

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



May 15, 2013

Summary of Financial Results for Fiscal Year Ended March 31, 2013 [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 21, 2013
 Scheduled date of filing of Annual Securities Report: June 24, 2013
 Scheduled date of dividend payment: June 24, 2013
 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 2013 Term (April 1, 2012 – March 31, 2013)

(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 2013 Term	147,963	2.6	2,032	101.5	1,629	103.2	1,131	119.2
March 2012 Term	144,159	(21.1)	1,008	(53.4)	802	(64.5)	516	(64.3)

(Note) Comprehensive profit March 2013 Term: 2,035 million yen (313.2%) March 2012 Term: 492 million yen ((22.7%))

	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 2013 Term	38.67	-	1.9	2.0	1.4
March 2012 Term	17.10	-	0.9	0.9	0.7

Reference) Investment profit and loss based on the equity method March 2013 Term: - million yen March 2012 Term: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 2013 Term	82,916	59,916	72.3	2,081.88
March 2012 Term	79,882	58,716	73.5	2,005.34

Reference) Shareholders' equity March 2013 Term: 59,916 million yen March 2012 Term: 58,716 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 2013 Term	(3,475)	758	(1,660)	11,164
March 2012 Term	14,771	(826)	(5,550)	15,235

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 2012 Term	-	10.00	-	10.00	20.00	595	117.0	1.0
March 2013 Term	-	10.00	-	10.00	20.00	580	51.7	1.0
March 2014 Term (forecast)	-	10.00	-	10.00	20.00		41.1	

3. Forecasts for Consolidated Business Performance for March 2014 Term (April 1, 2013 – March 31, 2014)
(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	80,000	15.9	650	5.1	650	1.5	400	17.9	13.90
Full year	170,000	14.9	2,000	(1.6)	2,000	22.7	1,400	23.8	48.65

*** Notes**

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

Newly added: - Excluded: -

(2) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes caused by revision of accounting standards: Yes

2) Other accounting changes: None

3) Changes in accounting estimates: Yes

4) Restatements: None

Note: Please refer to “3. Consolidated Financial Statements - (5) Notes on Consolidated Financial Statements (Changes in Accounting Policies)”, 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 2013 Term: 30,281,373 shares March 2012 Term: 30,281,373 shares

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

March 2013 Term: 1,501,550 shares March 2012 Term: 1,001,371 shares

3) Number of average stock during the term:

March 2013 Term: 29,252,529 shares March 2012 Term: 30,185,996 shares

(Reference) Overview of Non-consolidated Results
(1) Non-consolidated Business Performance for March 2013 Term (April 1, 2012 – March 31, 2013)
(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 2013 Term	112,415	15.9	470	-	1,136	114.6	806	97.6
March 2012 Term	96,972	(22.7)	(257)	-	529	(61.2)	408	(49.2)

	Net profit per share	Diluted net profit per share
	Yen	Yen
March 2013 Term	27.57	-
March 2012 Term	13.52	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 2013 Term	71,207	53,260	74.8	1,850.63
March 2012 Term	69,685	53,574	76.9	1,829.72

Reference) Shareholders' equity March 2013 Term: 53,260 million yen March 2012 Term: 53,574 million yen

*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. Analysis of Business Results and Financial Position – (1) Analysis of Business Results” on page 2 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 23, 2013. 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. Analysis of Business Results and Financial Position

(1) Analysis of Business Results

1) Business results for the fiscal year ended March 31, 2013

In the fiscal year under review, despite a gradual recovery in the US economy, the global economy remained uncertain because the European debt problem has still not been solved and there are concerns about the economic slowdown in China. The Japanese economy also remained in a severe situation throughout the fiscal year although signs of an easing of the yen's appreciation and rising stock prices emerged at the end of the fiscal year.

In the electronics industry, the drivers of the semiconductor and electronic component markets have obviously changed; for example, while sales of TVs and laptop/desktop PCs have fallen, sales of mobile devices such as smartphones and tablet PCs have been favorable. In the domestic IT industry, sales remained strong on the back of a growing interest in business continuity plans, and an increase in alternative demand in anticipation of the complete digitalization of wireless communication for firefighting and emergency services in local municipalities. Under these circumstances, we committed to strengthen business power and improve the management foundation and strove to improve sales and earning power.

As a result, in this consolidated fiscal year, sales increased 2.6% year-on-year to 147,963 million yen, operating profit increased 101.5% to 2,032 million yen, ordinary profit increased 103.2% to 1,629 million yen, and net profit increased 119.2% to 1,131 million yen. The return on equity (ROE) was 1.9%.

Consolidated performance by business segment for the term is as follows.

(Device Segment)

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, while sales of semiconductors for digital home appliances and hard disk drives declined, those for home gaming equipment and mobiles increased, and sales overall, expanded over the previous term. Further, with respect to electronic components, while some startups of new businesses were seen, in general, sales declined in comparison with the previous term.

As a result, consolidated segment sales increased 1.5% year-on-year to 135,111 million yen for the current consolidated fiscal year. The segment profit ended at 631 million yen (up 58.5% from the previous term).

Orders received stood at 136,859 million yen, and the order backlog was 32,054 million yen.

(Solution Segment)

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, in the network system business, net sales increased year-on-year since sales for firefighting and disaster prevention grew significantly. In the image editing system business, net sales also increased year-on-year partly owing to the delivery of large-scale broadcasting equipment.

As a result, consolidated segment sales increased 16.5% year-on-year to 12,851 million yen for the current consolidated fiscal year. The segment profit ended at 1,214 million yen (up 31.0% from the previous term).

Orders received totaled 13,772 million yen, while the order backlog stood at 5,279 million yen.

2) Outlook for the next fiscal year

We expect the global economy to continue to recover, though gradually, especially in the US and China, and the Japanese economy to move toward a moderate recovery due to the effects of monetary easing and various economic measures, despite the financial uncertainty in Europe.

Under such circumstances, the forecast of consolidated business results for the next fiscal year is as follows because we expect the recovery of the overall market, strong sales for mobile devices, and the launch of new businesses.

(Prospect for Consolidated Business Results)

Net sales:	170 billion yen (14.9% increase compared with the previous fiscal year)
Operating profit:	2 billion yen (1.6% decrease compared with the previous fiscal year)
Ordinary profit:	2 billion yen (22.7% increase compared with the previous fiscal year)
Net profit:	1.4 billion yen (23.8% increase compared with the previous fiscal year)

(Assumed exchange rate: US\$ 1 = 90 yen)

(2) Qualitative Information Regarding Consolidated Financial Position

1) Assets, liabilities and net assets

As of March 31, 2013, assets totaled 82,916 million yen. This represented an increase of 3,033 million yen compared with March 31, 2012. This was mainly attributable to an increase of 6,375 million yen in merchandise inventories, an increase of 167 million yen in notes and accounts receivable, and a decrease of 4,070 million yen in cash and deposits.

Liabilities increased 1,833 million yen to 23,000 million yen, mainly because of a 1,018 million yen increase in notes and accounts payable.

Net assets increased 1,199 million yen to 59,916 million yen, mainly because of a 617 million yen increase in retained earnings, a 321 million yen increase in treasury stock, and a 1,117 million yen increase in foreign exchange conversion adjustments.

2) Cash flows

Cash and cash equivalents amounted to 11,164 million yen as of March 31, 2013, a decrease of 4,070 million yen compared with March 31, 2012. This was mainly due to an increase in expenditure caused by increase in inventories.

(Operating activities)

Net cash used in operating activities was 3,475 million yen. This was mainly because the expenditure caused by increase of inventories surpassed the income caused by decrease of notes and accounts receivable. This represented an expenditure increase of 18,247 million yen compared with the cash provided of 14,771 million yen in the previous consolidated fiscal year.

(Investing activities)

Net cash provided by investing activities was 758 million yen. This was mainly due to income caused by proceeds from sale of investment securities. This represented an income increase of 1,584 million yen compared with the cash used of 826 million yen in the previous consolidated fiscal year.

(Financing activities)

Net cash used in financing activities was 1,660 million yen. This was mainly due to expenditure caused by repayment of short-term loans and expenditure caused by purchase of treasury stock. This represented an expenditure decrease of 3,890 million yen compared with the previous consolidated fiscal year.

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

At the end of March 2014, the Company expects total assets to amount to 86 billion yen, 3.1 billion yen increase from the end of March 2013, mainly because of a projected increase in notes and accounts receivable. In addition, the Company expects interest-bearing debt to total about 3.3 billion yen at the end of March 2014.

Cash and cash equivalents at the end of March 2014 are expected to increase by about 0.8 billion yen from the end of March 2013 to about 12 billion yen. This is mainly because a decrease in inventories and an increase in notes and accounts payable are expected despite a projected increase in notes and accounts receivable.

Performance indicators associated with cash flows are as follows.

	March 2009 Term	March 2010 Term	March 2011 Term	March 2012 Term	March 2013 Term
Ratio of shareholders' equity (%)	72.1	68.6	64.5	73.5	72.3
Ratio of shareholders' equity on current price base (%)	23.1	27.6	23.0	25.5	21.8
Interest-bearing debt to cash flow ratio (year)	0.3	0.4	-	0.2	-
Interest coverage ratio	156.5	172.8	-	546.2	-

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

The device business, while greatly affected by decreased sales for digital electric home appliances such as TVs in the previous fiscal year, showed signs of recovery in the current fiscal year as a result of focusing on further sales expansion in growth areas. However, the business is still in the process of recovering profitability, and we think we must accelerate restructuring of the revenue base. We will make all-out efforts both to expand net sales and enhance profitability.

The solution business steadily improved thanks to a favorable market environment, and the issue now is to establish a stable revenue base less susceptible to environmental changes.

(4) Important issues

To implement these management strategies, the Group is committed to addressing the following issues:

1) Strengthening business capabilities

a. Further expanding sales of products for existing and new vendors (Device business)

As for products for existing vendors, the Group's existing core products, we will continue to seek further sales expansion and enhanced profitability by improving our sales structure in a manner consistent with vendors' strategies. We will also strive to increase customers by further expanding sales in the social infrastructure and industrial sectors.

As for products for new vendors, we will seek to increase customers and deepen relationships with existing customers by focusing on sales expansion to new customers and existing customers with high potential.

b. Strengthening capability for expanding international business (Device business)

As for overseas Japanese-affiliated customers, we will improve the organization of local subsidiaries and strengthen cooperation with the domestic sales division. As for local customers, who become increasingly important, we will seek to establish the growth base for the future by actively proposing new business models and promoting partnerships with local sales companies, in addition to expanding sales of products for existing and new vendors.

c. Building a balanced revenue structure and expanding stock businesses (Solution business)

We divide the solution business into six business units: networks, public offices, firefighting and disaster prevention, embedded systems, and application software (which comprise the network system business), as well as image editing. We will aim at a balanced revenue structure without heavily depending on a certain business unit. In each business unit, we will seek to build a business structure tolerant of environmental changes by accurately understanding products and technologies needed in the market and offering them to customers while deepening partnerships with vendors and partner companies. We will also strive to enhance customer satisfaction by improving our service lineup such as maintenance and operation support, which will become a source of stock businesses.

2) Business infrastructure development

a. Strengthening human resources

As noted above, especially in the device business, we must actively promote new businesses, which naturally require innovative ideas and ingenuity. We will strive to improve employees' skills by conducting organized training and strategic rotation of human resources. We will also focus on developing the locally-hired employees of overseas subsidiaries since doing business with local customers is increasingly important.

b. Improving infrastructure

Promoting new businesses leads to increased man-hours and risks. We will strive to improve operational efficiency and thoroughly minimize losses so as to enhance profitability by actively improving IT infrastructure. Logistics is also of greater importance as delivery areas are expanding with diversified business models. We will flexibly develop the logistics system using outsourcing and other methods.

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Million yen)

	March 2012 Term (As of Mar. 31, 2012)	March 2013 Term (As of Mar. 31, 2013)
Assets		
Current assets		
Cash and deposits	15,235	11,164
Notes and accounts receivable-trade	38,676	38,844
Merchandise inventories	16,329	22,704
Partly-finished work	3	0
Accrued income	202	114
Deferred tax assets	469	751
Others	1,852	2,846
Allowance for doubtful receivables	(24)	(36)
Total current assets	72,744	76,391
Fixed assets		
Property and equipment		
Buildings and structures	6,471	6,487
Accumulated depreciation	(4,417)	(4,505)
Buildings and structures, net	2,053	1,982
Land	2,140	2,140
Lease assets	120	112
Accumulated depreciation	(56)	(46)
Lease assets, net	64	66
Other	640	673
Accumulated depreciation	(587)	(616)
Other, net	53	56
Total property and equipment	4,313	4,245
Intangible fixed assets	215	177
Investments and other assets		
Investment in securities	2,103	1,766
Prepaid pension expenses	34	-
Others	654	396
Allowance for doubtful receivables	(182)	(61)
Total investments and other assets	2,609	2,102
Total fixed assets	7,138	6,525
Total assets	79,882	82,916

(Million yen)

	March 2012 Term (As of Mar. 31, 2012)	March 2013 Term (As of Mar. 31, 2013)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,777	16,795
Short-term loans payable	3,470	3,357
Lease obligations	18	20
Accrued corporate tax, etc.	148	543
Allowance for bonuses to employees	554	514
Allowance for bonuses to directors and corporate auditors	24	27
Others	955	1,488
Total current liabilities	20,948	22,746
Fixed liabilities		
Lease obligations	45	45
Deferred tax liabilities	1	1
Provision for retirement benefits	29	80
Others	141	126
Total fixed liabilities	218	253
Total liabilities	21,166	23,000
Net assets		
Shareholders' equity		
Capital stock	14,811	14,811
Capital surplus	15,329	15,329
Retained earnings	32,125	32,743
Treasury stock	(767)	(1,089)
Total shareholders' equity	61,499	61,795
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities	105	244
Deferred hedge gains/losses	6	(344)
Foreign exchange conversion adjustments	(2,895)	(1,778)
Total Accumulated other comprehensive income	(2,783)	(1,879)
Total net assets	58,716	59,916
Total liabilities and net assets	79,882	82,916

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

(Million yen)

	March 2012 Term (Apr. 1, 2011 – Mar. 31, 2012)	March 2013 Term (Apr. 1, 2012 – Mar. 31, 2013)
Net sales	144,159	147,963
Cost of sales	133,717	136,905
Gross profit on sales	10,442	11,058
Selling, general and administrative expenses	9,433	9,025
Operating profit	1,008	2,032
Non-operating profit		
Interest income	17	24
Dividend income	60	99
Purchase discounts	2	1
Others	65	63
Total non-operating profit	146	189
Non-operating expenses		
Interest expenses	27	18
Sales discounts	9	26
Foreign exchange loss	304	530
Others	12	16
Total non-operating expenses	352	592
Ordinary profit	802	1,629
Extraordinary profits		
Gain on sale of fixed assets	2	0
Gain on sale of investment securities	0	299
Total extraordinary profits	2	299
Extraordinary losses		
Loss on sales of fixed assets	0	0
Loss on disposition of fixed assets	6	2
Loss on sales of investment securities	-	111
Loss on valuation of investment securities	-	11
Loss on valuation of club membership	8	0
Settlement package	-	81
Total extraordinary losses	15	207
Net profit before tax and adjustments	788	1,722
Corporate, resident and enterprise taxes	278	668
Adjustment for corporate tax, etc.	(5)	(77)
Total income taxes	272	590
Income before minority interest	516	1,131
Net profit	516	1,131

(Consolidated Comprehensive Profit Statement)

(Million yen)

	March 2012 Term (Apr. 1, 2011 – Mar. 31, 2012)	March 2013 Term (Apr. 1, 2012 – Mar. 31, 2013)
Income before minority interest	516	1,131
Other comprehensive incomes		
Valuation difference on available-for-sale securities	7	138
Deferred hedge gains/losses	29	(351)
Foreign currency translation adjustment	(60)	1,117
Total of other comprehensive incomes	(23)	904
Comprehensive profit	492	2,035
(Details)		
Comprehensive income relating to parental company	492	2,035
Comprehensive income relating to minority shareholders	-	-

(3) Consolidated Statements of Changes in Shareholders' Equity

(Million yen)

	March 2012 Term (Apr. 1, 2011 – Mar. 31, 2012)	March 2013 Term (Apr. 1, 2012 – Mar. 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current 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 beginning of current 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 beginning of current period	32,215	32,125
Changes of items during the period		
Dividends from surplus	(605)	(585)
Net profit	516	1,131
Change of scope of consolidation	-	71
Total changes of items during the period	(89)	617
Balance at the end of current period	32,125	32,743
Treasury stock		
Balance at the beginning of current period	(0)	(767)
Changes of items during the period		
Purchase of treasury stock	(766)	(321)
Total changes of items during the period	(766)	(321)
Balance at the end of current period	(767)	(1,089)
Total shareholders' equity		
Balance at the beginning of current period	62,355	61,499
Changes of items during the period		
Dividends from surplus	(605)	(585)
Net profit	516	1,131
Purchase of treasury stock	(766)	(321)
Change of scope of consolidation	-	71
Total changes of items during the period	(856)	295
Balance at the end of current period	61,499	61,795

(Million yen)

	March 2012 Term (Apr. 1, 2011 – Mar. 31, 2012)	March 2013 Term (Apr. 1, 2012 – Mar. 31, 2013)
Other accumulated comprehensive income		
Other valuation difference on available-for-sale securities		
Balance at the beginning of current period	98	105
Changes of items during the period		
Net changes of items other than shareholders' equity	7	138
Total changes of items during the period	7	138
Balance at the end of current period	105	244
Deferred hedge gains/losses		
Balance at the beginning of current period	(22)	6
Changes of items during the period		
Net changes of items other than shareholders' equity	29	(351)
Total changes of items during the period	29	(351)
Balance at the end of current period	6	(344)
Foreign exchange conversion adjustments		
Balance at the beginning of current period	(2,835)	(2,895)
Changes of items during the period		
Net changes of items other than shareholders' equity	(60)	1,117
Total changes of items during the period	(60)	1,117
Balance at the end of current period	(2,895)	(1,778)
Total Accumulated other comprehensive income		
Balance at the beginning of current period	(2,759)	(2,783)
Changes of items during the period		
Net changes of items other than shareholders' equity	(23)	904
Total changes of items during the period	(23)	904
Balance at the end of current period	(2,783)	(1,879)
Total net assets		
Balance at the beginning of current period	59,596	58,716
Changes of items during the period		
Dividends from surplus	(605)	(585)
Net profit	516	1,131
Purchase of treasury stock	(766)	(321)
Change of scope of consolidation	-	71
Net changes of items other than shareholders' equity	(23)	904
Total changes of items during the period	(879)	1,199
Balance at the end of current period	58,716	59,916

(4) Consolidated Statement of Cash Flows

(Million yen)

	March 2012 Term (Apr. 1, 2011 – Mar. 31, 2012)	March 2013 Term (Apr. 1, 2012 – Mar. 31, 2013)
Operating activities		
Net profit before tax and adjustments	788	1,722
Depreciation and amortization	279	251
Amortization of goodwill	25	13
Increase (decrease) in provision for retirement benefits	-	45
Decrease (increase) of prepaid pension expenses	50	34
Increase (decrease) of allowance for doubtful receivables	134	(8)
Interest and dividends income	(77)	(123)
Interest expense	27	18
Loss (gain) on sale of fixed assets	(1)	0
Loss (gain) on sales of investment securities	(0)	(187)
Loss (gain) on valuation of investment securities	-	11
Decrease (increase) of notes and accounts receivable	15,734	2,114
Decrease (increase) of inventories	4,429	(5,521)
Increase (decrease) of notes and accounts payable	(7,181)	(102)
Decrease (increase) of consumption and other taxes receivable	171	(1,028)
Increase (decrease) of consumption and other taxes payable	(0)	0
Others	526	(627)
Sub-total	14,907	(3,387)
Interest and dividend received	36	167
Interest paid	(27)	(18)
Corporate and other taxes paid	(145)	(237)
Net cash provided by operating activities	14,771	(3,475)
Investing activities		
Purchase of property and equipment	(25)	(30)
Proceeds from sale of property and equipment	1	0
Purchase of software	(11)	(62)
Purchase of investment securities	(804)	(0)
Proceeds from sale of investment securities	0	766
Others	14	84
Net cash used in investing activities	(826)	758
Financing activities		
Proceeds from short-term loans	27,506	4,215
Repayment of short-term loans	(31,653)	(4,947)
Repayments of lease obligations	(30)	(23)
Net decrease (increase) of treasury stock	(766)	(321)
Dividend paid	(606)	(584)
Net cash used in financing activities	(5,550)	(1,660)
Foreign currency conversion adjustments for cash and cash equivalents	16	287
Increase (decrease) of cash and cash equivalents	8,410	(4,090)
Balance of cash and cash equivalents, beginning of the period	6,824	15,235
Increase in cash and cash equivalents from newly consolidated subsidiary	-	20
Balance of cash and cash equivalents, end of the period	15,235	11,164

(5) Notes on Consolidated Financial Statements
(Notes Regarding Going Concern)

There are no relevant matters.

(Basis for Preparation of Consolidated Financial Statements)

(Scope of Consolidation)

SANSHIN ELECTRONICS (THAILAND) CO., LTD., which was a non-consolidated subsidiary at the end of the previous fiscal year, has been included in the scope of consolidation from the current fiscal year due to its increased materiality.

(Changes in Accounting Policies)

(Change of Accounting Policies for Items that are Difficult to Categorize as Change of Accounting Estimate)

The Company and its domestic consolidated subsidiaries changed to the depreciation method based on the amended Corporation Tax Act due to amendments to the Corporation Tax Act for property and equipment acquired on and after April 1, 2012. The influences of this change on earnings and loss are minimal.

(Segment Information, etc.)

a. 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 components (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 2012 Term (Apr. 1, 2011 – Mar. 31, 2012)

(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	133,131	11,028	144,159	-	144,159
Inter-segment sales or transfers	-	-	-	-	-
Total	133,131	11,028	144,159	-	144,159
Segment profit	398	926	1,325	(522)	802
Segment assets	57,646	4,658	62,304	17,578	79,882
Other items					
Depreciation expenses (Note 4)	67	15	82	196	279
Increase of tangible fixed assets and intangible fixed assets	81	6	87	33	121

Notes: 1. The adjustment amount of segment income 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 income 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 2013 Term (Apr. 1, 2012 – Mar. 31, 2013)

(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	135,111	12,851	147,963	-	147,963
Inter-segment sales or transfers	-	-	-	-	-
Total	135,111	12,851	147,963	-	147,963
Segment profit	631	1,214	1,845	(216)	1,629
Segment assets	62,716	6,801	69,518	13,398	82,916
Other items					
Depreciation expenses (Note 4)	68	16	84	166	251
Increase of tangible fixed assets and intangible fixed assets	46	3	49	104	154

Notes: 1. The adjustment amount of segment income 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 income is adjusted with the ordinary income in the consolidated profit and loss statement.
4. The depreciation expenses do not include the amortization of goodwill.

b. Related information

March 2012 Term (Apr. 1, 2011 – Mar. 31, 2012)

1. Information of regions

(1) Net sales

(Million yen)

Japan	Asia	North America	Others	Total
62,970	78,424	2,050	713	144,159

(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

The information is omitted as there was no single external client accounted for 10% or more of net sales in the statement of income.

March 2013 Term (Apr. 1, 2012 – Mar. 31, 2013)

1. Information of regions

(1) Net sales

(Million yen)

Japan	Asia	North America	Others	Total
63,003	81,749	2,150	1,059	147,963

(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.	25,679	Mainly device segment

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

March 2012 Term (Apr. 1, 2011 – Mar. 31, 2012)

(Million yen)

	Device segment	Solution segment	Elimination/Corporate	Total
Amount of amortization	25	-	-	25
Balance at the end of current period	52	-	-	52

March 2013 Term (Apr. 1, 2012 – Mar. 31, 2013)

(Million yen)

	Device segment	Solution segment	Elimination/Corporate	Total
Amount of amortization	13	-	-	13
Balance at the end of current period	39	-	-	39

(Per Share Information)

(Yen)

	March 2012 Term (Apr. 1, 2011 – Mar. 31, 2012)	March 2013 Term (Apr. 1, 2012 – Mar. 31, 2013)
Net assets per share	2,005.34	2,081.88
Net profit per share	17.10	38.67

Notes: 1. Diluted net profit per share is not presented since the Company has no outstanding securities.

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

(Million yen)

	March 2012 Term (Apr. 1, 2011 – Mar. 31, 2012)	March 2013 Term (Apr. 1, 2012 – Mar. 31, 2013)
Net profit	516	1,131
Amount not available to common shareholders	-	-
Net profit available to ordinary shares	516	1,131
Average shares outstanding available to ordinary shares (Thousand shares)	30,185	29,252

(Important Later Event)

There are no relevant matters.

4. Other**(1) Changes in Officers**

1) Changes in Representative Director

There are no relevant matters.

2) Changes in Other Directors (Scheduled for June 21, 2013)

- Nominee as new director

Yasuhiko Ota (currently, Vice President and Senior General Manager of 2nd Marketing & Sales Division)

- Director scheduled to resign

Shigeru Komoto (currently, Senior Vice President and Senior General Manager of Solution Marketing & Sales Division)

3) Changes in Commissioned Business (Scheduled for June 21, 2013)

- Senior General Manager of Solution Marketing & Sales Division

Mitsuo Kamoshita (currently, Associate Senior Vice President and Deputy General Manager of Solution Marketing & Sales Division)

(2) Other Changes

1) Changes in Vice President (Scheduled for June 21, 2013)

- Vice President scheduled to take office

Nobuyuki Hatano (currently, Deputy General Manager of Solution Marketing & Sales Division and General Manager of 2nd Network System Marketing & Sales Department, Solution Marketing & Sales Division)