

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



May 18, 2011

Summary of Financial Results for Fiscal Year Ended March 31, 2011 [Japan Standards] (Consolidated)

Name of Listed Company: Sanshin Electronics Co., Ltd. Stock Exchange Listed: 1st Section, Tokyo
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 Scheduled date of General Meeting of Shareholders: June 23, 2011
 Scheduled date of filing of Annual Securities Report: June 24, 2011
 Scheduled date of dividend payment: June 24, 2011
 The supplementary explanation document for closing of accounts is created. Yes
 The briefing for closing of accounts is held (for security analysts and institutional investors). Yes

(Amounts are rounded down to the nearest million yen)

1. Consolidated Business Performance for March 2011 Term (April 1, 2010 – March 31, 2011)

(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 2011 Term	182,670	2.4	2,163	(1.2)	2,256	3.4	1,447	8.0
March 2010 Term	178,415	(22.3)	2,190	(41.0)	2,183	(46.5)	1,340	(39.3)

(Note) Comprehensive profit March 2011 Term: 637 million yen ((47.9%)) March 2010 Term: 1,223 million yen (-%)

	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 2011 Term	47.81	-	2.4	2.5	1.2
March 2010 Term	44.28	-	2.3	2.6	1.2

Reference) Investment profit and loss based on the equity method March 2011 Term: - million yen March 2010 Term: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 2011 Term	92,422	59,596	64.5	1,968.14
March 2010 Term	86,817	59,564	68.6	1,967.08

Reference) Shareholders' equity March 2011 Term: 59,596 million yen March 2010 Term: 59,564 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 2011 Term	(12,962)	63	4,461	6,824
March 2010 Term	7,701	223	(1,446)	15,491

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 2010 Term	-	10.00	-	10.00	20.00	605	45.2	1.0
March 2011 Term	-	10.00	-	10.00	20.00	605	41.8	1.0
March 2012 Term (forecast)	-	10.00	-	10.00	20.00		55.1	

3. Forecasts for Consolidated Business Performance for March 2012 Term (April 1, 2011 – March 31, 2012)*(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	81,000	(10.6)	270	(78.3)	300	(77.3)	150	(80.1)	4.95
Full year	178,000	(2.6)	1,550	(28.4)	1,600	(29.1)	1,100	(24.0)	36.33

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: None

Note: Please refer to “Change in Important Basic Matters for Preparation of Consolidated Financial Statements”, etc on page 13 of [Appendix] for further information.

(3) Number of shares outstanding (ordinary shares)

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

March 2011 Term: 30,281,373 shares March 2010 Term: 30,281,373 shares

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

March 2011 Term: 965 shares March 2010 Term: 627 shares

3) Number of average stock during the term:

March 2011 Term: 30,280,548 shares March 2010 Term: 30,280,902 shares

Note: Please refer to “Per Share Information” on page 20 of [Appendix] for the number of shares used in calculating consolidated net profit per share.

***Indication concerning execution condition of auditing procedure**

The audit procedure of financial statements based on Financial Instruments and Exchange Law has not finished at the time of indication of this summary of financial reports.

*** 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 2 through 4 of [Appendix] regarding the relevant matters for the above forecast for the business performance.

The Company is planning to hold a briefing for security analysts and institutional investors on May 25, 2011. As for the issued documents explaining the closing of accounts, it shall promptly be updated on our website after the briefing is held.

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1. Business Results

(1) Analysis of business results

1) Overview for the Consolidated Fiscal Year ended March 2011

In this consolidated fiscal year, the global economy was on a continuous recovery track but its prospects remained unpredictable due to circumstances such as severe employment situations in advanced countries and inflation concerns in emerging countries. Toward the end of the fiscal year, prospects become more unpredictable because of increasingly serious political instability in the Middle East and northern African countries and the Great East Japan Earthquake in Japan.

The electronics industry to which the Group belongs remained favorable due to the great demand in emerging countries and the growth of tablet PC, smartphone, and other markets. Meanwhile, concerns about the long-term influence of the Great East Japan Earthquake have spread a cautious attitude toward prospects.

Under these circumstances, the Group was committed to the strengthening of business power to deal with changes in the business environment, such as the expansion of mobile phone, digital electric home appliance, and other markets in emerging countries, the advent of tablet PC, smartphone, and other new markets, and the permeation of new service forms due to the advance of information and communication technology (ICT). Moreover, the Group strove to improve the management foundation. To fully activate the new distribution channel gained through a merger of our main vendor in April of last year, we conducted aggressive prior investments, including workforce increases.

As a result, in this consolidated fiscal year, sales increased 2.4% year-on-year to 182,670 million yen, operating profit decreased 1.2% to 2,163 million yen, ordinary profit increased 3.4% to 2,256 million yen, and net profit increased 8.0% to 1,447 million yen. The return on equity (ROE) was 2.4%.

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, the semiconductor business showed a decline in system LSIs for game consoles and chipsets for mobile phones but remained favorable in system LSIs for TVs, driver ICs for LCD displays, and ICs for hard disk units. Moreover, sales increased from the previous term, partially due to a new distribution channel gained through a merger of our main vendor. In the electronic parts segment, the demand for wireless WAN modules and game consoles declined but sales increased from the previous term due to the recovery of demand for circuit boards and the full-scale launch of new businesses.

As a result, consolidated segment sales increased 2.4% year-on-year to 170,862 million yen for the current consolidated fiscal year. The segment balance ended at 1,887 million yen (down 2.3% from the previous term). This decrease was due to the strengthening of workforce for the full-scale launch of the aforementioned new distribution channel, to fierce price competition spurred by a strong yen and to a decline in gross profit margin due a change in sales composition.

Orders received stood at 179,180 million yen, and the order backlog was 36,659 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, the demand from major companies and public institutions recovered and sales increased from levels recorded in the previous fiscal year in both network and image editing systems business.

As a result, consolidated segment sales increased 2.8% year-on-year to 11,807 million yen for the current consolidated fiscal year. The segment balance ended in a profit of 718 million yen (47.1% up from the previous

fiscal year). This increase was due to the improvement of gross profit margin and the curtailment of selling and administrative expenses.

Orders received totaled 12,520 million yen, while the order backlog stood at 4,394 million yen.

3) Outlook for the next fiscal year

Although increase in profit is expected due to the new commercial distribution acquired along with the integration of a main supplier, a decrease in sales of home video game consoles and the influence of the East Japan great earthquake are anticipated. Based on these factors, the Company's next fiscal year forecast is as follows.

As for the influence of the East Japan great earthquake, estimate is made based on information available at the moment. The degree of influence may change according to the future investigation. When specific change of influence is understood, it shall be promptly indicated according to the disclosure standard.

(Prospect for Consolidated Business Results)

Net sales:	178.00 billion yen (2.6% decrease compared with the previous fiscal year)
Operating profit:	1.55 billion yen (28.4% decrease compared with the previous fiscal year)
Ordinary profit:	1.6 billion yen (29.1% decrease compared with the previous fiscal year)
Net profit:	1.1 billion yen (24.0% decrease compared with the previous fiscal year)

(Assumed exchange rate: US\$ 1 = 82 yen)

(2) Qualitative Information Regarding Consolidated Financial Position

1) Assets, liabilities and net assets

As of March 31, 2011, assets totaled 92,422 million yen. This represented an increase of 5,605 million yen compared with March 31, 2010. This was mainly attributable to a decrease of 8,667 million yen in cash and deposits, an increase of 1,107 million yen in notes and accounts receivable, an increase of 4,253 million yen in merchandise inventories.

Liabilities increased 5,573 million yen to 32,826 million yen, mainly because of a 4,988 million yen increase in loan.

Net assets increased 31 million yen to 59,596 million yen, mainly because of an 842 million yen increase in retained earnings, a 105 million yen decrease in unrealized losses on available-for-sale securities, and a 768 million yen decrease in foreign exchange conversion adjustments.

2) Cash flows

Cash and cash equivalents amounted to 6,824 million yen as of March 31, 2011, a decrease of 8,667 million yen compared with March 31, 2010. This was mainly due to an increase in expenditure caused by increase in notes and accounts receivable, and an increase in inventories.

(Operating activities)

Net cash used by operating activities was 12,962 million yen. This was mainly due to an increase in notes and accounts receivable, and an increase in inventories. This represented an expenditure increase of 20,664 million yen compared with the cash provided of 7,701 million yen in the previous consolidated fiscal year.

(Investing activities)

Net cash provided by investing activities was 63 million yen. This was mainly due to proceeds from sale of investment securities. This represented a decrease of 159 million yen compared with the previous consolidated fiscal year.

(Financing activities)

Net cash provided in financing activities was 4,461 million yen. This was mainly due to income from short-term loans. This represented an increase of 598 million yen, compared with the cash used of 1,446 million yen in the previous consolidated fiscal year.

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

At the end of March 2012, the Company expects total assets to amount to 93.0 billion yen, 0.6 billion yen increase from the end of March 2011, mainly because of a projected increase in notes and accounts receivable. In addition, the Company expects interest-bearing debt to total about 4.5 billion yen at the end of March 2012.

Cash and cash equivalents are expected to increase by about 3,200 million yen during the consolidated fiscal year to about 10 billion yen at the end of March 2012. This forecast is based on projected expenditure such as repayment of short-term loans, and decreases in net profit before tax and adjustments, and inventories.

Performance indicators associated with cash flows are as follows.

	March 2007 Term	March 2008 Term	March 2009 Term	March 2010 Term	March 2011 Term
Ratio of shareholders' equity (%)	52.9	61.4	72.1	68.6	64.5
Ratio of shareholders' equity on current price base (%)	41.5	33.5	23.1	27.6	23.0
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.

2. 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: global management, 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, NEC Electronics Corporation, a main vendor of the Group, merged with Renesas Technology Corporation in April of last year and became Renesas Technology Corporation. This merger enabled the Group to gain a new distribution channel for technology. We will promptly realize full activation of this new distribution channel and maximize the effect of the merger.

Accompanying the expansion of markets in emerging countries, many of the domestic set manufacturers are increasing the ratio of production entrustment to overseas companies for electronics manufacturing services (EMS) and original design manufacturing (ODM). Therefore, we will give further priority to local companies.

In order to halt the decrease of the sales profit ratio in the device business, we will improve the profit structure by

increasing the gross profit margin and optimizing selling costs.

In the solution business, business requirements for services are increasing due to advances in virtualization technology and cloud computing. We will improve our earning power and stabilize our profit structure by extending our stock businesses 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. Maximizing the effect of the merger of our main vendor

We will make the best use of the aforementioned merger of Renesas Technology Corporation to extend our sales. The merger has resulted in increased competitiveness, particularly in the case of micro controller units (MCU). Centering our business on MCU, we will expand sales in many fields including the automotive equipment field in which the Group had a small sales volume. Furthermore, regarding other products of the company, we will contribute to increase sales by utilizing lineups which were enhanced by the merge. For example, we will aggressively promote kit proposals.

b. Continuously strengthening earning power in businesses of other vendors

Regarding business of other vendors, we will focus not only sales but also on gross profit margin. We will increase the sales ratio of products with high gross profit margins by commitment to the field of industrial equipment where high-mix low-volume parts are in demand, as well as by strengthening the sales of products from overseas vendors where trading firms are expected to play a major role in handling.

c. Strengthening capability for expanding international business

Under the trend of shifting business to overseas, the supply chain is also becoming diversified and complicated. Current forecasts predict increased business with overseas corporations that conduct electronics manufacturing services (EMS) and original design manufacturing (ODM). Therefore, the Group will be committed not only to sales promotion but also to logistics improvement. By enriching our functions as a trading firm, we will secure the current distribution channels and gain new ones, aiming at the secure growth of business for markets in emerging countries as a volume zone.

d. 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. By providing broad and deep services, we will increase sales and improve profitability in stock businesses.

2) Business infrastructure development

a. Strengthening human resources

The greatest managerial resources of the Group are human resources. In addition to enriching personnel programs and training systems, we will hire skilled professionals and continuously employ new graduates who are capable of contributing to the strengthening of our business power.

b. Improving infrastructure

We will enhance information systems, optimize logistics and make other infrastructure improvements which will contribute to sales expansion, minimized risks and reduced selling costs.

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Million yen)

	March 2010 Term (As of Mar. 31, 2010)	March 2011 Term (As of Mar. 31, 2011)
Assets		
Current assets		
Cash and deposits	15,491	6,824
Notes and accounts receivable-trade	43,849	54,856
Merchandise inventories	16,742	20,996
Partly-finished work	0	14
Accrued income	310	367
Deferred tax assets	573	518
Others	2,371	2,279
Allowance for doubtful receivables	(26)	(26)
Total current assets	79,313	85,830
Fixed assets		
Property and equipment		
Buildings and structures	6,655	6,501
Accumulated depreciation	(4,279)	(4,365)
Buildings and structures, net	2,375	2,136
Land	2,227	2,140
Lease assets	148	157
Accumulated depreciation	(67)	(78)
Lease assets, net	80	78
Other	688	675
Accumulated depreciation	(624)	(614)
Other, net	64	61
Total property and equipment	4,747	4,417
Intangible fixed assets	455	292
Investments and other assets		
Investment in securities	1,747	1,286
Prepaid pension expenses	118	84
Others	476	553
Allowance for doubtful receivables	(42)	(41)
Total investments and other assets	2,300	1,882
Total fixed assets	7,503	6,592
Total assets	86,817	92,422

(Million yen)

	March 2010 Term (As of Mar. 31, 2010)	March 2011 Term (As of Mar. 31, 2011)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	22,456	23,218
Short-term loans payable	1,300	7,788
Current portion of long-term loans payable	1,500	-
Lease obligations	33	29
Accrued corporate tax, etc.	206	135
Allowance for bonuses to employees	570	608
Allowance for bonuses to directors and corporate auditors	30	30
Others	939	792
Total current liabilities	27,037	32,601
Fixed liabilities		
Lease obligations	46	49
Deferred tax liabilities	7	2
Others	161	173
Total fixed liabilities	215	224
Total liabilities	27,252	32,826
Net assets		
Shareholders' equity		
Capital stock	14,811	14,811
Capital surplus	15,329	15,329
Retained earnings	31,373	32,215
Treasury stock	(0)	(0)
Total shareholders' equity	61,514	62,355
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities	203	98
Deferred hedge gains/losses	(85)	(22)
Foreign exchange conversion adjustments	(2,067)	(2,835)
Total Accumulated other comprehensive income	(1,949)	(2,759)
Total net assets	59,564	59,596
Total liabilities and net assets	86,817	92,422

(2) Consolidated Profit and Loss Statement, Consolidated Comprehensive Profit Statement

(Consolidated Profit and Loss Statement)

(Million yen)

	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)	March 2011 Term (Apr. 1, 2010 – Mar. 31, 2011)
Net sales	178,415	182,670
Cost of sales	166,912	171,103
Gross profit on sales	11,503	11,567
Selling, general and administrative expenses	9,313	9,403
Operating profit	2,190	2,163
Non-operating profit		
Interest income	42	18
Dividend income	26	122
Purchase discounts	12	5
Others	51	89
Total non-operating profit	132	234
Non-operating expenses		
Interest expenses	44	31
Sales discounts	33	28
Foreign exchange loss	44	49
Others	16	31
Total non-operating expenses	139	141
Ordinary profit	2,183	2,256
Extraordinary profits		
Gain on sale of fixed assets	2	0
Gain on sale of investment securities	156	18
Income from refund of allowance for doubtful receivables	-	0
Gain on transfer of goodwill	115	3
Total extraordinary profits	274	23
Extraordinary losses		
Loss on sales of fixed assets	-	1
Loss on disposition of fixed assets	*5 0	*5 0
Loss on sales of investment securities	-	57
Loss on valuation of investment securities	187	61
Loss on investments in silent partnership	35	-
Loss on liquidation of affiliates	-	46
Impairment loss	-	230
Loss due to disaster	-	9
Total extraordinary losses	222	406
Net profit before tax and adjustments	2,234	1,874
Corporate, resident and enterprise taxes	905	403
Adjustment for corporate tax, etc.	(12)	23
Total income taxes	893	426
Income before minority interest	-	1,447
Net profit	1,340	1,447

(Consolidated Comprehensive Profit Statement)	(Million yen)	
	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)	March 2011 Term (Apr. 1, 2010 – Mar. 31, 2011)
Income before minority interest	-	1,447
Other comprehensive incomes		
Valuation difference on available-for-sale securities	-	(105)
Deferred hedge gains/losses	-	62
Foreign currency translation adjustment	-	(768)
Total of other comprehensive incomes	-	*2 (810)
Comprehensive profit		*1 637
(Details)		
Comprehensive income relating to parental company	-	637
Comprehensive income relating to minority shareholders	-	-

(3) Consolidated Statements of Changes in Shareholders' Equity

(Million yen)

	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)	March 2011 Term (Apr. 1, 2010 – Mar. 31, 2011)
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	32,628	31,373
Changes of items during the period		
Dividends from surplus	(908)	(605)
Net profit	1,340	1,447
Retirement of treasury stock	(1,703)	-
Change of scope of consolidation	15	-
Total changes of items during the period	(1,255)	842
Balance at the end of current period	31,373	32,215
Treasury stock		
Balance at the end of previous period	(1,703)	(0)
Changes of items during the period		
Purchase of treasury stock	(0)	(0)
Retirement of treasury stock	1,703	-
Total changes of items during the period	1,703	(0)
Balance at the end of current period	(0)	(0)
Total shareholders' equity		
Balance at the end of previous period	61,066	61,514
Changes of items during the period		
Dividends from surplus	(908)	(605)
Net profit	1,340	1,447
Purchase of treasury stock	(0)	(0)
Change of scope of consolidation	15	-
Total changes of items during the period	447	841
Balance at the end of current period	61,514	62,355

(Million yen)

	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)	March 2011 Term (Apr. 1, 2010 – Mar. 31, 2011)
Other accumulated comprehensive income		
Other valuation difference on available-for-sale securities		
Balance at the end of previous period	(11)	203
Changes of items during the period		
Net changes of items other than shareholders' equity	214	(105)
Total changes of items during the period	214	(105)
Balance at the end of current period	203	98
Deferred hedge gains/losses		
Balance at the end of previous period	(6)	(85)
Changes of items during the period		
Net changes of items other than shareholders' equity	(79)	62
Total changes of items during the period	(79)	62
Balance at the end of current period	(85)	(22)
Foreign exchange conversion adjustments		
Balance at the end of previous period	(1,814)	(2,067)
Changes of items during the period		
Net changes of items other than shareholders' equity	(252)	(768)
Total changes of items during the period	(252)	(768)
Balance at the end of current period	(2,067)	(2,835)
Total Accumulated other comprehensive income		
Balance at the end of previous period	(1,832)	(1,949)
Changes of items during the period		
Net changes of items other than shareholders' equity	(117)	(810)
Total changes of items during the period	(117)	(810)
Balance at the end of current period	(1,949)	(2,759)
Total net assets		
Balance at the end of previous period	59,234	59,564
Changes of items during the period		
Dividends from surplus	(908)	(605)
Net profit	1,340	1,447
Purchase of treasury stock	(0)	(0)
Change of scope of consolidation	15	-
Net changes of items other than shareholders' equity	(117)	(810)
Total changes of items during the period	330	31
Balance at the end of current period	59,564	59,596

(4) Consolidated Statement of Cash Flows

(Million yen)

	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)	March 2011 Term (Apr. 1, 2010 – Mar. 31, 2011)
Operating activities		
Net profit before tax and adjustments	2,234	1,874
Depreciation and amortization	339	313
Impairment loss	-	230
Amortization of goodwill	27	30
Decrease (increase) of prepaid pension expenses	56	34
Increase (decrease) of allowance for doubtful receivables	2	(0)
Interest and dividends income	(68)	(140)
Interest expense	44	31
Loss (gain) on sale of fixed assets	(2)	0
Loss (gain) on sales of investment securities	(156)	38
Loss (gain) on valuation of investment securities	187	61
Loss (gain) on liquidation of affiliates	-	46
Decrease (increase) of notes and accounts receivable	1,112	(12,125)
Decrease (increase) of inventories	(1,819)	(4,784)
Increase (decrease) of notes and accounts payable	5,149	1,671
Decrease (increase) of consumption and other taxes receivable	1,539	220
Increase (decrease) of consumption and other taxes payable	(1)	0
Others	345	(12)
Sub-total	8,991	(12,507)
Interest and dividend received	67	140
Interest paid	(44)	(31)
Corporate and other taxes paid	(1,312)	(563)
Net cash provided by operating activities	7,701	(12,962)
Investing activities		
Purchase of property and equipment	(8)	(30)
Proceeds from sale of property and equipment	2	3
Purchase of software	(9)	(11)
Purchase of investment securities	(35)	(82)
Proceeds from sale of investment securities	297	122
Income due to liquidation of affiliates	-	88
Payment of sale of subsidiaries' stocks with a change of scope of consolidation	(16)	-
Others	(6)	(25)
Net cash used in investing activities	223	63
Financing activities		
Proceeds from short-term loans	3,868	14,845
Repayment of short-term loans	(2,568)	(8,243)
Repayment of long-term loans	(1,800)	(1,500)
Repayments of lease obligations	(38)	(36)
Net decrease (increase) of treasury stock	(0)	(0)
Dividend paid	(907)	(603)
Net cash used in financing activities	(1,446)	4,461
Foreign currency conversion adjustments for cash and cash equivalents	(64)	(230)
Increase (decrease) of cash and cash equivalents	6,413	(8,667)
Balance of cash and cash equivalents, beginning of the period	9,077	15,491
Balance of cash and cash equivalents, end of the period	15,491	6,824

(5) Notes regarding going concern

There are no relevant matters.

(6) Changes in Important Basic Matters for Preparation of Consolidated Financial Statements

1) Scope of consolidation

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. has liquidated as of Mar. 25, 2011.

2) Application of the equity method

Non-consolidated subsidiaries not accounted for by the equity method

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. has liquidated as of Mar. 25, 2011.

3) Application of accounting standards regarding assets retirement obligations

From this consolidated fiscal year, "Accounting standards regarding assets retirement obligations" (ASBJ No. 18, March 31, 2008), and "Application guidelines for accounting standards regarding assets retirement obligations" (ASBJ Guideline No. 21, March 31, 2008).

This does not affect profit or loss.

(7) Changes in Description Method

From this consolidated fiscal year, this is presented at the account of "Income before minority interest" because of "Cabinet Order for Partial Revision of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc." (Cabinet Order No. 5, March 24, 2009) based on "Accounting Standards for Consolidated Financial Statements" (ASBJ No. 22 dated December 26, 2008)."

(8) Additional Information

From this consolidated fiscal year, "Accounting Standards Regarding Presentation of Comprehensive Income" (ASBJ No. 25, June 30, 2010) has been applied. However, "Accumulated other comprehensive income" and "Total Accumulated other comprehensive income" in the previous consolidated fiscal year are "Unrealized and foreign exchange gains or losses, etc." and "Total of unrealized and foreign exchange gains or losses, etc."

(9) Notes on Consolidated Financial Statements

(Consolidated financial statements)

In the current consolidated fiscal year, the accounted losses on the retirement of the following assets group:

Place: Sendai City, Miyagi

Use: Office and distribution center

Type: Building, structure, land, etc.

Based on business classification, the Group has assets classified into groups mainly by offices as minimum units producing approximately independent cashflows.

While many of the domestic set manufacturers are increasing their overseas production ratios, the growing shift of customers to overseas production was predicted to reduce sales also at the Sendai Branch of the Company. Since the Great East Japan Earthquake further increased the demand for production shift to overseas, business recovery in the

next term and later become not predictable. Therefore, the Company reduced the book value of the assets group to the recoverable value and accounted the resulting impairment loss of 230 million yen as an extraordinary loss. The breakdown of the loss is 144 million yen on buildings and structures, 0 million yen on furnishings, and 86 million yen on land.

The recoverable value is based on net selling value. The building value was evaluated from the tax on non-current assets and the land value was evaluated from the zonal value. The structure and furnishings value was reduce to the residual value because it was considered not recoverable.

(Related to Consolidated Comprehensive Profit Statement)

March 2011 Term (Apr. 1, 2010 – Mar. 31, 2011)

*1. Comprehensive incomes in the consolidated fiscal year immediately before this consolidated fiscal year	
Comprehensive income relating to shareholders of parental company	1,223 million yen
Comprehensive income relating to minority shareholders	-
Total	1,223 million yen

*2. Other comprehensive incomes in the consolidated fiscal year immediately before this consolidated fiscal year	
Valuation difference on available-for-sale securities	214 million yen
Deferred hedge gains/losses	(79) million yen
Foreign currency translation adjustment	(252) million yen
Total	(117) million yen

(Segment Information)

a. Industrial Segments

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.

b. Geographical Segments

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.

c. Overseas Sales

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.

d. Segment Information

1. Outline of Report Segments

The report segments are composition units of the Company for which separate financial information is available and that are reviewed periodically by the board of directors to determine the allotment of managerial resources and evaluate the financial results.

The Company has business headquarters for individual merchandise and services. The business headquarters work out domestic and overseas comprehensive strategies about their merchandise and services and do business activities according to the strategies.

Therefore, the Company is organized from two segments by merchandise and services based on business headquarters. They are device segment and solution segment.

In the device segment, the Company mainly sells semiconductor devices (system LSIs, microcomputers, LCD

display driver ICs, memories, etc.) and electronic parts (connectors, capacitors, circuit boards, etc.) to electronic product manufacturers. The Company also provides technical support for software development, ASIC design, and other.

In the solution segment, the Company is mainly engaged in business related to network systems, such as selling, maintaining, and supporting information & communications networks and key business systems mainly for companies, medical institutions, governmental agencies, and local governments. The Company is also engaged in business related to video systems, such as selling systems and software to broadcast stations and video productions for editing, sending, and distributing video contents.

2. Amount calculation methods for sales, profit or loss, assets, liabilities, and other items in each report segment

The accounting method in the reported business segments is almost the same as that for creating consolidated financial statements.

Profit in the report segments are based on ordinary income.

3. Information regarding the amounts of sales, profit or loss, assets, liabilities, and other items in each report segment

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

(Million yen)

	Reported segment			Adjustment amount (Note)1,2	Amount accounted on consolidated profit and loss statement (Note) 3
	Device segment	Solution segment	Total		
Net sales					
Sales to outside customers	166,925	11,490	178,415	-	178,415
Inter-segment sales or transfers	-	-	-	-	-
Total	166,925	11,490	178,415	-	178,415
Segment profit	1,931	488	2,419	(236)	2,183
Segment assets	64,095	5,284	69,380	17,437	86,817
Other items					
Depreciation expenses (Note 4)	89	18	107	232	339
Increase of tangible fixed assets and intangible fixed assets	25	0	25	3	29

Notes: 1. The adjustment amount of segment profit includes expenses related to such management divisions as planning, general affairs, accounting, and personnel affairs that were not apportioned to each report segment and interest expense that was apportioned to each report segment.

2. The adjustment amount of segment assets includes investment capital (cash, deposits, and securities), long-term investment (investment on securities), and assets related to the management divisions of the Company.

3. The segment profit is adjusted with the ordinary income in the consolidated profit and loss statement.

4. The depreciation expenses do not include the amortization of goodwill.

March 2011 Term (Apr. 1, 2010 – Mar. 31, 2011)

(Million yen)

	Reported segment			Adjustment amount (Note)1,2	Amount accounted on consolidated profit and loss statement (Note) 3
	Device segment	Solution segment	Total		
Net sales					
Sales to outside customers	170,862	11,807	182,670	-	182,670
Inter-segment sales or transfers	-	-	-	-	-
Total	170,862	11,807	182,670	-	182,670
Segment profit	1,887	718	2,605	(348)	2,256
Segment assets	77,310	4,624	81,934	10,487	92,422
Other items					
Depreciation expenses (Note 4)	76	16	93	220	313
Increase of tangible fixed assets and intangible fixed assets	31	2	33	45	79

Notes: 1. The adjustment amount of segment profit includes expenses related to such management divisions as planning, general affairs, accounting, and personnel affairs divisions that were not apportioned to each report segment and interest expense that was apportioned to each report segment.

2. The adjustment amount of segment assets includes investment capital (cash, deposits, and securities), long-term investment (investment on securities), and assets related to the management divisions of the Company.

3. The segment profit is adjusted with the ordinary income in the consolidated profit and loss statement.

4. The depreciation expenses do not include the amortization of goodwill.

(Additional information)

From this consolidated fiscal year, "Accounting standards regarding the disclosure of segment information etc." (ASBJ No. 17, March 27, 2009), and "Application guidelines for accounting standards regarding the disclosure of segment information etc." (ASBJ Guideline No. 20, March 21, 2008) have been applied.

e. Related information

March 2011 Term (Apr. 1, 2010 – Mar. 31, 2011)

1. Information of regions

(1) Net sales

(Million yen)

Japan	Asia	North America	Others	Total
89,345	89,058	2,860	1,406	182,670

(2) Property and equipment

As the amount of property and equipment in Japan excess 90% of the amount stated in the consolidated balance sheet, description is omitted.

2. Information of major clients

(Million yen)

Name of client	Net sales	Related segments
Nintendo Co., Ltd.	27,656	Mainly device segment
Sharp Corporation	25,196	Mainly device segment

f. Information regarding impairment loss of non-current assets in each report segment

(Million yen)

	Device segment	Solution segment	Elimination/Corporate	Total
Impairment loss	230	-	-	230

g. Information regarding the amount of amortization of goodwill and the balance in each report segment

(Million yen)

	Device segment	Solution segment	Elimination/Corporate	Total
Amount of amortization	30	-	-	30
Balance at the end of current period	27	-	-	27

(Per Share Information)

(Yen)

	March 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)	March 2011 Term (Apr. 1, 2010 – Mar. 31, 2011)
Net assets per share	1,967.08	1,968.14
Net profit per share	44.28	47.81
Diluted net profit per share	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 2010 Term (Apr. 1, 2009 – Mar. 31, 2010)	March 2011 Term (Apr. 1, 2010 – Mar. 31, 2011)
Net profit	1,340	1,447
Amount not available to common shareholders	-	-
Net profit available to ordinary shares	1,340	1,447
Average shares outstanding available to ordinary shares (Thousand shares)	30,280	30,280

(Important Later Event)

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

There are no relevant matters.

March 2011 Term (Apr. 1, 2010 – Mar. 31, 2011)

There are no relevant matters.