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In the event of any discrepancy, the original in Japanese shall prevail.)

Reference Materials for Meeting to Explain Settlement of Accounts for First Half of March 2009 Term

November 18, 2008



SANSHIN ELECTRONICS CO., LTD.

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(Stock code: 8150)

Note for Use of This Reference Material

The business forecast given in this presentation is a forecast for the future based on data available at present and contains potential risks and uncertainties. The actual performance may differ considerably from the forecast due to various factors. The main important factors affecting the actual business performance are listed below.

- Economic Situation and Consumer Trends in Japan, North America and Asia, etc.
- Production Trends and Product Development by Clients
- Supply Situation and Product Development by Suppliers
- Price Decline due to Intensified Competition
- Major Changes to Foreign Exchange Rates

I. Summary of Business Performance for First Half of March 2009 Term

	08/3 1 st Half Result	09/3 1 st Half Result	Year-on- Year	* Initial Forecast	Achievement Ratio
Net Sales	1,377	1,291	94%	1,210	107%
Gross Profit to Net Sales	6.4% 88.2	6.2% 79.7	90%	6.4% 76.9	104%
Selling, General and Administrative Expenses	4.0% 55.6	4.1% 53.0	95%	4.6% 55.1	96%
Operating Profit	2.4% 32.6	2.1% 26.7	82%	1.8% 21.8	122%
Ordinary Profit	2.4% 33.1	2.3% 29.1	88%	1.8% 22.0	132%
Net Profit for First Half	1.5% 20.6	1.2% 15.9	77%	0.9% 11.0	145%
Foreign Exchange Rate (US\$1)	¥115.46	¥103.63	90%	¥100.00	Increase/Decrease +¥3.63

* 1) First half: April 1 to September 30

* 2) Initial forecasts are the projected figures announced on 14th May, 2008
(in Settlement of Accounts for the Fiscal Year ended March 31, 2008)

		08/3 1 st Half Result	09/3 1 st Half Result	Year-on- Year	* Initial Forecast	Achievement Ratio
Device Business	Net Sales	1,305	1,226	94%	1,141	107%
	Operating Profit	2.9%	2.6%	83%	2.4%	115%
Solution Business	Net Sales	72.2	64.4	89%	69.0	93%
	Operating Profit	3.0%	3.0%	87%	2.9%	95%
Foreign Exchange Rate (US\$1)		¥115.46	¥103.63	90%	¥100.00	Increase/ Decrease +¥3.63

* 1) The sum of the operating profits of the device business and the solution business differs from the consolidated operating profit because of the figure for “Elimination/Corporation”.

* 2) First half: April 1 to September 30

* 3) Initial forecasts are the projected figures announced on 14th May, 2008
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II. Business Forecast for March 2009 Term

Sanshin Electronics Proving the Value of Its Existence Based on Reliability and Solutions

- ★ Stable supply of products best suited to clients
 - ★ Strengthening of sales functions for suppliers
- ⇒ Enhanced value of Sanshin's Existence



Clients (mainly set makers)

Selection of best suited products
Achievement of stable supply

Suppliers (mainly parts manufacturers)

Insufficient resources for sales
functions due to concentration
on development/production

Challenges

Sanshin Electronics

Offering the Best Solutions

Win the trust of clients and suppliers by offering the best solutions based on four pillar policies: “product distribution,” “product range,” “product coordination” and “technological strength”

Value of Sanshin's Existence

Product
Distribution

Stable product supply and
thorough quality control

Product
Range

One-stop support with
extensive product line-up

Product
Coordination

Proposing the best suited
products, kits and systems

Technological
Strength

Providing high value-added
services with technical
support

Offering
the best
solutions

Stable supply of
best suited
products

Clients

Suppliers

Strengthening
of sales
functions

Management Strategy

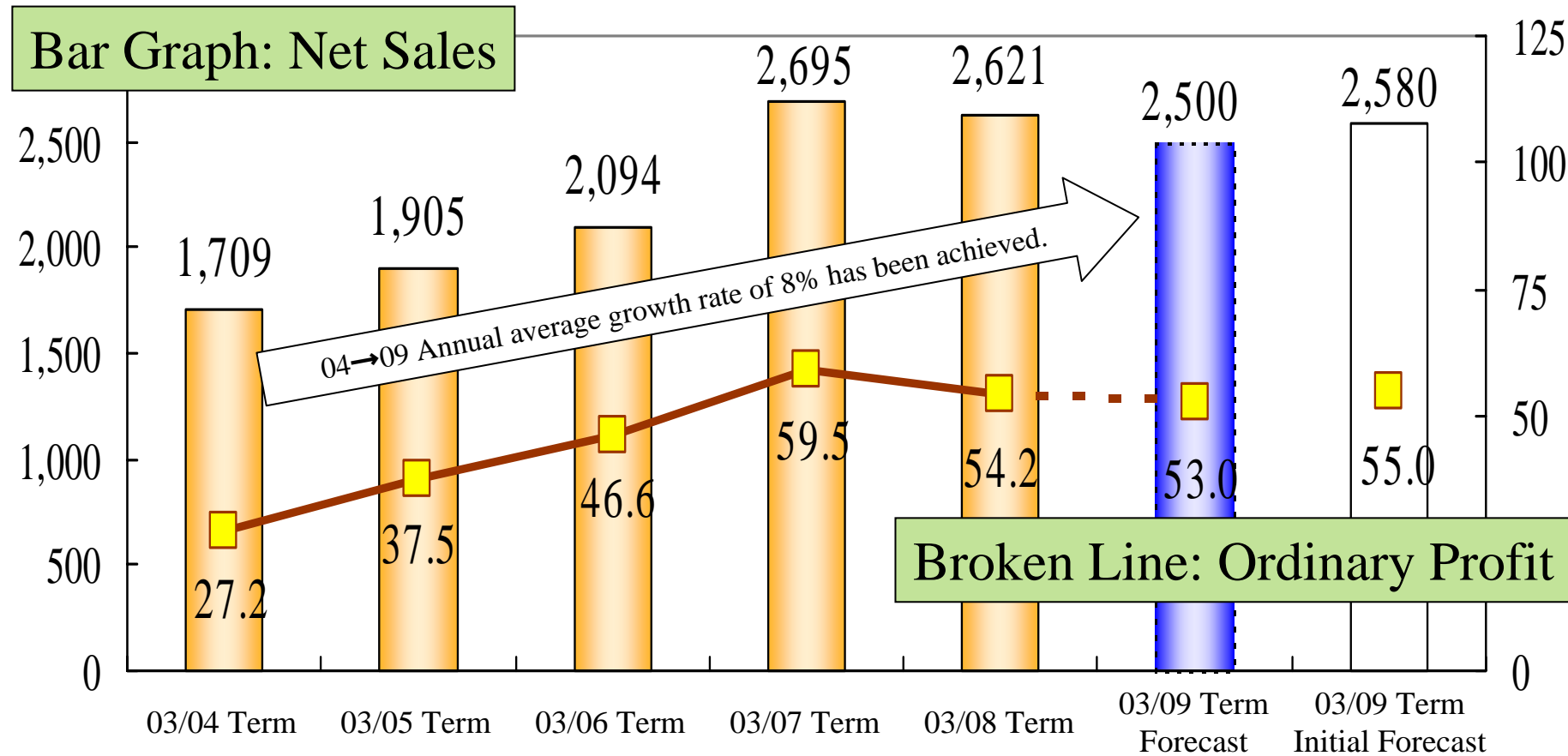
Strengthening of corporate capacity to turn changes in the business environment into new opportunities

- Increase contribution to the clients' efficient product procurement by becoming a multi-vender
- Bolster response to customization, kit sales, integrated system sales
- Expansion into new businesses by proposing new products and services

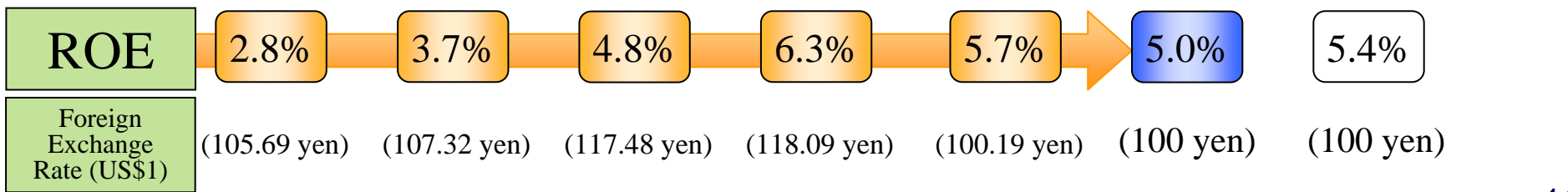
Challenges associated with implementing the management strategies above

- 1) Development of technical support system
- 2) Strengthening of marketing capacity for core products
- 3) Expansion of product line-up
- 4) Strengthening of marketing efforts in growth sectors
- 5) Improvement of sales network
- 6) Enhancement of commitment to CSR

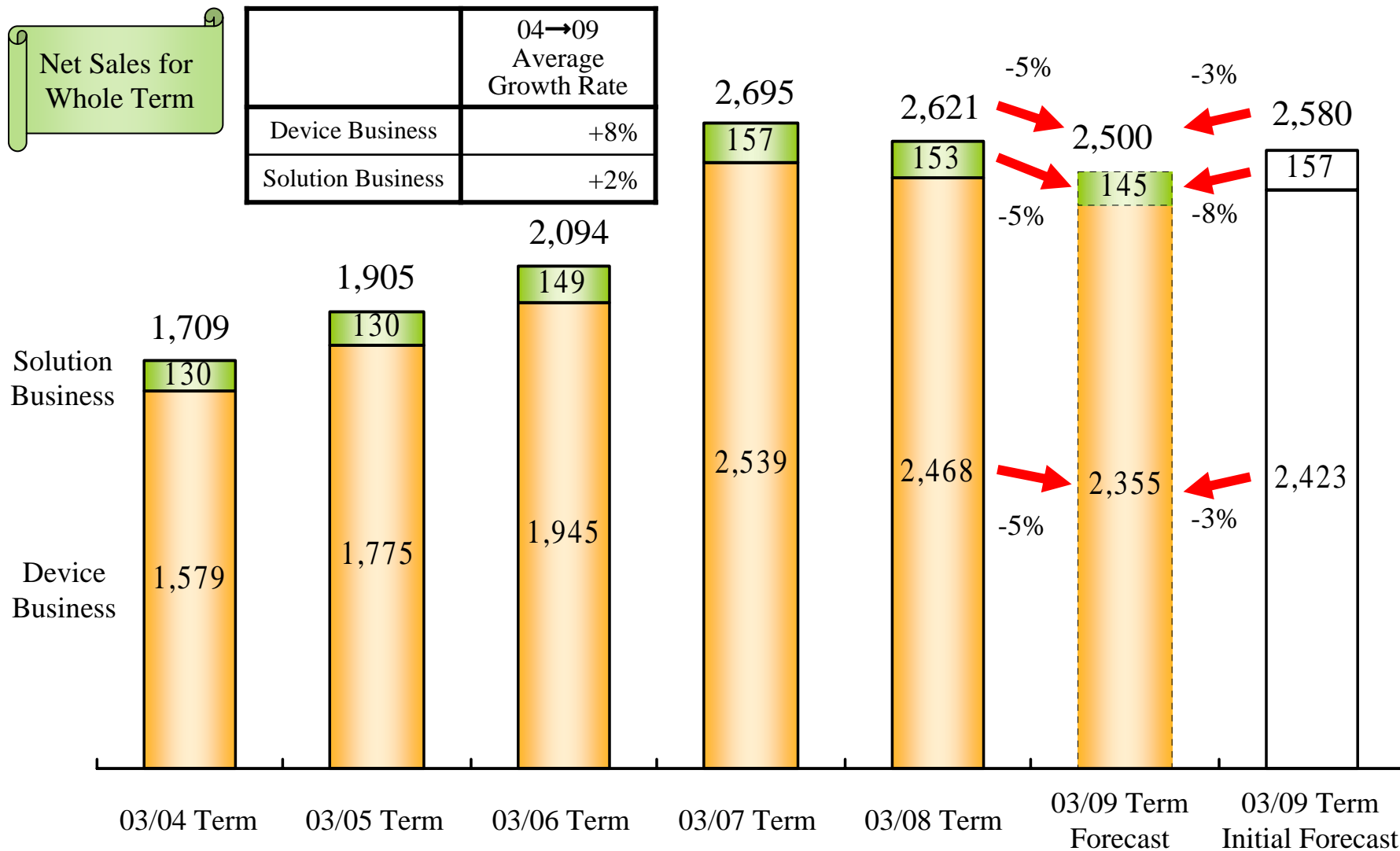
Forecast net sales and ordinary profit for the March 2009 Term have been revised downward due to the expected slowdown of the economy.



Broken Line: Ordinary Profit



- A 5% net sales drop expected in the both segments for the March 2009 Term due to a continuing declining trend
- 04 – 09 average annual growth rate: +8% for the device business, +2% for the solution business



	03/08 Term Result	1 st Half Result	2 nd Half Forecast			Forecast for 03/09 Term	Year-on-Year	Compared to Initial Forecast	Rate of Change
			Initial	Current	Change				
			Net Sales	2,621	1,291				
Gross Profit to Net Sales	6.0%	6.2%	6.4%	6.4%		6.3%		6.4%	
	158.0	79.7	87.5	77.9	-9.6	157.6	100%	164.4	-4%
Selling, General and Administrative Expenses	4.1%	4.1%	4.0%	4.4%		4.3%		4.3%	
	107.4	53.0	54.8	53.6	-1.2	106.6	99%	109.9	-3%
Operating Profit	1.9%	2.1%	2.4%	2.0%		2.0%		2.1%	
	50.6	26.7	32.7	24.3	-8.4	51.0	101%	54.5	-6%
Ordinary Profit	2.1%	2.3%	2.4%	2.0%		2.1%		2.1%	
	54.2	29.1	33.0	23.9	-9.1	53.0	98%	55.0	-4%
Net Profit	1.3%	1.2%	1.6%	1.2%		1.2%		1.3%	
	34.2	15.9	22.0	14.1	-7.9	30.0	88%	33.0	-9%
Consolidated ROE	5.7%	—	—	—	—	5.0%	Increase/Decrease -0.7P	5.4%	Increase/Decrease -0.4P
Foreign Exchange Rate (US\$1)	¥100.19	¥103.63	—	—	—	¥100.00	100%	¥100.00	—

* 1) First half: April 1 to September 30, Second half: October 1 to March 31

* 2) Initial forecasts are the projected figures announced on May 14, 2008
(in Settlement of Accounts for the Fiscal Year ended March 31, 2008)

		03/08 Term Result	Forecast for 03/09 Term				Year-on-Year	Compared to Initial Forecast	Rate of Change	
			1 st Half Result	2 nd Half Forecast						
				Initial	Current	Change				
Device Business	Net Sales	2,468	1,226	1,282	1,129	-153	2,355	95%	2,423	-3%
	Operating Profit	2.4%	2.6%	2.7%	2.4%		2.5%	2.6%	62.0	-5%
Solution Business	Net Sales	153.0	64.4	88.0	80.6	-7.4	145.0	95%	157	-8%
	Operating Profit	3.7%	3.0%	5.7%	5.7%		4.5%	4.5%	7.0	-7%
Foreign Exchange Rate (US\$1)		¥100.19	¥103.63	—	—	—	¥100.00	100%	¥100.00	—

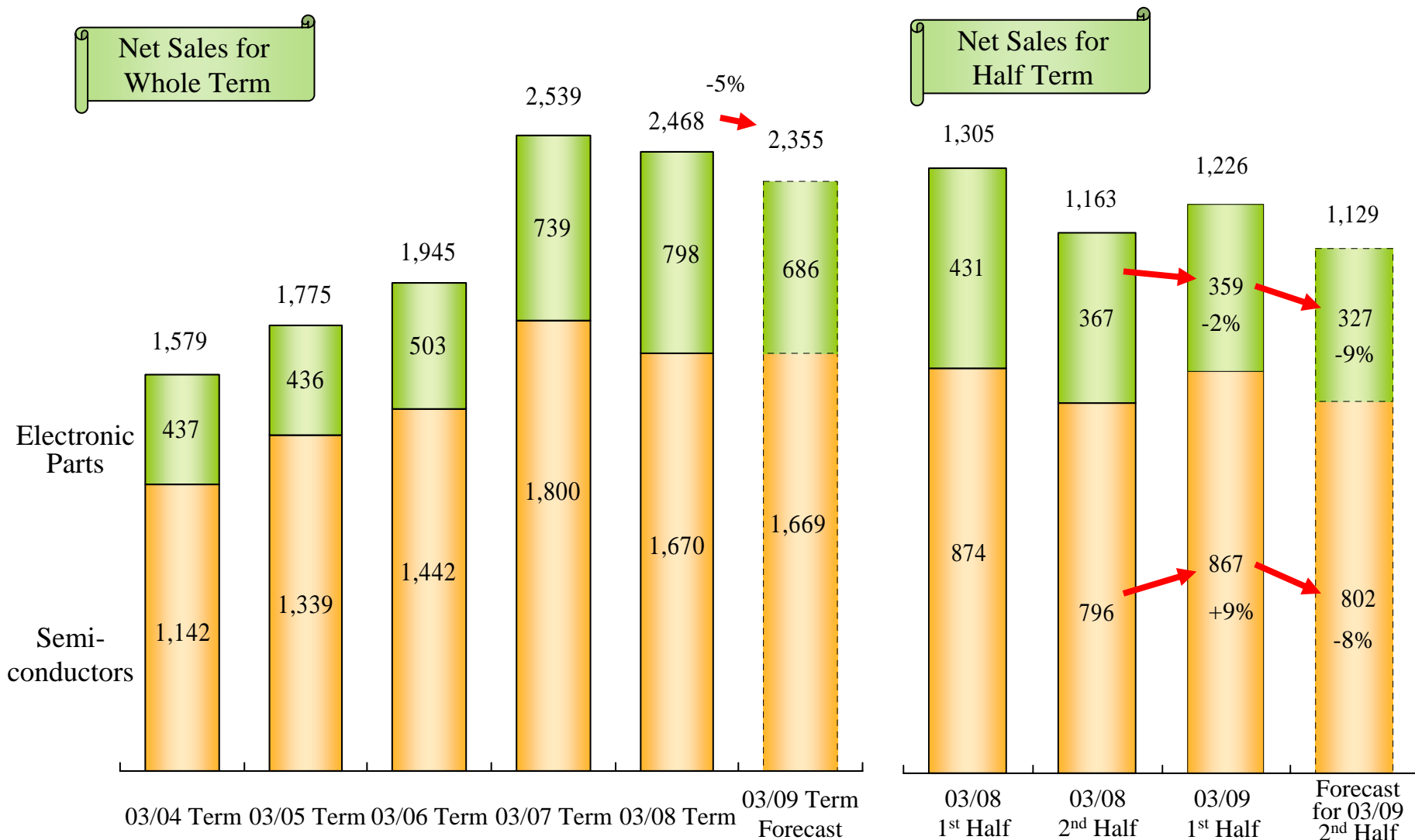
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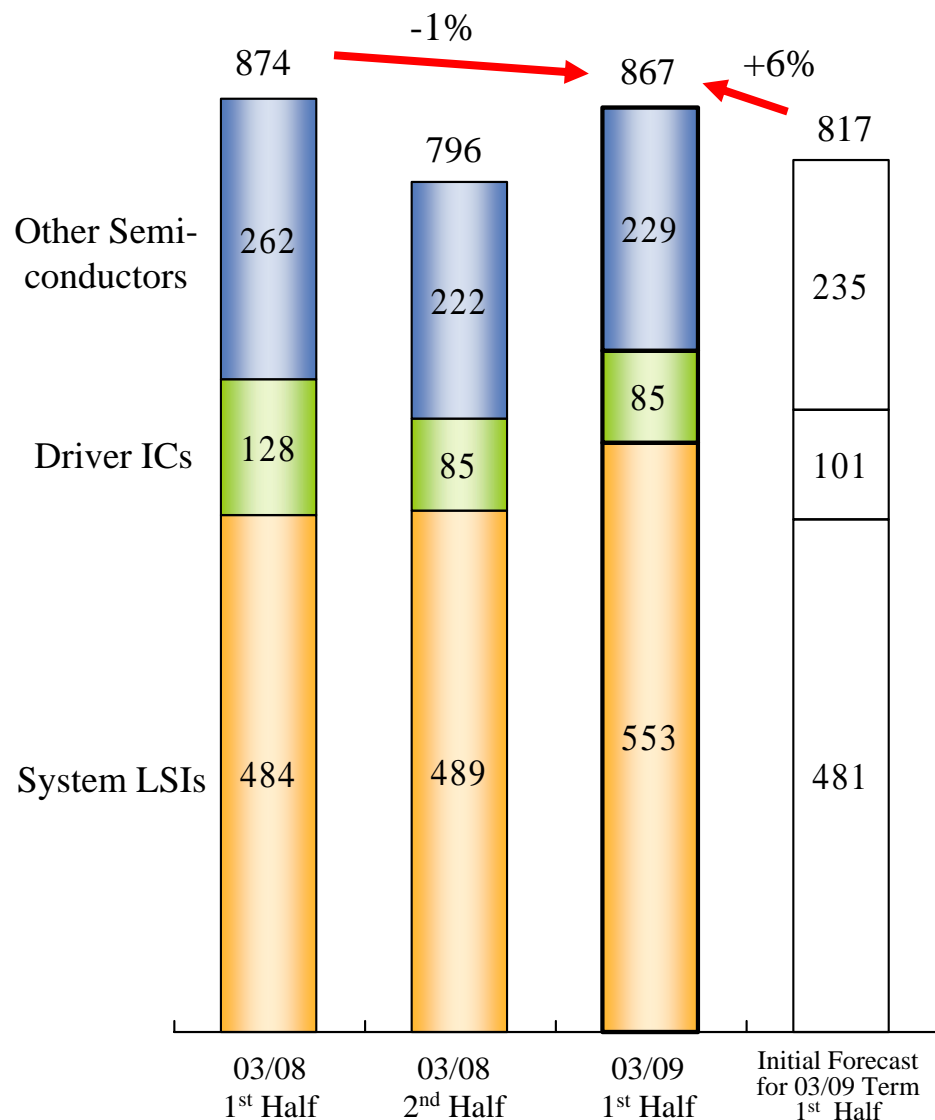
Forecast for the Device Business

- Projected sales growth for the March 2009 Term: flat for semiconductors; -14% for electronic parts
- In the second half of the March 2009 Term, net sales for both semiconductors and electronic parts are expected to decline from the first half.



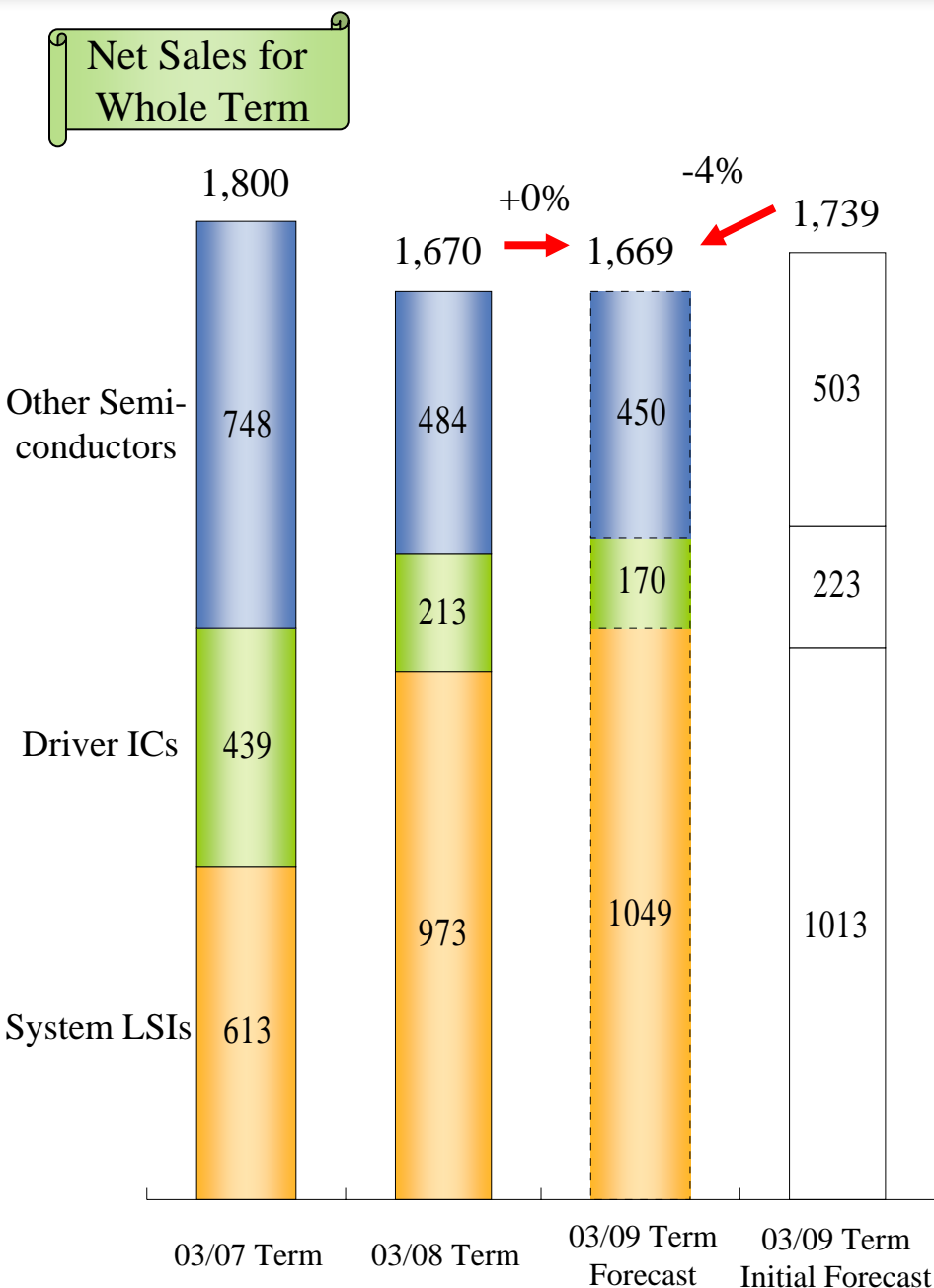
Net Sales for Half Term

[Increase/Decrease Compared to Same Period of Previous Year]



- System LSIs (NECEL products only)
 - Steady sales increase for digital AV equipment
 - Firm sales for gaming machines
- Driver ICs (NECEL products only)
 - Sales decrease for LCD TVs
- Other Semiconductors
 - Steady sales of microcomputers
 - Decline in sales of ST Microelectronics products, fingerprint authentication ICs, memories and CMOS sensors

	Compared to 1st Half of 03/08 Term	Compared to Initial Forecast
System LSIs	+14%	+15%
Driver ICs	-34%	-15%
Other Semiconductors	-12%	-2%



[Increase/Decrease Compared to Previous Year]

■ System LSIs (NECEL products only)

- Sales decrease from the first half to the second half
- Sales increase for digital AV equipment and firm sales for gaming machines for the whole term

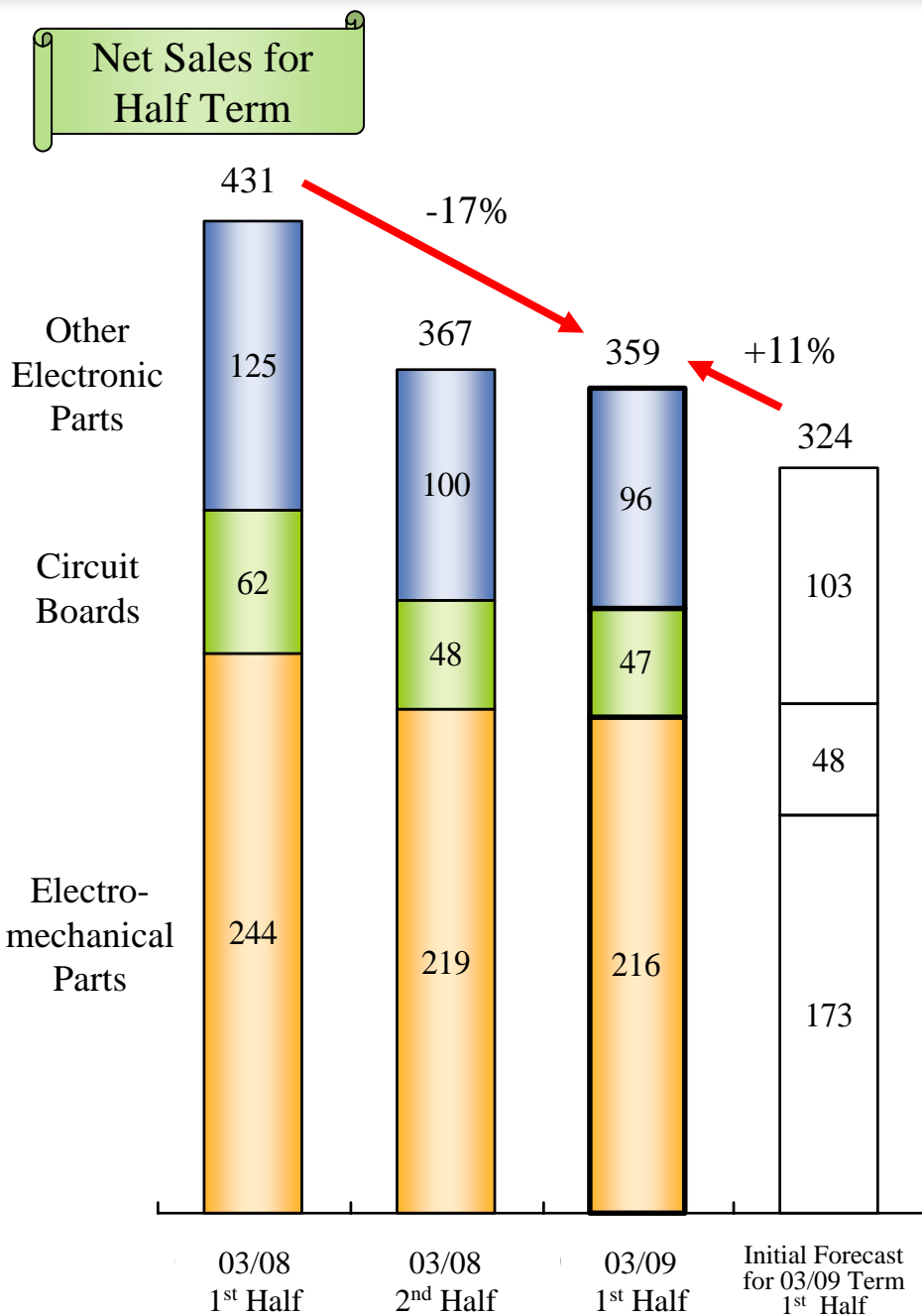
■ Driver ICs (NECEL products only)

- Slight sales increase from the first half to the second half
- Slow sales for LCD TVs throughout the year

■ Other Semiconductors

- Sales decrease from the first half to the second half
- Steady sales of microcomputers
- Slow sales of ST Microelectronics products, fingerprint authentication ICs, memories and CMOS sensors throughout the year

	Year-on-Year	Compared to Initial Forecast
System LSIs	+8%	+4%
Driver ICs	-20%	-24%
Other Semiconductors	-6%	-12%

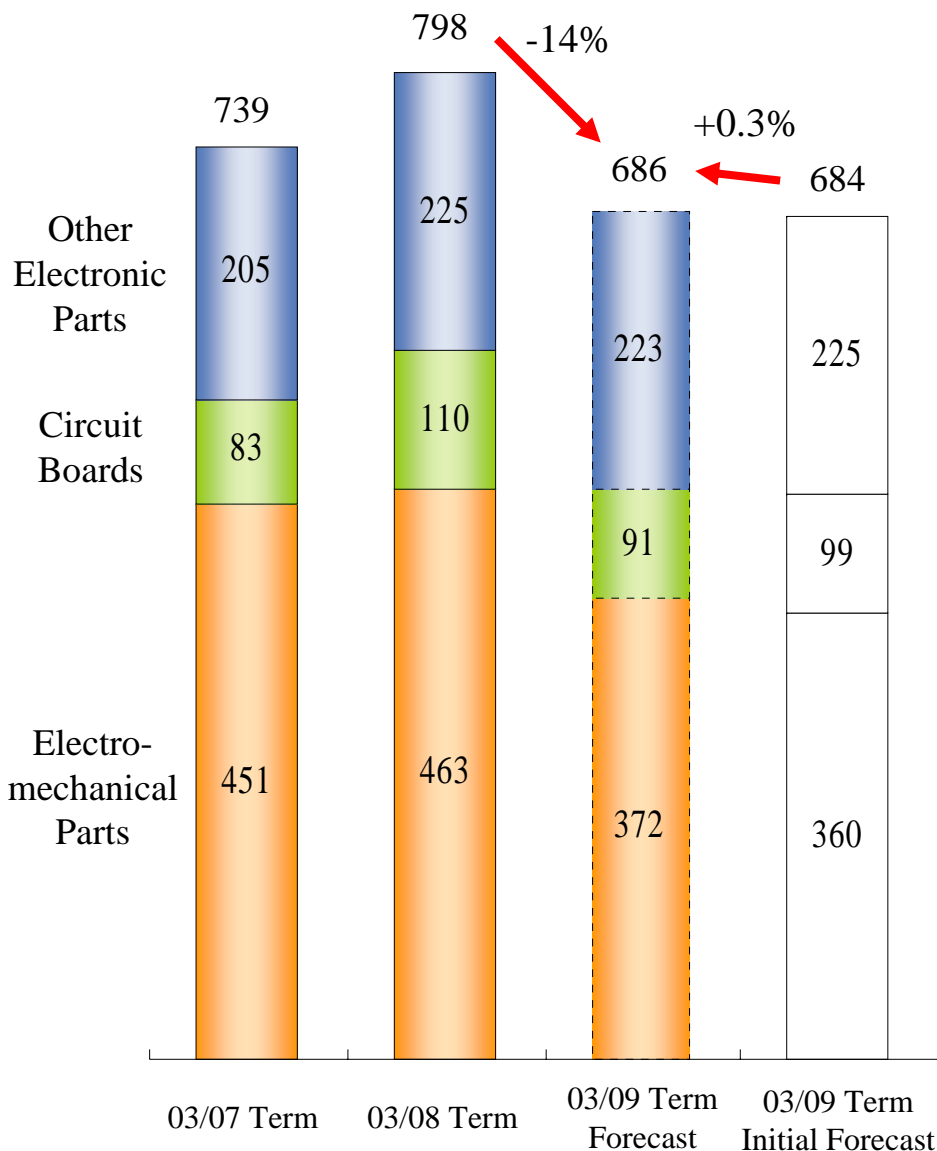


[Increase/Decrease Compared to Same Period of Previous Year]

- Electromechanical Parts
 - Sales decrease for LCD TVs and mobile phones
 - Steady sales of circuit components for gaming machines
- Circuit Boards
 - Sales decrease for gaming machines
- Other Electronic Parts
 - Sales increase of SII products for gaming machines
 - Decline in sales of wireless WAN module products in the first half
 - Decrease of the module business for PDAs

	Compared to 1st Half of 03/08 Term	Compared to Initial Forecast
Electromechanical Parts	-12%	+25%
Circuit Boards	-24%	-1%
Others	-23%	-7%

Net Sales for Whole Term



[Increase/Decrease Compared to Previous Year]

■ Electromechanical Parts

- Sales decrease from the first half to the second half
- Decline in sales of connectors for LCD TVs and mobile phones
- Decline in sales of circuit components for gaming machines for the whole term

■ Circuit Boards

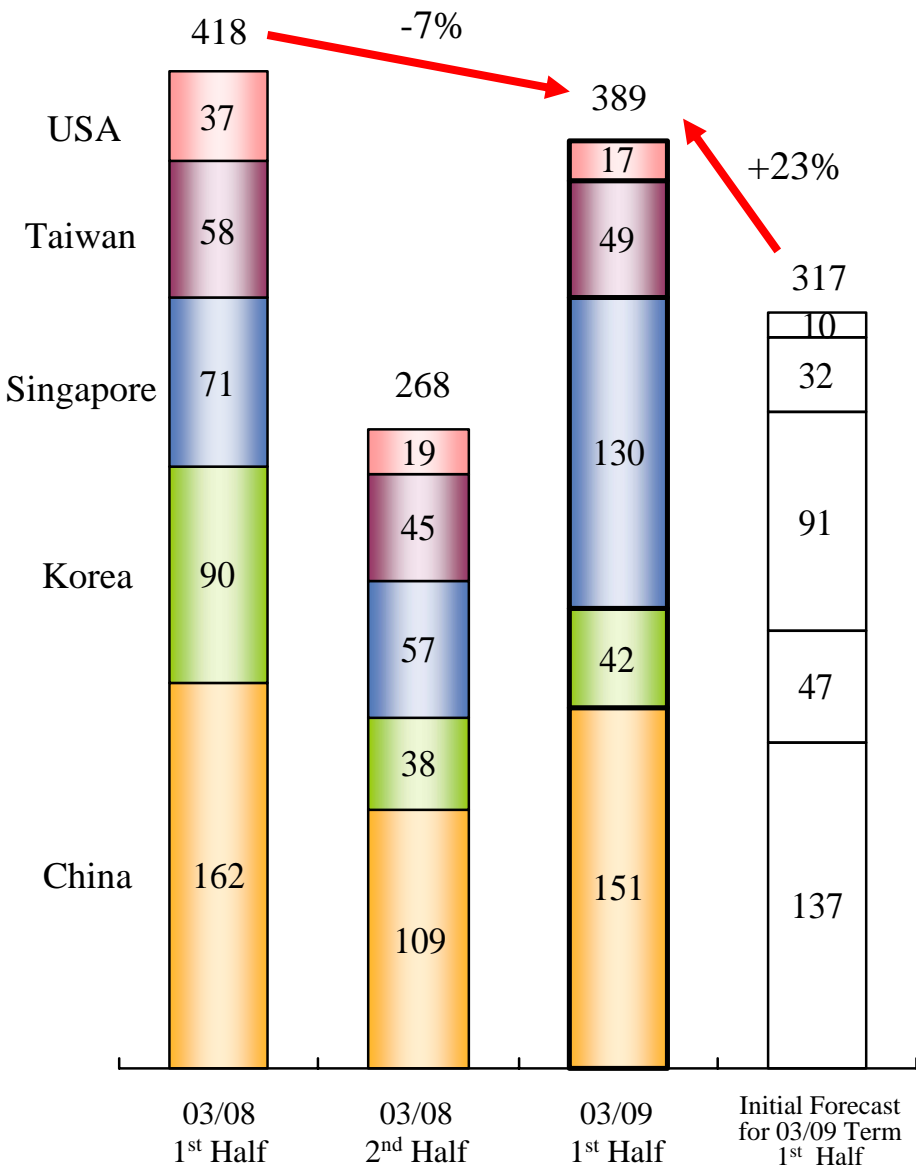
- Sales decrease from the first half to the second half
- Sales decrease for gaming machines

■ Other Electronic Parts

- Sales increase from the first half to the second half
- Steady sales of SII products for gaming machines
- Start-up of wireless WAN module products in the second half
- Decrease of the module business for PDAs

	Year-on-Year	Compared to Initial Forecast
Electromechanical Parts	-20%	+3%
Circuit Boards	-18%	-8%
Others	-1%	-1%

Net Sales for Half Term

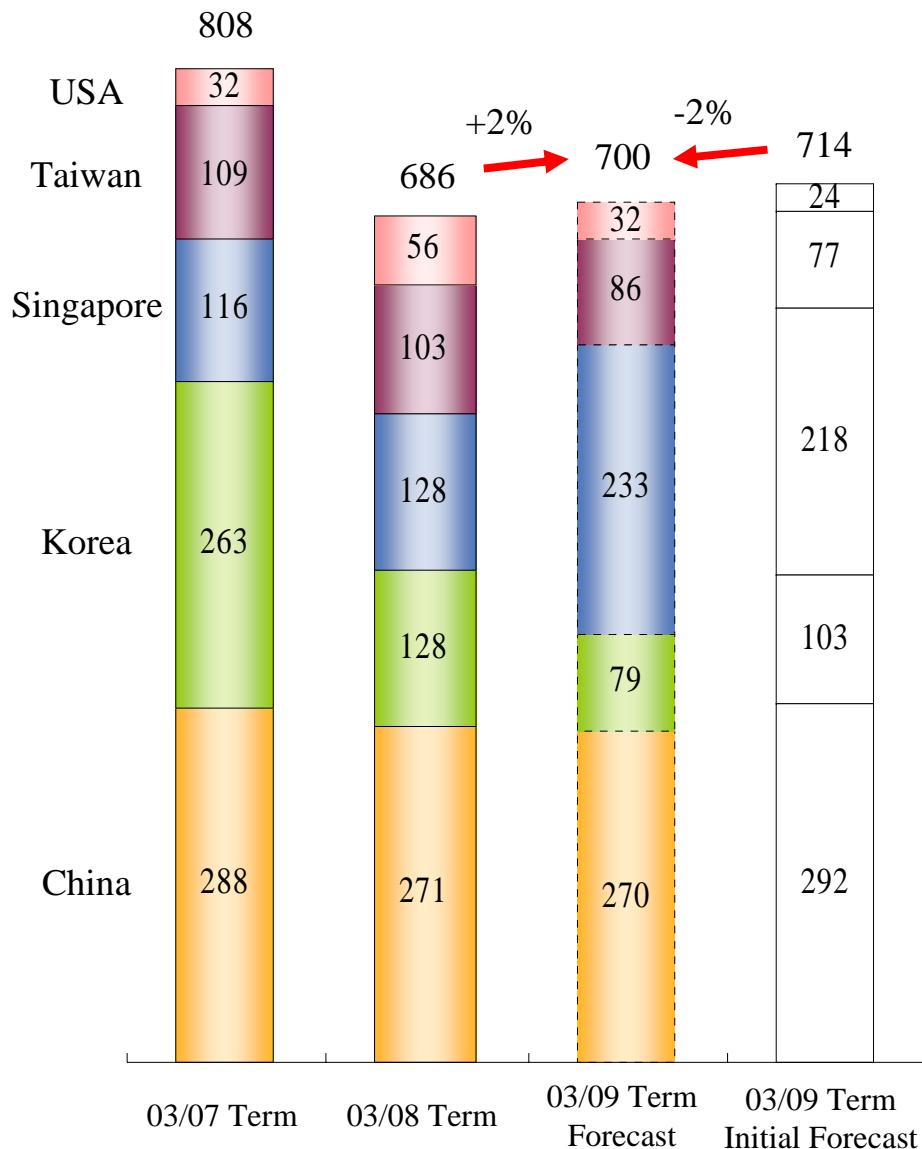


[Increase/Decrease Compared to Same Period of Previous Year]

- China
 - Generally sluggish sales for audio and mobile phones in the first half in addition to the end of the business for HD-DVDs
- Korea
 - Decline in sales of driver ICs for LCD TVs
- Singapore
 - Significant sales increase of system LSIs for digital AV equipment
- Taiwan
 - Sales decrease due to the effect of the transfer of the management responsibility for JAE products to the subsidiary in Shanghai, despite increased sales for gaming machines
- USA
 - Sales decrease for PDAs and LCD TVs

	Compared to 1 st Half of 03/08 Term	Compared to Initial Forecast
China	-6%	+10%
Korea	-53%	-10%
Singapore	+83%	+44%
Taiwan	-15%	+52%
USA	-55%	+63%

Net Sales for Whole Term



[Increase/Decrease Compared to Previous Year]

- China
 - Sales increase for gaming machines did not offset sales decrease for audio and mobile phones and the effect of the end of the business for HD-DVDs.
- Korea
 - Decline in sales of driver ICs for LCD TVs
- Singapore
 - Substantial sales increase of system LSIs for digital AV equipment
- Taiwan
 - Sales increase for PCs and gaming machines did not offset the effect of the transfer of management responsibility for JAE products.
- USA
 - Sales decrease for PDAs and LCD TVs

	Year-on-Year	Compared to Initial Forecast
China	±0%	-7%
Korea	-38%	-23%
Singapore	+82%	+7%
Taiwan	-17%	+12%
USA	-43%	+31%

System LSIs

- 1) For LCD TVs, Blu-ray players/recorders, STBs, mobile devices
 - Increased sales of LSIs for image processing (EMMA) and LSIs for optical drives (SCOMBO)
 - Increased sales of DRAM-mounted ASIC for LCD TVs
 - System proposal and achievement of technological resources for expanding new markets

LC Driver ICs

- 1) Increased sales through overhaul of potential clients
 - Steady follow-up of business negotiations in each sector (mobile/TVs/PCs)

Other Semiconductors

- 1) All Flash Microcomputers
 - Strengthening of sales expansion to volume zones with ASSP and software embedded products
 - Increased sales to new markets with solution proposals
 - Accumulation and aggressive sales expansion of automobile electronic technology
- 2) ST Microelectronics
 - More clients in the Kansai region and the development of new clients through sales cooperation
 - Proper commercialization of new supplier companies
- 3) Other Semiconductors
 - Expansion of kit sales based on cooperation between line and technology sales promotion divisions

Electromechanical Parts

- 1) Continued sales expansion, primarily with strategic products of suppliers
 - Expansion of kit sales based on cooperation between line and technology sales promotion divisions
 - Products responding to high-speed transmission, lighter and thinner products, high density, proadlizers, etc.

Circuit Boards

- 1) Sales expansion into the liquid crystal sector, and improvement of technical skills in tandem with sales strategies
- 2) Horizontal development of build-up boards and flexible flat cables

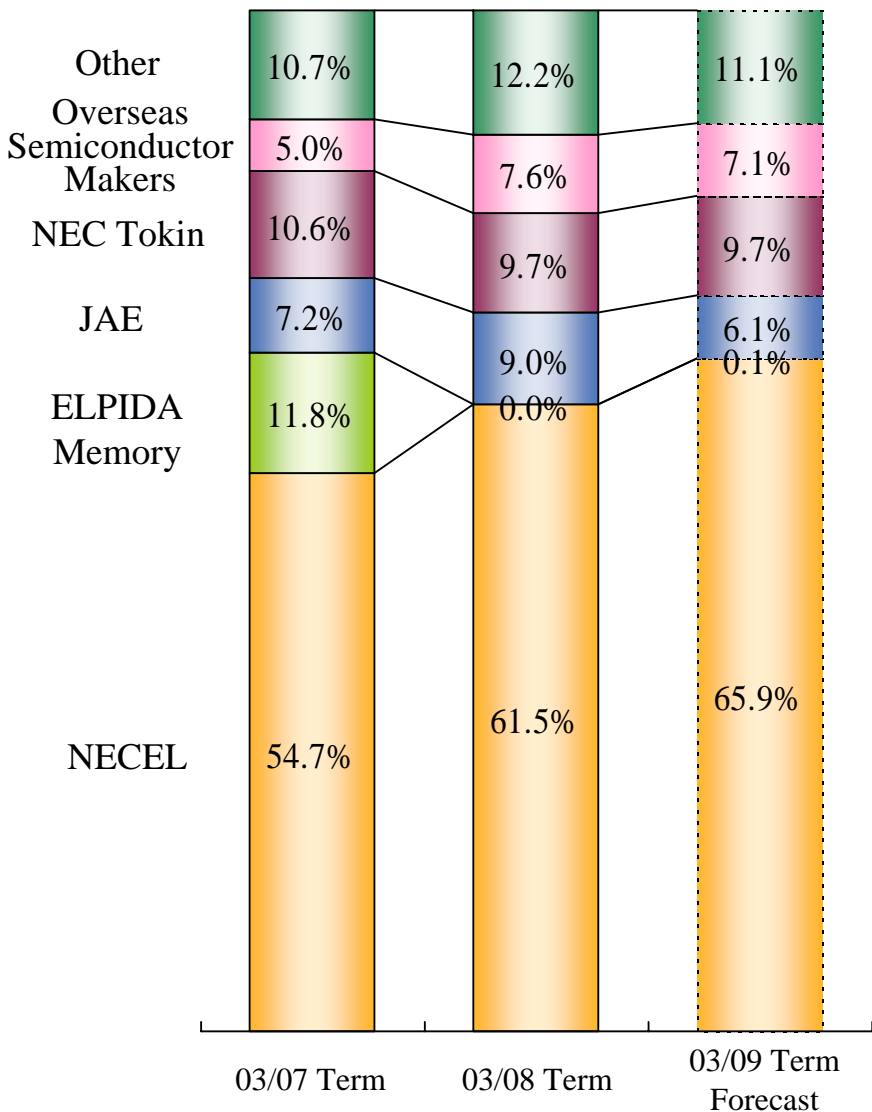
Other Electronic Parts

- 1) Strengthening of sales expansion of the OPTION business (wireless WAN modules)
- 2) Provision of existing suppliers' products in overseas markets
- 3) Enhancement of product line-up by developing new suppliers to meet client needs

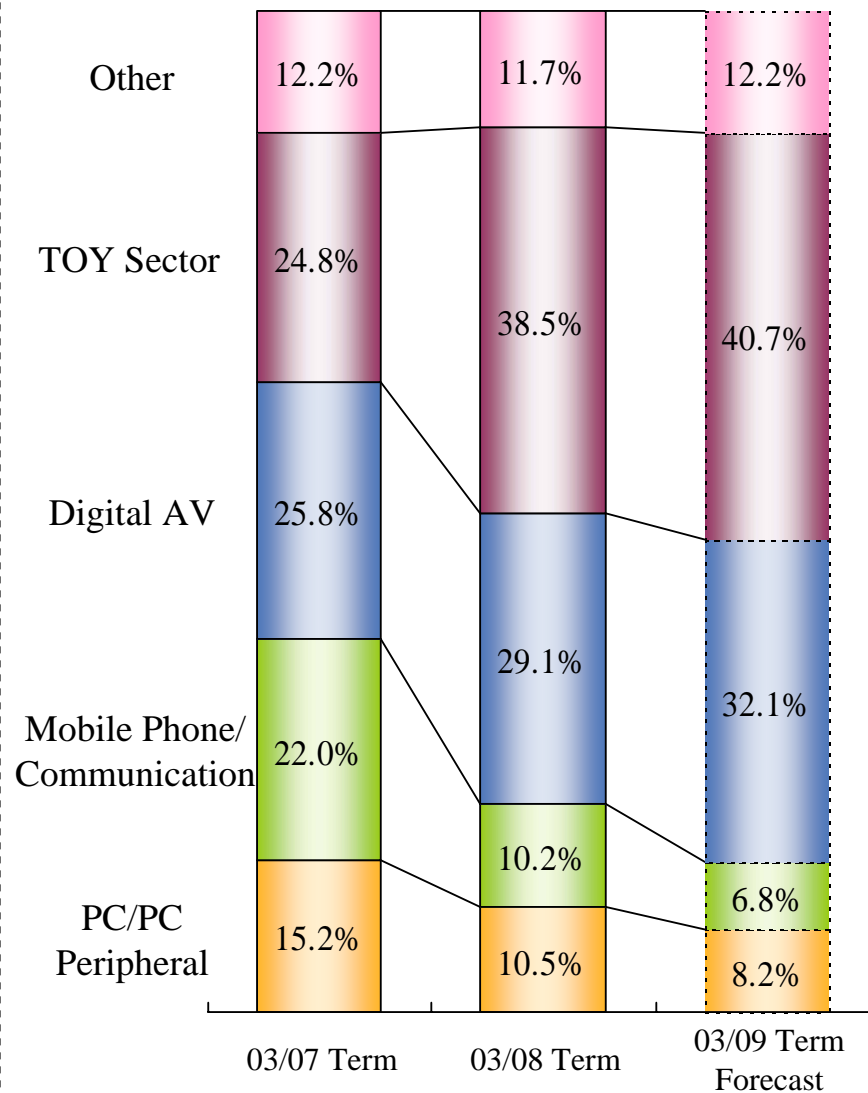
Common Policies for Semiconductors and Electronic Parts

- 1) Bolstering of the Asian business with China as the axis
 - Start-up of TV modules for mobile phones
 - Increased sales of commodity products to local clients

Net Sales Share by Supplier

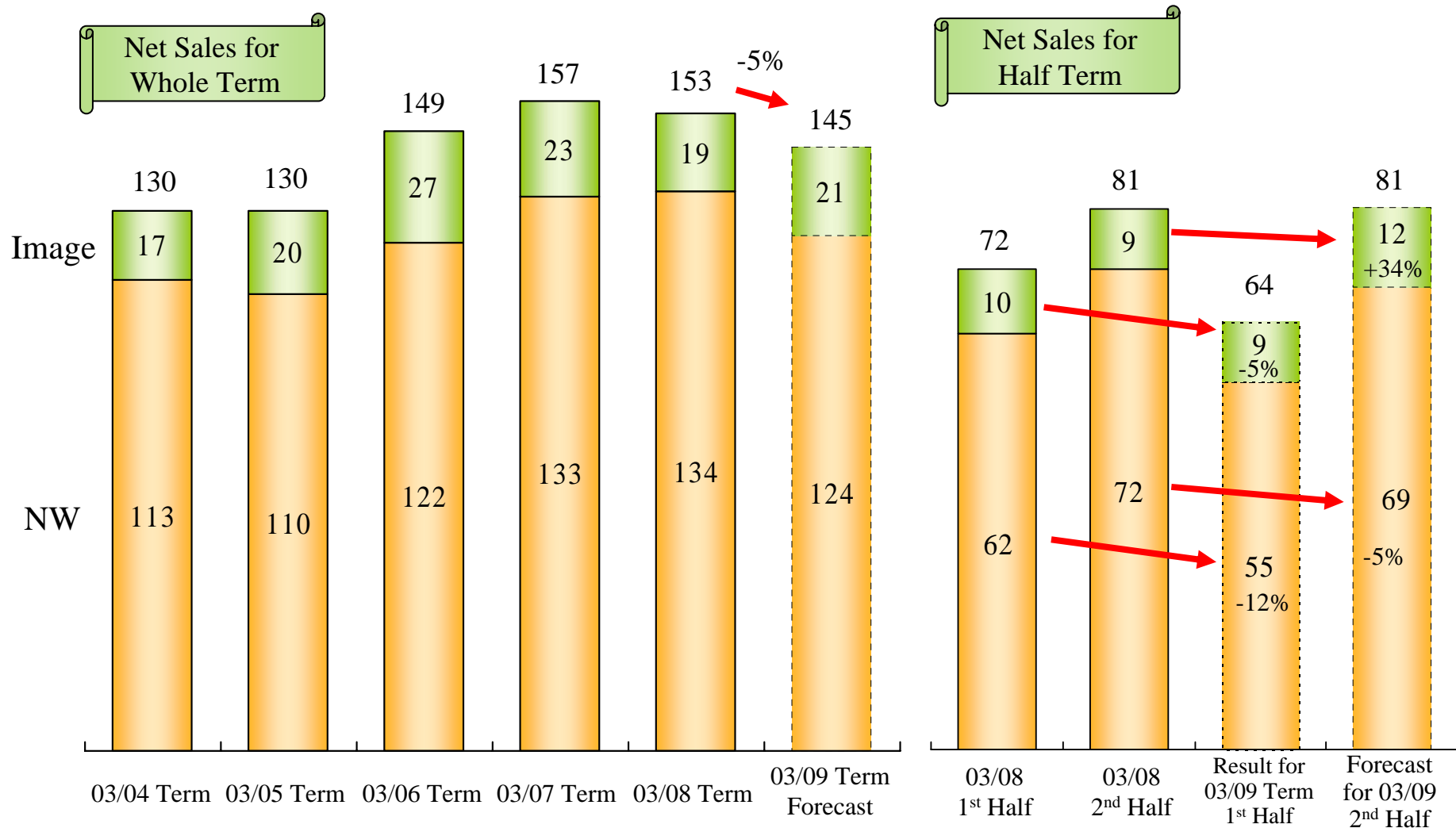


Net Sales Share by Sector



Forecast for the Solution Business

- Expected sales growth for the March 2009 Term: -0.8% for NW business and +14% for image processing business
- Increased sales for both NW and image processing businesses in the second half, but a 5% year-on-year decrease in sales for NW business



**NW
Business**

- 1) Strengthening of the business base through sales expansion to key accounts
- 2) Significantly higher sales of IP communication systems
- 3) Sales expansion of application software with focused products

**Image
Processing
Business**

- 1) Order increase and horizontal expansion of transmission/IP transmission system products
- 2) Strengthening of turnkey sales of video applications (Avid, Apple, etc.)
- 3) Introduction of measures to increase stock, such as call centers

**Common
Policies for
NW and
Image
Processing**

- 1) Expansion of the stock business (systems, SW maintenance, outsourcing)
- 2) Acquisition of new businesses (environment, digital signage, NGN, etc.)

III. Financial Situation

Item	End of Mar., 2008 Result A	End of Sep., 2008 Result B	B-A Increase/ Decrease	End of Mar., 2009 Forecast C	C-B Increase/ Decrease
Cash and Deposits	50	75	25	56	-19
Accounts Receivable - Trade	614	614	0	613	-1
Inventories	167	175	8	156	-19
Other Assets	142	125	-17	125	0
Total Assets	973	989	16	950	-39
Accounts Payable - Trade	250	313	63	281	-32
Interest Bearing Liabilities	97	37	-60	36	-1
Other Liabilities	28	32	4	34	2
Total Net Assets	598	607	9	599	-8
Total Liabilities and Net Assets	973	989	16	950	-39
Ratio of Net Worth to Total Capital	61.4%	61.4%	±0P	63.1%	+1.7P

Item	03/08 Term Result	Forecast for 03/09 Term		
		1 st Half Result	2 nd Half Forecast	Whole Term
Decrease (Increase) in Accounts Receivable -Trade	131	1	0	1
Decrease (Increase) in Inventories	22	-7	18	11
Increase (Decrease) in Accounts Payable-Trade	-24	61	-30	31
Others	12	37	1	38
Operating C/F	141	92	-11	81
Investing C/F	-4	-1	-1	-2
Financing C/F	-129	-66	-7	-73
Foreign Currency Conversion Adjustments	-3	-0.1	0	-0.1
Increase/Decrease in Cash and Cash Equivalents	5	25	-19	6
Balance of Cash and Cash Equivalents at Term End	50	75	56	56

* 1st Half: April 1 to September 30, 2nd Half: October 1 to March 31

- Annual dividend per share of ¥38 (same as the previous year) with a target consolidated pay-out ratio of 30%
 → interim dividend of ¥18 set, and term-end dividend of ¥20 planned

	03/05 Term	03/06 Term	03/07 Term	03/08 Term	03/09 Term Forecast
1) Consolidated Net Profit for the Term	¥2,045 million	¥2,721 million	¥3,777 million	¥3,415 million	¥3,000 million
2) Consolidated Ratio of Net Worth to Total Capital	59.6%	55.5%	52.9%	61.4%	63.1%
3) Total Dividend (Dividend per Share)	¥589 million (¥18)	¥817 million (¥25)	¥1,059 million (¥33)	¥1,201 million (¥38)	¥1,169 million (¥38)
4) Consolidated Payout Ratio	28.8%	30.1%	28.3%	35.2%	39.0%
5) Value of Treasury Stocks Acquired (Number of Shares Acquired) *	-	-	870 million (700,000 shares)	809 million (700,000 shares)	891 million (1,000,000 shares)
6) Total Payout Ratio $(3 + 5) \div 1$	28.8%	30.1%	51.1%	58.9%	68.7%
7) Cancellation of Treasury Stocks	-	829,000 shares	716,000 shares	-	-
8) Total Number of Shares Issued (Excluding Treasury Stocks) (shares)	33,528,000 (32,706,000)	32,699,000 (32,694,000)	31,983,000 (31,983,000)	31,983,000 (31,282,000)	31,983,000 (30,281,000)
9) Net Profit per Share for the Term	¥61.70	¥82.35	¥116.79	¥106.95	¥99.07
10) Net Asset per Share	¥1,703.60	¥1,795.71	¥1,884.97	¥1,910.45	¥1,975.25

* Treasury stocks acquired do not include shares associated with requests to purchase shares constituting less than the minimum unit.