

To Whom It May Concern

18th October, 2006

Name of Company : Sanshin Electronics Co., Ltd.
Representative : Mitsumasa Matsunaga (President)
(Code No. 8150 Listed in the First Section of the Tokyo Stock Exchange)
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Notice of Revisions of Business and Interim Dividend Forecasts

Based on recent business trends, etc., please be advised of the following revisions of the forecasts for the consolidated business performance for the interim term, the consolidated as well as non-consolidated business performance for the interim term and dividend per share for the interim term of the March, 2007 Term (1st April, 2006 – 31st March, 2007) which were originally announced on 17th May, 2006 when the settlement of accounts was made public.

Description

I. Revisions of Forecast for Business Performance

1. Revisions of Forecast for Consolidated Interim Business Performance for March, 2007 Term

(1) Interim Term (1st April, 2006 – 30th September, 2006)

(Units: ¥ million, %)

	Sales	Ordinary Profit	Net Profit for the Term
Previous Forecast (A)	115,500	2,250	1,150
Current Forecast (B)	125,000	3,000	1,800
Modified Amount (B – A)	9,500	750	650
Rate of Increase/Decrease (%)	8.2%	33.3%	56.5%
(Reference) Interim Results for Previous Term (March, 2006 Term)	99,185	1,979	1,104

2. Revisions of Non-Consolidated Interim Business Performance for March, 2007 Term

(1) Interim Term (1st April, 2006 – 30th September, 2006)

(Units: ¥ million, %)

	Sales	Ordinary Profit	Net Profit for the Term
Previous Forecast (A)	87,000	2,250	1,250
Current Forecast (B)	89,800	2,750	1,700
Modified Amount (B – A)	2,800	500	450
Rate of Increase/Decrease (%)	3.2%	22.2%	36.0%
(Reference) Interim Results for Previous Term (March, 2006 Term)	72,611	1,719	982

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

3. Reasons for Revisions

The electronics industry has performed relatively well in the interim term in question although partial adjustments between supply and demand have been observed. Under such circumstances, both the consolidated as well as non-consolidated business performance of the Company are now expected to exceed the original forecasts because of the favourable sales of semiconductors and electronic parts for mobile phones and digital AV equipment. In regard to the business forecast for the whole term (1st April, 2006 – 31st March, 2007), it is planned to revise the forecast at the time of announcing the interim settlement of accounts scheduled to take place on 15th November, 2006.

II. Revision of Dividend Forecast

1. Revision of Interim Dividend Forecast for March, 2007 Term

(Unit: ¥)

	Interim
Previous Forecast (17th May, 2006)	11
Revised Forecast	15
(Reference) Actual Interim Dividend per Share for Previous Term	8

2. Reasons for Revision

The basic dividend policy of the Company is to decide the level of the dividend based on two primary principles, i.e. an increased return of the profit to shareholders and the consolidation of internal reserves. Under this policy, the Company is striving to continue to pay the dividend in a stable manner as well as to increase the amount of the dividend for shareholders, taking the consolidated business performance and the pay-out ratio into careful consideration.

In consideration of (i) the prospect that the consolidated business performance for the interim term is likely to exceed the original forecast announced on 17th May, 2006 and (ii) the consolidated pay-out ratio, it is now decided to revise the interim dividend per share for the March, 2007 Term and to increase it by ¥4 from the previous forecast of ¥11 to ¥15. In regard to the term end dividend forecast, any change from the original forecast will be notified at the time of announcing the interim settlement of accounts scheduled to take place on 15th November, 2006.

Note

Please note that the business forecast in this notice is a forecast based on the rational judgement of the Company, in turn based on data which is currently available, and may change due to various factors.