amount	Fixed assets (Investments and other assets)	Investment securities (Equity)	393	Description	Affiliates	Amount	Payment guarantees for bank loans	Sanshin Electronics (Shanghai) Co., Ltd. *1	196 (2,000,000 US dollars)	Employees*2	91	Liability guarantees for notes and accounts payable-trade	SANSHIN ELECTRONICS EUROPE B.V.	94 (957,000 US dollars)	Total		382	<p>*1. Note to non-consolidated subsidiaries and affiliates Assets and liabilities applicable to non-consolidated subsidiaries and affiliates</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Account</th> <th style="text-align: center;">Item</th> <th style="text-align: center;">Amount</th> </tr> </thead> <tbody> <tr> <td>Fixed assets (Investments and other assets)</td> <td>Investment securities (Equity)</td> <td style="text-align: right;">240</td> </tr> </tbody> </table> <p>2. Incidental liabilities</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Description</th> <th style="text-align: center;">Affiliates</th> <th style="text-align: center;">Amount</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Payment guarantees for bank loans</td> <td>Sanshin Electronics (Shanghai) Co., Ltd. *1</td> <td style="text-align: right;">93 (1,000,000 US dollars)</td> </tr> <tr> <td>Employees*2</td> <td style="text-align: right;">92</td> </tr> <tr> <td colspan="2" style="text-align: center;">Total</td> <td style="text-align: right;">185</td> </tr> </tbody> </table> <p>*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 housing loan insurance policy are excluded from the incidental liabilities because no real loss will occur with such loans.</p> <p>3. Export bill discounts</p>	Account	Item	Amount	Fixed assets (Investments and other assets)	Investment securities (Equity)	240	Description	Affiliates	Amount	Payment guarantees for bank loans	Sanshin Electronics (Shanghai) Co., Ltd. *1	93 (1,000,000 US dollars)	Employees*2	92	Total		185
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	Employees*2	92																																				
	Total		185																																			
30 (307,000 US dollars)	39 (423,000 US dollars)																																					

(Related to Consolidated Profit and Loss Statement)

(Million yen)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
*1. Main selling, general and administrative expenses	*1. Main selling, general and administrative expenses
Packaging and transportation expenses 419	Packaging and transportation expenses 431
Advertising expenses 29	Advertising expenses 15
Traveling and transport expenses 525	Traveling and transport expenses 391
Remuneration for directors and corporate auditors 148	Remuneration for directors and corporate auditors 143
Salaries and allowances 4,183	Salaries and allowances 3,822
Transfer to allowance for bonuses to employees 600	Transfer to allowance for bonuses to employees 570
Transfer to allowance for bonuses to directors and corporate auditors 30	Transfer to allowance for bonuses to directors and corporate auditors 30
Retirement benefit expenses 369	Retirement benefit expenses 424
Depreciation and amortization 371	Depreciation and amortization 335
*2. R&D expenses incurred in general and administrative expenses 104	*2. R&D expenses incurred in general and administrative expenses 35
*3. Breakdown of gain on sale of fixed assets	*3. Breakdown of gain on sale of fixed assets
Others (vehicles and fixtures) 3	Others (vehicles and fixtures) 2
*4. Breakdown of loss on sale of fixed assets	_____
Others (vehicles and fixtures) 0	
*5. Breakdown of loss on disposition of fixed assets	*5. Breakdown of loss on disposition of fixed assets
Buildings and structures 0	Buildings and structures 0
Others (fixtures) 3	Others (fixtures) 0
4	0

(Related to Consolidated Statements of Changes in Shareholders' Equity)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)

1. Types and total number of outstanding shares and treasury stock (Shares)

	Number of shares as of Mar. 31, 2008	Increase	Decrease	Number of shares as of Mar. 31, 2009
Outstanding shares				
Ordinary shares	31,983,373	-	-	31,983,373
Total	31,983,373	-	-	31,983,373
Treasury stock				
Ordinary shares (Note)	701,578	1,000,766	-	1,702,344
Total	701,578	1,000,766	-	1,702,344

Note: The number of treasury stock was increased by 1,000,766 of which 1,000,000 shares are from purchase in the market and 766 shares from the purchase of shares below the unit minimum shares.

2. Dividends

(1) Dividend pay-out

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on June 20, 2008	Ordinary shares	625	20	March 31, 2008	June 23, 2008
Meeting of board of directors on November 6, 2008	Ordinary shares	563	18	September 30, 2008	Dec 10, 2008

(2) Dividend of which record date falls after the current fiscal year among the dividend of which effective date falls in the next fiscal year

Resolution	Type of share	Total amount of dividend (Million yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on June 19, 2009	Ordinary shares	605	Retained earnings	20	March 31, 2009	June 22, 2009

March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)

1. Types and total number of outstanding shares and treasury stock (Shares)

	Number of shares as of Mar. 31, 2009	Increase	Decrease	Number of shares as of Mar. 31, 2010
Outstanding shares				
Ordinary shares (Note1)	31,983,373	-	1,702,000	30,281,373
Total	31,983,373	-	1,702,000	30,281,373
Treasury stock				
Ordinary shares (Note2)	1,702,344	283	1,702,000	627
Total	1,702,344	283	1,702,000	627

Note1. The reduction in the number of outstanding shares of common stock was due to cancellation of treasury stock.

2. The increase in the number of treasury stock of common stock was due to purchasing of 283 odd-lot shares. The reduction of 1,702,000 shares was due to retirement.

2. Dividends

(1) Dividend pay-out

Resolution	Type of share	Total amount of dividend (Million yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on June 19, 2009	Ordinary shares	605	20	March 31, 2009	June 22, 2009
Meeting of board of directors on November 6, 2009	Ordinary shares	302	10	September 30, 2009	Dec 10, 2009

(2) Dividend of which record date falls after the current fiscal year among the dividend of which effective date falls in the next fiscal year

Resolution	Type of share	Total amount of dividend (Million yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders on June 23, 2010	Ordinary shares	302	Retained earnings	10	March 31, 2010	June 24, 2010

(Related to Consolidated Cash Flow Statement)

(Million yen)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
*1. Relationship between the balance of cash and cash equivalents at the end of term and amounts under the items listed in the consolidated balance sheet	*1. Relationship between the balance of cash and cash equivalents at the end of term and amounts under the items listed in the consolidated balance sheet
Cash and deposits account <u>9,077</u>	Cash and deposits account <u>15,491</u>
Cash and cash equivalents <u>9,077</u>	Cash and cash equivalents <u>15,491</u>

(Lease Transaction)

The disclosure of lease transactions has been omitted because disclosing such information in this Summary of Financial Results is considered immaterial.

(Financial Instruments)

The disclosure of financial instruments has been omitted because disclosing such information in this Summary of Financial Results is considered immaterial.

(Investment Securities)

March 2009 Term

1. Other investment securities with market value (As of Mar. 31, 2009)

(Million yen)

Category	Purchase cost	Value on consolidated balance sheet	Difference
Those of which values on consolidated balance sheet exceed their purchase cost			
Shares	428	561	132
Sub-total	428	561	132
Those of which values on consolidated balance sheet do not exceed their purchase cost			
Shares	895	757	(138)
Sub-total	895	757	(138)
Total	1,324	1,318	(5)

2. Other investment securities sold during current fiscal year (Apr. 1, 2008 – Mar. 31, 2009)

(Million yen)

Proceeds	Total profit on sale	Total loss on sale
157	0	367

3. Contents and values on consolidated balance sheet of other investment securities without market value (As of Mar. 31, 2009)

(Million yen)

Category	Value on consolidated balance sheet
Other investment securities	
(1) Shares of non-listed companies	26
(2) Other	32
Total	58

Notes:

- The Company made an impairment of 190 million yen for stocks with market value and 16 million yen for stocks without market value for other investment securities in the current fiscal year.
- All securities whose market values are at least 50% (inclusive) below book value on the balance sheet date are tested for impairment. All securities whose market values are at least 30% (inclusive) to 50% below book value on the balance sheet date are reviewed for impairment based on materiality of the security and prospects of recovery in market price.

March 2010 Term

1. Other investment securities with market value (As of Mar. 31, 2010) (Million yen)

Category	Purchase cost	Value on consolidated balance sheet	Difference
Those of which values on consolidated balance sheet exceed their purchase cost			
Shares	1,301	863	437
Sub-total	1,301	863	437
Those of which values on consolidated balance sheet do not exceed their purchase cost			
Shares	190	288	(97)
Sub-total	190	288	(97)
Total	1,492	1,151	340

Note: Regarding unlisted shares (which had a recorded value of 14,973 thousand yen in our consolidated balance sheet), because there is no market value, and it is deemed to be prohibitively difficult to evaluate their market value, these are not included in the "Other investment securities with market value" table shown above.

2. Other investment securities sold during current fiscal year (Apr. 1, 2009 – Mar. 31, 2010) (Million yen)

Proceeds	Total profit on sale	Total loss on sale
288	114	-

3. Impaired Securities

In the current consolidated fiscal year, impairment was performed on securities to the value of 187 million yen (175 million yen in shares in subsidiaries, and 11 million yen in other securities).

In performing impairment, where the market value of any individual security has fallen by more than 50% from its acquisition cost by the end of the fiscal year, it is impaired. Where the market value of an individual security has fallen by 30-50% from its acquisition cost, it is subject to a decision on its potential for recovery, and a decision is made as to whether or not to perform impairment.

(Derivative Transactions)

The disclosure of derivative transactions has been omitted because disclosing such information in this Summary of Financial Results is considered immaterial.

(Retirement Pensions)

(Million yen)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)												
<p>1. Outline of retirement pension plans employed</p> <p>Company Pension with Retirement Benefit</p> <p>The Company adapted a qualified pension plan for the entire retirement benefit plan from July 1, 1964 but moved to a cash balance plan (pension linked to the market interest rate) on October 1, 2004.</p> <p>Some overseas subsidiaries have the defined-benefit system.</p> <p>Welfare Pension Fund</p> <p>The Company has employed a welfare pension plan in addition to the long-standing qualified pension plan since February 1, 1969. The Company participates in the Tokyo Electronics Contributory Funded Pension Plan which is a plan under the Exceptional Plan set forth in Paragraph 33 of the Practical Guidelines for Accounting of Retirement Benefit. The contribution for the premium of this fund for the current fiscal year was 207 million yen.</p> <p>Following is the information regarding the multi-employer pension plan under which the amount to be contributed to pension assets is accounted for as retirement benefit expenses.</p> <p>(1) Information regarding funding status of the plan as a whole (As of March 31, 2008)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Amount of plan assets</td> <td style="text-align: right;">299,283</td> </tr> <tr> <td>Amount of actuarially computed benefit obligation</td> <td style="text-align: right;"><u>327,524</u></td> </tr> <tr> <td>Difference</td> <td style="text-align: right;"><u>(28,241)</u></td> </tr> </table> <p>(2) The percentage of contribution by the Group out of the total contribution to the plan (As of March 31, 2008)</p> <p style="text-align: right;">1.82%</p> <p>(3) Supplemental information</p> <p>The difference shown in the above information (1) was caused by surplus of 25,038 million yen, offsetting adjustments to value of plan assets of 31,351 million yen, and unamortized prior service obligation of 21,928 million yen. The method of amortization of prior service obligation under the plan is level annuity amortization over the remaining amortization period of 20 years. The Group accounted for the special contribution of 43 million yen as expense in the consolidated financial statements for the current fiscal year.</p> <p>The percentage shown in the above information (2) does not correspond to the actual percentage borne by the Group.</p>	Amount of plan assets	299,283	Amount of actuarially computed benefit obligation	<u>327,524</u>	Difference	<u>(28,241)</u>	<p>1. Outline of retirement pension plans employed</p> <p>Company Pension with Retirement Benefit</p> <p>The Company adapted a qualified pension plan for the entire retirement benefit plan from July 1, 1964 but moved to a cash balance plan (pension linked to the market interest rate) on October 1, 2004.</p> <p>Some overseas subsidiaries have the defined-benefit system.</p> <p>Welfare Pension Fund</p> <p>The Company has employed a welfare pension plan in addition to the long-standing qualified pension plan since February 1, 1969. The Company participates in the Tokyo Electronics Contributory Funded Pension Plan which is a plan under the Exceptional Plan set forth in Paragraph 33 of the Practical Guidelines for Accounting of Retirement Benefit. The contribution for the premium of this fund for the current fiscal year was 202 million yen.</p> <p>Following is the information regarding the multi-employer pension plan under which the amount to be contributed to pension assets is accounted for as retirement benefit expenses.</p> <p>(1) Information regarding funding status of the plan as a whole (As of March 31, 2009)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Amount of plan assets</td> <td style="text-align: right;">235,665</td> </tr> <tr> <td>Amount of actuarially computed benefit obligation</td> <td style="text-align: right;"><u>328,394</u></td> </tr> <tr> <td>Difference</td> <td style="text-align: right;"><u>(92,729)</u></td> </tr> </table> <p>(2) The percentage of contribution by the Group out of the total contribution to the plan (As of March 31, 2009)</p> <p style="text-align: right;">1.88%</p> <p>(3) Supplemental information</p> <p>The difference shown in the above information (1) was caused by excess accounts of 36,810 million yen, offsetting adjustments to value of plan assets of 35,808 million yen, and unamortized prior service obligation of 20,109 million yen. The method of amortization of prior service obligation under the plan is level annuity amortization over the remaining amortization period of 20 years. The Group accounted for the special contribution of 42 million yen as expense in the consolidated financial statements for the current fiscal year.</p> <p>The percentage shown in the above information (2) does not correspond to the actual percentage borne by the Group.</p>	Amount of plan assets	235,665	Amount of actuarially computed benefit obligation	<u>328,394</u>	Difference	<u>(92,729)</u>
Amount of plan assets	299,283												
Amount of actuarially computed benefit obligation	<u>327,524</u>												
Difference	<u>(28,241)</u>												
Amount of plan assets	235,665												
Amount of actuarially computed benefit obligation	<u>328,394</u>												
Difference	<u>(92,729)</u>												

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)		March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)	
2. Retirement benefit obligation		2. Retirement benefit obligation	
Retirement benefit obligation	(3,907)	Retirement benefit obligation	(3,973)
Fair value of plan assets	3,411	Fair value of plan assets	3,725
Sub-total	<u>(495)</u>	Sub-total	<u>(247)</u>
Unrecognized actuarial	1,201	Unrecognized actuarial	825
Obligation due to unrecognized past services	<u>(561)</u>	Obligation due to unrecognized past services	<u>(493)</u>
Amount stated on consolidated balance sheet-net	144	Amount stated on consolidated balance sheet-net	84
Prepaid pension cost	<u>175</u>	Prepaid pension cost	<u>118</u>
Provision for retirement benefits	<u>(31)</u>	Provision for retirement benefits	<u>(34)</u>
3. Retirement benefit expenses		3. Retirement benefit expenses	
Service cost	184	Service cost	187
Interest cost	76	Interest cost	77
Expected return on fund management	(99)	Expected return on fund management	(85)
Unrecognized actuarial gain/loss	80	Unrecognized actuarial gain/loss	131
Reduction of obligation due to past services	<u>(68)</u>	Reduction of obligation due to past services	<u>(68)</u>
Retirement benefit expenses	<u>173</u>	Retirement benefit expenses	<u>243</u>
(Note) The cost for retirement benefits of consolidated subsidiaries, which adopted the simple accounting method, was included in "Service cost."		(Note) The cost for retirement benefits of consolidated subsidiaries, which adopted the simple accounting method, was included in "Service cost."	
4. Calculation basis for retirement benefit obligation, etc.		4. Calculation basis for retirement benefit obligation, etc.	
Distribution method of estimated retirement benefit for the period	Fixed amount for the period	Distribution method of estimated retirement benefit for the period	Fixed amount for the period
Discount rate	2.0%	Discount rate	2.0%
Expected rate of return from fund management	2.5%	Expected rate of return from fund management	2.5%
Recognized period of actuarial gain/loss	13 years	Recognized period of actuarial gain/loss	13 years
(The actuarial gain/loss of each accounting year is recognised by the straight line method over a specific period which is within the estimated average remaining service lives of the employees at the time of their occurrence from the next fiscal year.)		(The actuarial gain/loss of each accounting year is recognised by the straight line method over a specific period which is within the estimated average remaining service lives of the employees at the time of their occurrence from the next fiscal year.)	
Period to recognize obligations due to past services	13 years	Period to recognize obligations due to past services	13 years
(These obligations are recognized by the straight line method over a specific period which is within the estimated average remaining service lives of the employees at the time of their occurrence.)		(These obligations are recognized by the straight line method over a specific period which is within the estimated average remaining service lives of the employees at the time of their occurrence.)	

(Stock Option)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)

There are no relevant matters.

March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)

There are no relevant matters.

(Tax Effect Accounting)

(Million yen)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
1. Breakdown of deferred tax assets and deferred tax liabilities by main cause	1. Breakdown of deferred tax assets and deferred tax liabilities by main cause
1) Current assets (Deferred tax assets)	1) Current assets (Deferred tax assets)
Allowance for bonuses to employees 244	Allowance for bonuses to employees 231
Loss on valuation of merchandise inventories 155	Loss on valuation of merchandise inventories 222
Enterprise tax payable 55	Enterprise tax payable 17
Other 44	Deferred losses on hedges 58
Deferred tax assets total 499	Other 65
(Deferred tax liabilities)	Deferred tax assets total 596
Undistributed earnings of foreign consolidated subsidiaries (46)	(Deferred tax liabilities)
Net deferred tax assets under current assets 452	Undistributed earnings of foreign consolidated subsidiaries (23)
	Net deferred tax assets under current assets 573
2) Fixed assets (Deferred tax assets)	2) Fixed assets (Deferred tax assets)
Allowance for doubtful receivables 17	Allowance for doubtful receivables 16
Long-term accounts payable for retirement allowance for directors and corporate auditors 41	Long-term accounts payable for retirement allowance for directors and corporate auditors 41
Loss on valuation of investment securities 261	Loss on valuation of investment securities 232
Loss on valuation of golf club membership 26	Loss on valuation of golf club membership 26
Impairment losses 5	Impairment losses 5
Deferred loss of subsidiaries 35	Deferred loss of subsidiaries 27
Loss on in-house development of systems for own use 146	Loss on in-house development of systems for own use 119
Other 31	Other 22
Deferred tax assets sub-total 565	Deferred tax assets sub-total 491
Less valuation allowance (267)	Less valuation allowance (267)
Deferred tax assets total 297	Deferred tax assets total 224
(Deferred tax liabilities)	(Deferred tax liabilities)
Prepaid pension expenses (71)	Valuation difference on available-for-sale securities (136)
Other (2)	Prepaid pension expenses (48)
Deferred tax liabilities total (74)	Other (3)
Net deferred tax liabilities under fixed liabilities 223	Deferred tax liabilities total (188)
Net deferred tax assets 676	Net deferred tax liabilities under fixed liabilities 35
	Net deferred tax assets 608
Note: The net amounts of deferred tax assets in the current term are included in the following items of the consolidated balance sheet.	Note: The net amounts of deferred tax assets in the current term are included in the following items of the consolidated balance sheet.
Current assets – Deferred tax assets 452	Current assets – Deferred tax assets 573
Current liabilities – Other (0)	Current liabilities – Other (0)
Fixed assets – Investment and other assets (other) 226	Fixed assets – Investment and other assets (other) 43
Fixed liabilities – Deferred tax liabilities (2)	Fixed liabilities – Deferred tax liabilities (7)

(Million yen)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)		March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)	
2. Breakdown of significant difference between normal effective statutory tax rate and actual effective tax rate after application of tax effect accounting by main cause		2. Breakdown of significant difference between normal effective statutory tax rate and actual effective tax rate after application of tax effect accounting by main cause	
Normal effective statutory tax rate	40.7%	Normal effective statutory tax rate	40.7%
(Adjustment)		(Adjustment)	
Expenses not deductible for income tax purposes	2.1%	Expenses not deductible for income tax purposes	2.4%
Inhabitant taxes – per capita levy	0.9%	Inhabitant taxes – per capita levy	1.3%
Income not taxable for income tax purposes	(0.2)%	Income not taxable for income tax purposes	(0.3)%
Tax effect on dividend of surplus	0.9%	Tax effect on dividend of surplus	3.6%
Tax rate difference of consolidated subsidiaries overseas	(7.7)%	Tax rate difference of consolidated subsidiaries overseas	(9.0)%
Other	0.5%	Other	1.3%
Actual effective tax rate	<u>37.2%</u>	Actual effective tax rate	<u>40.0%</u>

(Segment Information)

1. Industrial Segments

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)

(Million yen)

	Device business	Solution business	Total	Elimination /Corporate	Consolidation
I Net sales and operating profit or loss					
Net sales					
(1) Sales to external customers	216,721	12,922	229,643	-	229,643
(2) Internal sales or transfer between segments	-	-	-	-	-
Total	216,721	12,922	229,643	-	229,643
Operating expenses	212,233	12,360	224,593	1,338	225,932
Operating profit	4,487	562	5,050	(1,338)	3,711
II Assets, depreciation expenses and capital expenditure					
Assets	63,747	5,056	68,804	13,399	82,203
Depreciation expenses	136	18	155	248	404
Capital expenditure	48	2	51	31	83

- 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: 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 expenses (1,338 million yen) relating to planning, general affairs, accounting, personnel and other management sections of the parent company.
 - Among the assets, the main corporate assets included under the Elimination/Corporate heading (13,399 million yen) are surplus operating funds (cash/deposits and securities), long-term investment funds (investment in securities) and assets related to the management sections.
 - Depreciation includes amortization of goodwill.
 - Change in accounting treatment
(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)
Effective from 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 profit or loss is insignificant.

March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)

(Million yen)

	Device business	Solution business	Total	Elimination /Corporate	Consolidation
I Net sales and operating profit or loss					
Net sales					
(1) Sales to external customers	166,925	11,490	178,415	-	178,415
(2) Internal sales or transfer between segments	-	-	-	-	-
Total	166,925	11,490	178,415	-	178,415
Operating expenses	163,996	10,907	174,903	1,322	176,225
Operating profit	2,929	583	3,512	(1,322)	2,190
II Assets, depreciation expenses and capital expenditure					
Assets	64,095	5,284	69,380	17,437	86,817
Depreciation expenses	116	18	134	232	367
Capital expenditure	25	0	25	3	29

- 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: Semiconductors, 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 expenses (1,322 million yen) relating to planning, general affairs, accounting, personnel and other management sections of the parent company.
 - Among the assets, the main corporate assets included under the Elimination/Corporate heading (17,437 million yen) are surplus operating funds (cash/deposits and securities), long-term investment funds (investment in securities) and assets related to the management sections.
 - Depreciation includes amortization of goodwill.
 - Change in accounting treatment
(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 has been used as of the current consolidated fiscal year.
The effect of this change on earnings is insignificant.

2. Geographical Segments

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)

(Million yen)

	Japan	Asia	North America	Total	Elimination /Corporate	Consolidation
I Net sales and operating profit or loss						
Net sales						
(1) Sales to outside customers	168,656	58,496	2,490	229,643	-	229,643
(2) Inter-segment sales or transfers	7,262	1,826	9	9,098	(9,098)	-
Total	175,918	60,322	2,500	238,741	(9,098)	229,643
Operating expenses	173,515	59,265	2,385	235,166	(9,234)	225,932
Operating profit	2,403	1,057	114	3,575	135	3,711
II Assets	72,868	12,787	697	86,354	(4,151)	82,203

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

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

Effective from 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 profit or loss is insignificant.

March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)

(Million yen)

	Japan	Asia	North America	Total	Elimination /Corporate	Consolidation
I Net sales and operating profit or loss						
Net sales						
(1) Sales to outside customers	114,739	60,142	3,534	178,415	-	178,415
(2) Inter-segment sales or transfers	14,496	2,206	1	16,704	(16,704)	-
Total	129,236	62,348	3,536	195,120	(16,704)	178,415
Operating expenses	128,331	61,395	3,526	193,253	(17,027)	176,225
Operating profit	904	952	9	1,867	323	2,190
II Assets	74,434	16,631	1,256	92,322	(5,505)	86,817

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

(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 has been used as of the current consolidated fiscal year.

The effect of this change on earnings is insignificant.

3. Overseas Sales

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009) (Million yen)

	Asia	North America	Other regions	Total
I Overseas sales	127,867	1,311	177	129,356
II Consolidated sales				229,643
III Ratio of overseas sales to consolidated sales	55.7%	0.5%	0.1%	56.3%

- 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.

March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010) (Million yen)

	Asia	North America	Other regions	Total
I Overseas sales	92,802	2,701	289	95,793
II Consolidated sales				178,415
III Ratio of overseas sales to consolidated sales	52.0%	1.5%	0.2%	53.7%

- 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.

(Related Party Information)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)

There are no relevant matters.

March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)

There are no relevant matters.

(Per Share Information)

(Yen)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)		March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)	
Net assets per share	1,956.15	Net assets per share	1,967.08
Net profit per share	71.61	Net profit per share	44.28
Diluted net profit per share is not presented since the Company has no outstanding securities.		Same as on the left.	

Note: Basis for calculation of net profit per share is as follows.

(Million yen)

	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
Net profit	2,209	1,340
Amount not available to common shareholders	-	-
Net profit available to ordinary shares	2,209	1,340
Average shares outstanding available to ordinary shares (Thousand shares)	30,855	30,280

(Important Later Event)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)

1. Cancellation of treasury stock

The Company's Board of Directors decided at the meeting held on May 19, 2009, the following cancellation of treasury stock in accordance with the provisions of Article 178 of the Company Law.

(1) Type of shares to be cancelled

Ordinary shares of the Company

(2) Number of shares to be cancelled

1,702,000 shares (5.32% of the total number of shares issued prior to cancellation)

(3) Planned date of cancellation

May 26, 2009

(4) Number of issued shares after the cancellation

30,281,373 shares

March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)

There are no relevant matters.

5. Non-consolidated Financial Statements**(1) Balance Sheets**

(Million yen)

	March 2009 Term (As of Mar. 31, 2009)	March 2010 Term (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and deposits	6,232	12,360
Notes receivable-trade	445	380
Accounts receivable-trade	38,985	34,863
Merchandise inventories	11,120	12,820
Partly-finished work	0	0
Advances	104	115
Prepaid expenses	139	134
Accrued income	538	410
Differed tax assets	496	583
Consumption and other taxes receivable	3,374	1,834
Others	13	48
Allowance for doubtful receivables	(4)	(4)
Total current assets	61,446	63,548
Fixed assets		
Property and equipment		
Buildings	6,442	6,442
Accumulated depreciation	(3,998)	(4,100)
Buildings, net	2,443	2,341
Structures	193	193
Accumulated depreciation	(162)	(164)
Structures, net	31	28
Vehicles	1	1
Accumulated depreciation	(1)	(1)
Vehicles, net	0	0
Tools, equipment and fixtures	474	472
Accumulated depreciation	(422)	(436)
Tools, equipment and fixtures, net	52	35
Land	2,227	2,227
Lease assets	156	146
Accumulated depreciation	(41)	(66)
Lease assets, net	115	80
Total property and equipment	4,870	4,713
Intangible fixed assets		
Goodwill	68	58
Software	509	365
Others	29	29
Total intangible fixed assets	607	452

(Million yen)

	March 2009 Term (As of Mar. 31, 2009)	March 2010 Term (As of Mar. 31, 2010)
Investments and other assets		
Investment in securities	1,377	1,507
Shares of affiliated companies	3,725	3,551
Invested capital	0	0
Claims provable in bankruptcy, claims provable in rehabilitation and other	2	2
Guarantee money deposited	115	110
Prepaid pension expenses	175	118
Deferred tax assets	196	-
Others	276	235
Allowance for doubtful receivables	(194)	(42)
Total investments and other assets	5,675	5,485
Total fixed assets	11,154	10,650
Total assets	72,601	74,198
Liabilities		
Current liabilities		
Notes payable-trade	237	178
Accounts payable-trade	13,177	15,319
Short-term loans payable	-	1,300
Current portion of long-term loans payable	1,800	1,500
Lease obligations	37	33
Accrued amount payable	155	130
Accrued expenses	174	160
Accrued corporate tax, etc.	512	81
Advances received	152	179
Deposits received	25	26
Allowance for bonuses to employees	600	570
Allowance for bonuses to directors and corporate auditors	30	30
Others	33	165
Total current liabilities	16,937	19,674
Fixed liabilities		
Long-term loans payable	1,500	-
Lease obligations	77	46
Deferred tax liabilities	-	4
Others	125	126
Total fixed liabilities	1,702	177
Total liabilities	18,640	19,851

(Million yen)

	March 2009 Term (As of Mar. 31, 2009)	March 2010 Term (As of Mar. 31, 2010)
Net assets		
Shareholders' equity		
Capital stock	14,811	14,811
Capital surplus		
Capital reserve	15,329	15,329
Capital surplus total	15,329	15,329
Retained earnings		
Revenue reserve	670	670
Other retained earnings		
Reserve for dividend pay-out	600	600
Special reserve	18,680	18,680
Carried forward profit surplus	5,589	4,137
Retained earnings total	25,540	24,088
Treasury stock	(1,703)	(0)
Total shareholders' equity	53,977	54,229
Valuation and foreign exchange adjustments, etc.		
Unrealized gains on available-for-sale securities	(11)	203
Deferred hedge gains/losses	(6)	(85)
Total valuation and foreign exchange adjustments, etc.	(17)	117
Total net assets	53,960	54,347
Total liabilities and net assets	72,601	74,198

(2) Profit and Loss Statement

(Million yen)

	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
Net sales	175,538	129,083
Cost of sales	165,391	121,130
Gross profit on sales	10,147	7,953
Selling, general and administrative expenses	*2 7,942	*2 7,178
Operating profit	2,204	775
Non-operating profit		
Interest and dividend received	*1 748	*1 582
Purchase discounts	11	12
Management guidance fee	*1 415	*1 317
Others	83	65
Total non-operating profit	1,258	977
Non-operating expenses		
Interest expenses	58	42
Foreign exchange losses	7	5
Others	13	20
Total non-operating expenses	79	68
Ordinary profit	3,383	1,684
Extraordinary profits		
Gain on sale of fixed assets	*3 0	*3 0
Gain on sale of investment securities	0	114
Gain on sales of subsidiaries and affiliates' stocks	-	12
Income from refund of allowance for doubtful receivables	52	152
Gain on transfer of goodwill	-	115
Total extraordinary profits	53	393
Extraordinary losses		
Loss on disposition of fixed assets	*4 2	*4 0
Loss on sales of investment securities	367	-
Loss on valuation of investment securities	207	11
Loss on valuation of stocks of subsidiaries and affiliates	-	175
Loss on valuation of membership rights	11	-
Loss on investments in silent partnership	-	35
Total extraordinary losses	587	222
Net profit before tax and adjustments	2,848	1,855
Corporate, resident and enterprise taxes	1,191	663
Adjustment for corporate tax, etc.	(76)	31
Total income taxes	1,114	695
Net profit	1,734	1,160

(3) Statements of Changes in Shareholders' Equity

(Million yen)

	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	14,811	14,811
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	14,811	14,811
Capital surplus		
Capital reserve		
Balance at the end of previous period	15,329	15,329
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	15,329	15,329
Capital surplus total		
Balance at the end of previous period	15,329	15,329
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	15,329	15,329
Retained earnings		
Revenue reserve		
Balance at the end of previous period	670	670
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	670	670
Other retained earnings		
Reserve for dividends		
Balance at the end of previous period	600	600
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	600	600
Special reserve		
Balance at the end of previous period	18,680	18,680
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	18,680	18,680
Carried forward profit surplus		
Balance at the end of previous period	5,043	5,589
Changes of items during the period		
Dividends from surplus	(1,188)	(908)
Net profit	1,734	1,160
Retirement of treasury stock	-	(1,703)
Total changes of items during the period	545	(1,451)
Balance at the end of current period	5,589	4,137
Retained earnings total		
Balance at the end of previous period	24,994	25,540
Changes of items during the period		
Dividends from surplus	(1,188)	(908)
Net profit	1,734	1,160
Retirement of treasury stock	-	(1,703)

(Million yen)

	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
Total changes of items during the period	545	(1,451)
Balance at the end of current period	25,540	24,088
Treasury stock		
Balance at the end of previous period	(811)	(1,703)
Changes of items during the period		
Purchase of treasury stock	(892)	(0)
Retirement of treasury stock	-	1,703
Total changes of items during the period	(892)	1,703
Balance at the end of current period	(1,703)	(0)
Total shareholders' equity		
Balance at the end of previous period	54,325	53,977
Changes of items during the period		
Dividends from surplus	(1,188)	(908)
Net profit	1,734	1,160
Purchase of treasury stock	(892)	(0)
Total changes of items during the period	(347)	251
Balance at the end of current period	53,977	54,229
Valuation and foreign exchange adjustments, etc.		
Unrealized gains on available-for-sale securities		
Balance at the end of previous period	314	(11)
Changes of items during the period		
Net changes of items other than shareholders' equity	(326)	214
Total changes of items during the period	(326)	214
Balance at the end of current period	(11)	203
Deferred hedge gains/losses		
Balance at the end of previous period	(54)	(6)
Changes of items during the period		
Net changes of items other than shareholders' equity	47	(79)
Total changes of items during the period	47	(79)
Balance at the end of current period	(6)	(85)
Total valuation and translation adjustments		
Balance at the end of previous period	260	(17)
Changes of items during the period		
Net changes of items other than shareholders' equity	(278)	135
Total changes of items during the period	(278)	135
Balance at the end of current period	(17)	117
Total net assets		
Balance at the end of previous period	54,585	53,960
Changes of items during the period		
Dividends from surplus	(1,188)	(908)
Net profit	1,734	1,160
Purchase of treasury stock	(892)	(0)
Net changes of items other than shareholders' equity	(278)	135
Total changes of items during the period	(625)	386
Balance at the end of current period	53,960	54,347

Notes regarding going concern

There are no relevant matters.

Important Basic Matters for Preparation of Non-consolidated Financial Statements

Item	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
1. Evaluation criteria and methods of securities	(1) Shares of subsidiaries Moving average cost method. (2) Available-for-sale securities Those with a market value Market price method based on the market price on the last day of the settlement period (the unrealized gain on available-for-sale securities are included entirely in net assets while the sales cost is calculated by the moving average method) Those without market value Moving average cost method.	(1) Shares of subsidiaries Same as on the left. (2) Available-for-sale securities Those with a market value Same as on the left. Those without market value Same as on the left.
2. Evaluation criteria and method of net credits (and debts) originating from trading of derivatives	Market price method.	Same as on the left.
3. Evaluation criteria and method of inventories	(1) Merchandise inventories Lower cost method using the moving average method. (2) Partly-finished work Cost method using the individual production order costing method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins). (Change in accounting policy) In prior years, merchandise inventories were computed by the lower cost method using the moving average method and partly-finished work were computed by the individual production order costing method. With the adoption of “Accounting Standards for Measurement of Inventories” (ASBJ Statement No. 9, July 5, 2006) from 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) and partly-finished work are valued by the cost method using the individual production order costing 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.	(1) Merchandise inventories Same as on the left. (2) Partly-finished work Cost method using the individual production order costing method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).
4. Fixed assets depreciation methods	(1) Property and equipment (excluding lease assets) Fixed rate method except for buildings (excluding auxiliary equipment for buildings) to which the straight line method is applied. The typical depreciation period is 9-45 years for buildings, 15-50 years for structures, 4 years for vehicles and 4-20 years for tools, equipment and fixtures.	(1) Property and equipment (excluding lease assets) Same as on the left.

Item	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
<p>5. Conversion criteria for important receivables and payables denominated in foreign currencies into Japanese yen</p> <p>6. Accounting criteria for important allowances</p>	<p>(2) Intangible fixed assets Straight-line method. The typical depreciation period is five years for software used in-house.</p> <p>(3) Lease assets The straight-line method with no residual value is applied with the lease period used as the useful life of the asset.</p> <p>Receivables and payables denominated in foreign currencies and converted to Japanese yen at spot exchange rates on the settlement date and the gains or losses from this conversion are recognized in the profit and loss statement.</p> <p>(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.</p> <p>(2) Allowance for bonuses to employees A portion to be borne by the current fiscal year in the estimated amount of bonuses to employees in the next fiscal year is allowed in preparation for their pay-out to employees.</p> <p>(3) Allowance for bonuses to directors and corporate auditors A portion to be borne by the current fiscal year in the estimated amount of bonuses directors and corporate auditors in the next fiscal year is allowed in preparation for their pay-out to directors and corporate auditors.</p> <p>(4) Liability for retirement benefits In preparation for the payment of retirement benefits to employees, the amount recognized as outstanding at the end of the current fiscal year is accounted for based on the estimated amount of liabilities for retirement benefits and pension plan assets at the end of the current fiscal year. However, as the estimation amount of the pension plan assets at the end of the current fiscal year exceeds the estimated amount of liability for retirement benefits which is adjusted with the liabilities based on unrecognized past services and unrecognized actuarial gains and losses, the different is accounted for as prepaid pension expenses.</p>	<p>(2) Intangible fixed assets (excluding lease assets) Same as on the left.</p> <p>(3) Lease assets Same as on the left.</p> <p>Same as on the left.</p> <p>(1) Allowance for doubtful receivables Same as on the left.</p> <p>(2) Allowance for bonuses to employees Same as on the left.</p> <p>(3) Allowance for bonuses to directors and corporate auditors Same as on the left.</p> <p>(4) Liability for retirement benefits In preparation for the payment of retirement benefits to employees, the amount recognized as outstanding at the end of the current fiscal year is accounted for based on the estimated amount of liabilities for retirement benefits and pension plan assets at the end of the current fiscal year. However, as the estimation amount of the pension plan assets at the end of the current fiscal year exceeds the estimated amount of liability for retirement benefits which is adjusted with the liabilities based on unrecognized past services and unrecognized actuarial gains and losses, the different is accounted for as prepaid pension expenses.</p>

Item	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
7. Hedge accounting	<p>A liability based on past services is recognized by the straight line method over a specific period (13 years) which is within the estimated average remaining service lives of the employees at the time when this liability occurred.</p> <p>Actuarial gains and losses are recognized by the straight line method over a specific period (13 years) which is within the estimated average remaining service lives of the employees at the beginning of each business year from the next business year for the year when such actuarial gains and losses occur.</p> <p>(1) Hedge accounting method Deferred hedge accounting is used. Hedge accounting is adopted for foreign currency receivables and payables etc. on exchange forward contract.</p> <p>(2) Method of and subjects to hedge Means: Forward hedge contract Subjects: Receivables and payables denominated in foreign currencies</p> <p>(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.</p> <p>(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.</p>	<p>A liability based on past services is recognized by the straight line method over a specific period (13 years) which is within the estimated average remaining service lives of the employees at the time when this liability occurred.</p> <p>Actuarial gains and losses are recognized by the straight line method over a specific period (13 years) which is within the estimated average remaining service lives of the employees at the beginning of each business year from the next business year for the year when such actuarial gains and losses occur.</p> <p>(Changes in accounting principles) As of the current consolidated fiscal year, the Company has applied “Minor Alterations (part 3) to ‘Accounting Standards for Retirement Benefits’” (Corporate Accounting Standards vol. 19, July 31, 2008). This has no effect on earnings.</p> <p>(1) Hedge accounting method Same as on the left.</p> <p>(2) Method of and subjects to hedge Same as on the left.</p> <p>(3) Hedge policies Same as on the left.</p> <p>(4) Evaluation method for effectiveness of hedging Same as on the left.</p>
8. Other significant accounting policies	<p>Accounting of consumption taxes The consumption tax and local consumption tax are accounted for using the without-tax method for the Company and domestic consolidated subsidiaries.</p>	<p>Accounting of consumption taxes Same as on the left.</p>

Change in Important Basic Matters for Preparation of Non-consolidated Financial Statements

<p>March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)</p>	<p>March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)</p>
<p>(Accounting Standards for Lease Transactions)</p> <p>In prior years, the Company accounted for finance lease transactions where there is no transfer of ownership as ordinary lease transactions for accounting purposes. However, effective from the current fiscal year, the Company has adapted “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 changed to an accounting method for leases that is based on the method used for ordinary purchases and sales.</p> <p>For finance lease transactions where there is no transfer of ownership beginning prior to the fiscal year when these standards are first applied, the Company recognizes year-end balance equivalents of outstanding lease commitments in the previous fiscal year as an acquisition cost, and retroactively adjusts for the acquisition to the beginning of the current fiscal year and includes the amounts in lease assets.</p> <p>This change has no effect on earnings.</p>	<p>—————</p>

Notes
(Related to Balance Sheet)

(Million yen)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)			March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)		
1. Incidental liabilities			1. Incidental liabilities		
Description	Affiliates	Amount	Description	Affiliates	Amount
Payment guarantees for bank loans	Sanshin Electronics (Shanghai) Co., Ltd. *1	196 (2,000,000 US dollars)	Payment guarantees for bank loans	Sanshin Electronics (Shanghai) Co., Ltd. *1	93 (1,000,000 US dollars)
	Employees*2	91		Employees*2	92
Liability guarantees for notes and accounts payable-trade	SANSHIN ELECTRONICS	94 (957,000 US dollars)	Liability guarantees for notes and accounts payable-trade	SANSHIN ELECTRONICS (U.S.A.) CORPORATION	76 (817,000 US dollars)
	EUROPE B.V.			SANSHIN ELECTRONICS (HONG KONG) CO.,LTD.	4 (48,000 US dollars)
Total		382	Total		266
*1. Based on the supply of a memorandum on business management guidance.			*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 housing loan insurance policy are excluded from the incidental liabilities because no real loss will occur with such loans.			* 2. Among the debt guarantees for banks in connection with housing loans for employees, those with housing loan insurance policy are excluded from the incidental liabilities because no real loss will occur with such loans.		

(Related to Profit and Loss Statement)

(Million yen)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)		March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)	
*1. Trading amount with affiliates		*1. Trading amount with affiliates	
Interest and dividend received	690	Interest and dividend received	528
Management guidance fee	415	Management guidance fee	317
*2. Main selling, general and administrative expenses		*2. Main selling, general and administrative expenses	
Packaging and transportation expenses	258	Packaging and transportation expenses	229
Traveling and transport expenses	376	Traveling and transport expenses	289
Remuneration for directors and corporate auditors	148	Remuneration for directors and corporate auditors	143
Salaries and allowances	3,222	Salaries and allowances	2,944
Transfer to allowance for bonuses to employees	600	Transfer to allowance for bonuses to employees	570
Transfer to allowance for bonuses to directors and corporate auditors	30	Transfer to allowance for bonuses to directors and corporate auditors	30
Retirement benefit expenses	356	Retirement benefit expenses	407
Legal welfare expenses	392	Legal welfare expenses	358
Depreciation expenses	341	Depreciation expenses	311
Lease fee paid	101	Lease fee paid	87
Business consignment expenses	694	Business consignment expenses	563
*3. Breakdown of gain on sale of fixed assets		*3. Breakdown of gain on sale of fixed assets	
Tools, equipment and fixtures	0	Tools, equipment and fixtures	0
*4. Breakdown of loss on disposition of fixed assets		*4. Breakdown of loss on disposition of fixed assets	
Buildings	0	Buildings	0
Tools, equipment and fixtures	1	Tools, equipment and fixtures	0
	2		0

(Related to Statements of Changes in Shareholders' Equity)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)

Types and total number of treasury stock

(Shares)

	Number of shares as of Mar. 31, 2008	Increase	Decrease	Number of shares as of Mar. 31, 2009
Ordinary shares (Note)	701,578	1,000,766	-	1,702,344
Total	701,578	1,000,766	-	1,702,344

Note: The number of treasury stock was increased by 1,000,766, of which 1,000,000 shares are from purchase in the market and 766 shares from the purchase of shares below the unit minimum shares.

March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)

Types and total number of treasury stock

(Shares)

	Number of shares as of Mar. 31, 2009	Increase	Decrease	Number of shares as of Mar. 31, 2010
Ordinary shares (Note)	1,702,344	283	1,702,000	627
Total	1,702,344	283	1,702,000	627

Note: The increase in the number of treasury stock of common stock was due to purchasing of 283 odd-lot shares. The reduction of 1,702,000 shares was due to retirement.

(Tax Effect Accounting)

(Million yen)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
1. Breakdown of deferred tax assets and deferred tax liabilities by main cause	1. Breakdown of deferred tax assets and deferred tax liabilities by main cause
1) Current assets (Deferred tax assets)	1) Current assets (Deferred tax assets)
Allowance for bonuses to employees 244	Allowance for bonuses to employees 231
Loss on valuation of merchandise inventories 155	Loss on valuation of merchandise inventories 222
Enterprise tax payable 55	Enterprise tax payable 17
Deferred hedge losses 4	Deferred hedge losses 58
Other 37	Other 52
Deferred tax assets total 496	Deferred tax assets total 583
Net deferred tax assets under current assets 496	Net deferred tax assets under current assets 583
2) Fixed assets (Deferred tax assets)	2) Fixed assets (Deferred tax assets)
Allowance for doubtful receivables 78	Allowance for doubtful receivables 16
Long-term accounts payable for retirement allowance for directors and corporate auditors 41	Long-term accounts payable for retirement allowance for directors and corporate auditors 41
Loss on valuation of investment securities 273	Loss on valuation of investment securities 232
Loss on valuation of golf club membership 26	Loss on valuation of golf club membership 26
Impairment losses 5	Impairment losses 5
Loss on in-house development of systems for own use 146	Loss on in-house development of systems for own use 119
Other 8	Other 6
Deferred tax assets sub-total 579	Deferred tax assets sub-total 448
Less valuation allowance (311)	Less valuation allowance (267)
Deferred tax assets total 268	Deferred tax assets total 181
(Deferred tax liabilities)	(Deferred tax liabilities)
Prepaid pension expenses (71)	Valuation difference on available-for-sale securities (136)
Deferred tax liabilities total (71)	Prepaid pension expenses (48)
Net deferred tax liabilities under fixed liabilities 196	Deferred tax liabilities total (185)
Net deferred tax assets 693	Net deferred tax liabilities under fixed liabilities (4)
	Net deferred tax assets 579
2. Breakdown of significant difference between normal effective statutory tax rate and actual effective tax rate after application of tax effect accounting by main cause	2. Breakdown of significant difference between normal effective statutory tax rate and actual effective tax rate after application of tax effect accounting by main cause
Normal effective statutory tax rate 40.7%	Normal effective statutory tax rate 40.7%
(Adjustment)	(Adjustment)
Expenses not deductible for income tax purposes 2.6%	Expenses not deductible for income tax purposes 2.9%
Income not taxable for income tax purposes (0.6)%	Income not taxable for income tax purposes (2.0)%
Foreign tax deduction (4.6)%	Foreign tax deduction (4.2)%
Inhabitant taxes – per capita levy 1.1%	Inhabitant taxes – per capita levy 1.6%
Other (0.1)%	Other (1.5)%
Actual effective tax rate 39.1%	Actual effective tax rate 37.5%

(Per Share Information)

(Yen)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
Net assets per share 1,781.99	Net assets per share 1,794.78
Net profit per share 56.21	Net profit per share 38.31
Diluted net profit per share is not presented since the Company has no outstanding securities.	Same as on the left.

Note: Basis for calculation of net profit per share is as follows.

(Million yen)

	March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)
Net profit	1,734	1,160
Amount not available to common shareholders	-	-
Net profit available to ordinary shares	1,734	1,160
Average shares outstanding available to ordinary shares (Thousand shares)	30,855	30,280

(Important Later Event)

March 2009 Term (Apr. 1, 2008 – Mar. 31, 2009)

1. Cancellation of treasury stock

The Company's Board of Directors decided at the meeting held May 19, 2009, the following cancellation of treasury stock in accordance with the provisions of Article 178 of the Company Law.

(1) Type of shares to be cancelled

Ordinary shares of the Company

(2) Number of shares to be cancelled

1,702,000 shares (5.32% of the total number of shares issued prior to cancellation)

(3) Planned date of cancellation

May 26, 2009

(4) Number of issued shares after the cancellation

30,281,373 shares

March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)

There are no relevant matters.

6. Other

(1) Change in directors

1) Change in representative director

There are no relevant matters.

2) Change in other directors (effective June 23, 2010)

Candidates for director

Vice President, Deputy General Manager of Solution Marketing & Sales Division: Mitsuo Kamoshita
(current position: Deputy General Manager of Solution Marketing & Sales Division)

Promotion directors

Senior Vice President, Senior General Manager of Western Japan Sales Division: Hiromi Ishii
(current position: Associate Senior Vice President, Senior General Manager of Western Japan Sales Division)

Senior Vice President, Senior General Manager of International Operations Division: Fumiaki Uruse
(current position: Associate Senior Vice President, Senior General Manager of International Operations Division)