

(Excerpt translation)

August 6, 2015

**BRIEF ANNOUNCEMENT OF SETTLEMENT OF ACCOUNTS FOR
THE FIRST QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2016**

(Based on Japanese GAAP) (Consolidated)

Name of listed company: MITSUMI ELECTRIC CO., LTD.

Listing exchange: Tokyo Stock Exchange

Code number: 6767

URL: <http://www.mitsumi.co.jp/>

Representative: Shigeru Moribe
President and Representative Director

Person to contact: Kunihiro Noguchi
General Manager of General Affairs Dept.

Scheduled date of submission of quarterly report: August 10, 2015

Scheduled date of payment of dividends: -

Quarterly supplemental explanatory material prepared: None

Quarterly results briefing held: None

(Figures are indicated by discarding fractions of a million yen.)

1. Consolidated business results for the first quarter of the fiscal year ending March 31, 2016 (April 1, 2015 through June 30, 2015):

(1) Consolidated operating results:

(The percentages indicate the rates of increase (decrease) from the first quarter of the previous fiscal year.)

	Net sales		Operating income		Recurring income		Net income attributable to owners of the parent	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
First quarter of the year ending March 31, 2016	34,157	29.0	(1,696)	-	(1,040)	-	(1,193)	-
First quarter of the year ended March 31, 2015	26,477	(9.4)	(3,314)	-	(3,796)	-	(3,996)	-

(Note) Comprehensive income:

First quarter of the year ending March 31, 2016:	¥(310) million	(-%)
First quarter of the year ended March 31, 2015:	¥(4,082) million	(-%)

	Net income per share (basic)	Net income per share (diluted)
	(yen)	(yen)
First quarter of the year ending March 31, 2016	(13.64)	-
First quarter of the year ended March 31, 2015	(45.71)	-

(2) Consolidated financial condition:

	Total assets	Net assets	Net worth ratio
	(million yen)	(million yen)	(%)
First quarter of the year ending March 31, 2016	165,081	113,897	69.0
Year ended March 31, 2015	161,089	115,431	71.7

(For reference) Net worth: First quarter of the year ending March 31, 2016: ¥113,897 million
 Year ended March 31, 2015: ¥115,431 million

2. State of dividends:

	Annual dividend (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended March 31, 2015	—	—	—	14.00	14.00
Year ending March 31, 2016	—				
Year ending March 31, 2016 (forecast)		—	—	12.00	12.00

(Note) Adjustment to the most recently publicized forecast of dividends: None

3. Forecast of consolidated business results for the fiscal year ending March 31, 2016 (April 1, 2015 through March 31, 2016):

(The percentages indicate the rates of increase (decrease) from the previous fiscal year in respect of the whole-year period, and from the second-quarter cumulative period of the previous fiscal year in respect of the second-quarter cumulative period, respectively.)

	Net sales		Operating income		Recurring income		Net income attributable to owners of the parent		Net income per share
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(yen)
Second-quarter (cumulative) period	82,000	20.8	500	-	0	-	0	-	0.00
Whole-year period	175,000	14.3	5,000	425.2	3,500	(12.1)	3,000	(21.6)	34.31

(Note) Adjustment to the most recently publicized forecast of consolidated business results: None

Notes:

- (1) Changes in important subsidiaries (changes in specific subsidiaries associated with a change in the scope of consolidation) during the period under review: None
- (2) Application of accounting treatments special to the preparation of the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and modifications and restatements:
 - 1) Changes in accounting policies associated with changes in accounting standards: Yes
 - 2) Other changes in accounting policies: None
 - 3) Changes in accounting estimates: None
 - 4) Modifications and restatements: None
- (4) Number of issued shares (shares of common stock):
 - 1) Number of issued shares (including shares of treasury stock) as of the end of the period:

First quarter of the year ending March 31, 2016:	87,498,119 shares
Year ended March 31, 2015:	87,498,119 shares
 - 2) Number of shares of treasury stock as of the end of the period:

First quarter of the year ending March 31, 2016:	47,808 shares
Year ended March 31, 2015:	47,667 shares
 - 3) Average number of shares during the period:

First quarter of the year ending March 31, 2016:	87,450,359 shares
First quarter of the year ended March 31, 2015:	87,451,119 shares

* Statement on the state of performance of quarterly review procedures:
 This brief announcement of settlement of accounts for the period under review is not subject to quarterly review procedures under the Financial Instruments and Exchange Act of Japan. The review procedures of quarterly financial statements have been completed at the time of disclosure hereof.

* Explanation for the appropriate use of the forecast of business results and other special instructions:

The description of the future in this material, including the forecast of business results, is based on the information currently available to the Company and certain assumptions currently considered reasonable by the Company. The actual results may change depending on various factors. As for the conditions precedent to the forecasts of business results and the instructions on the use of the forecasts of business results, please refer to "1. Qualitative Information on the Settlement of Accounts for the Quarter of the Fiscal Year under Review: (3) Explanations on the forecasts of consolidated business results and other future forecast information" on page 6 hereof.

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1. Qualitative Information on the Settlement of Accounts for the Quarter of the Fiscal Year under Review

(1) Explanations on the operating results

To overview the global economic situations during the consolidated first-quarter period of the fiscal year under review, the U.S. economy continued to show a tone of expansion due to improvements in consumer spending and corporate performance. In Europe, the economy was recovering as well. In the emerging countries, there was a slowdown in economic growth. Overall, the global economy has been in the phase of a modest recovery. However, in Europe, the debt issue of Greece flared towards the end of the consolidated first-quarter period of the fiscal year under review and the deceleration of the Chinese economy has appeared apparent. Thus, there is widespread concern about the future of the global economy.

In Japan, in spite of the impacts of the deceleration of the economies of China and Southeast Asian nations, the economy has remained in the phase of recovery due to an improvement in corporate earnings, among others.

In our electronic parts industry, in the market for smart phones, while there is concern about further price reductions, sales volume is continuing to increase. The market for car-mounted devices is continuing to expand rapidly as parts mounted per automobile are increasing in terms of prices with further development of computerized automobiles.

Under these circumstances, the Mitsumi Group experienced an increase in orders received for its major categories, such as smart phone-related products, including camera-shake correction microactuators, amusement-related products and products related to car-mounted devices, as initially planned. In addition, the depreciation of the yen has continued. As a result, for the first-quarter period of the fiscal year under review, on a consolidated basis, net sales amounted to ¥34,157 million (129.0% in comparison with the corresponding period of the previous fiscal year).

With regard to profits and losses, the Company registered an operating loss of ¥1,696 million (an operating loss of ¥3,314 million for the corresponding period of the previous fiscal year) and a recurring loss of ¥1,040 million (a recurring loss of ¥3,796 million for the corresponding period of the previous fiscal year). Net loss attributable to owners of the parent amounted to ¥1,193 million (a net loss of ¥3,996 million attributable to owners of the parent for the corresponding period of the previous fiscal year).

(2) Explanations on the financial condition

As of the end of the first quarter of the fiscal year under review, on a consolidated basis, total assets accounted for ¥165,081 million, up ¥3,992 million from the end of the previous fiscal year, due principally to an increase of ¥6,625 million in inventories and an increase of ¥1,708 million in tangible fixed assets in spite of a decrease of ¥4,541 million in cash and deposits.

Total liabilities accounted for ¥51,184 million, up ¥5,526 million from the end of the previous fiscal year, due principally to an increase of ¥4,799 million in trade notes and trade accounts payable and an increase of ¥1,199 million in other current liabilities in spite of a decrease of ¥641 million in allowance for bonuses.

Total net assets accounted for ¥113,897 million, down ¥1,534 million from the end of the previous fiscal year, due principally to a decrease of ¥2,417 million in retained earnings in spite of an increase of ¥778 million in foreign exchange translation adjustment.

As a result, the net worth ratio as of the end of the first quarter of the fiscal year under review decreased by 2.7 percentage points from the end of the previous fiscal year to 69.0%.

(3) Explanations on the forecasts of consolidated business results and other future forecast information

With regard to the forecast of consolidated business results for the fiscal year ending March 31, 2016, no amendment will be made to the forecast of consolidated business results publicized on May 12, 2015.

2. Matters Concerning Summary Information (Notes)

(Translation omitted)

3. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(million yen)

	Year ended March 31, 2015 (as of March 31, 2015)	First-quarter period of the year ending March 31, 2016 (as of June 30, 2015)
<u>ASSETS:</u>		
Current assets:		
Cash and deposits	43,018	38,476
Trade notes and trade accounts receivable	44,804	44,933
Finished products	4,243	5,236
Work in process	13,280	15,944
Raw materials and storage	17,993	20,962
Other assets	2,831	2,713
Allowance for doubtful receivables	(156)	(143)
Total current assets	126,015	128,124
Fixed assets:		
Tangible fixed assets	31,587	33,295
Intangible fixed assets	1,218	1,185
Investments and other assets:		
Others investments and other assets	2,508	2,719
Allowance for doubtful receivables	(241)	(244)
Total investments and other assets	2,267	2,475
Total fixed assets	35,073	36,956
TOTAL ASSETS	161,089	165,081
<u>LIABILITIES:</u>		
Current liabilities:		
Trade notes and trade accounts payable	21,268	26,067
Short-term borrowings	10,276	10,367
Accrued corporate taxes, etc.	440	355
Allowance for bonuses	1,389	747
Other current liabilities	7,767	8,966
Total current liabilities	41,142	46,504
Long-term liabilities:		
Net defined benefit liability	2,128	2,217
Other long-term liabilities	2,387	2,462
Total long-term liabilities	4,515	4,679
TOTAL LIABILITIES	45,657	51,184
<u>NET ASSETS:</u>		
Shareholders' equity:		
Capital	39,890	39,890
Additional paid-in capital	43,252	43,252
Retained earnings	39,552	37,135
Treasury stock	(92)	(92)
Total shareholders' equity	122,602	120,184
Accumulated other comprehensive income:		
Valuation difference of other securities	55	55
Foreign exchange translation adjustment	(4,154)	(3,376)
Remeasurements of defined benefit plans	(3,071)	(2,967)
Total accumulated other comprehensive income	(7,170)	(6,287)
TOTAL NET ASSETS	115,431	113,897
TOTAL LIABILITIES AND NET ASSETS	161,089	165,081

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income

Consolidated quarterly statements of income
(For the consolidated first-quarter period)

(million yen)

	First-quarter period of the year ended March 31, 2015 (April 1, 2014 through June 30, 2014)	First-quarter period of the year ending March 31, 2016 (April 1, 2015 through June 30, 2015)
Net sales	26,477	34,157
Cost of sales	26,912	32,812
Gross profit (loss) on sales	(435)	1,344
Selling, general and administrative expenses	2,879	3,041
Operating loss	(3,314)	(1,696)
Non-operating income		
Interest income	26	88
Royalties earned	1	39
Foreign exchange gains	-	642
Other income	98	29
Total non-operating income	125	799
Non-operating expenses		
Interest expense	11	17
Loss on disposition of fixed assets	32	32
Payment compensation	40	68
Provision of allowance for doubtful receivables	-	5
Foreign exchange loss	499	-
Other expenses	23	19
Total non-operating expenses	607	144
Recurring loss	(3,796)	(1,040)
Special income	-	-
Special loss		
Impairment loss on fixed assets	206	10
Special retirement allowances	-	22
Total special loss	206	33
Loss before income taxes and others	(4,003)	(1,074)
Corporate, inhabitant and enterprise taxes	(6)	118
Net loss	(3,996)	(1,193)
Net loss attributable to noncontrolling interests	-	-
Net loss attributable to owners of the parent	(3,996)	(1,193)

Consolidated quarterly statements of comprehensive income
 (For the consolidated first-quarter period)

	(million yen)	
	First-quarter period of the year ended March 31, 2015 (April 1, 2014 through June 30, 2014)	First-quarter period of the year ending March 31, 2016 (April 1, 2015 through June 30, 2015)
Net loss	(3,996)	(1,193)
Other comprehensive income		
Valuation difference of other securities	(1)	0
Foreign exchange translation adjustment	(315)	778
Remeasurements of defined benefit plans	230	104
Total other comprehensive income	(85)	883
Quarterly comprehensive income	(4,082)	(310)
(Items)		
Quarterly comprehensive income attributable to owners of the parent	(4,082)	(310)
Quarterly comprehensive income attributable to noncontrolling interests	-	-

(3) Notes on consolidated quarterly statements

(Note on assumptions for going concern)

Not applicable.

(Note on material change (if any) in the amount of shareholders' equity)

Not applicable.

(Segment information)

The business of the Group is comprised of a single segment of production and sale
 of parts of electronic and communications devices and equipment. Hence, the
 descriptions of segment information are omitted.

- (2) Capital expenditures for purchasing production equipment principally for the purpose of expanding the production capacity relating to camera actuators for smartphones;
- (3) Funding for application towards increased working capital needs in connection with the expansion in business; and
- (4) Funding for the acquisition by the Company of its own shares.

(Acquisition by the Company of its own shares)

The Company, at the meeting of its Board of Directors held on July 16, 2015, adopted a resolution on the matters concerning the acquisition by the Company of its own shares in accordance with Article 156 of the Companies Act of Japan, applicable pursuant to Article 165, paragraph 3 of the said Act.

- | | |
|---|---|
| <p>1 Reason for the acquisition by the Company of its own shares:</p> | <p>To implement the distribution of more profits to its shareholders and flexible capital policies through enhancing its capital efficiency.</p> |
| <p>2 Content of the acquisition:</p> | |
| <p>(1) Class of shares to be acquired:</p> | <p>Shares of common stock of the Company</p> |
| <p>(2) Total number of shares to be acquired:</p> | <p>(Not exceeding) 7,000,000 shares</p> |
| <p>(3) Aggregate acquisition prices of shares:</p> | <p>(Not exceeding) ¥5,000,000,000</p> |
| <p>(4) Acquisition period:</p> | <p>July 17, 2015 through October 30, 2015</p> |
| <p>(5) Method of acquisition:</p> | <p>Market purchase at the Tokyo Stock Exchange (including a purchase order through the Off-Auction Own Share Repurchase Trading (ToSTNeT-3) system)</p> |

4. Supplementary Information

(1) Production, orders received and sales

(i) Production

Production by product division for the consolidated first-quarter period of the fiscal year ending March 31, 2016:

Division	Production	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)
Semiconductor Devices	7,580	114.1
Optical Devices	819	54.1
System Parts	15,342	157.2
High-Frequency Parts	6,919	134.3
Power-Unit Parts	4,586	141.2
Total	35,247	133.9

(ii) Orders received

Orders received by product division for the consolidated first-quarter period of the fiscal year ending March 31, 2016:

Division	Orders received	Comparison with the corresponding period of the previous fiscal year	Balance of orders received	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)	(million yen)	(%)
Semiconductor Devices	7,733	108.9	3,676	95.4
Optical Devices	178	10.3	395	32.4
System Parts	16,802	138.2	6,785	97.8
High-Frequency Parts	8,170	149.4	4,996	165.1
Power-Unit Parts	4,738	115.1	2,740	118.8
Total	37,623	123.0	18,594	107.2

(iii) Sales

Sales by product division for the consolidated first-quarter period of the fiscal year ending March 31, 2016:

Division	Sales	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)
Semiconductor Devices	7,480	110.3
Optical Devices	816	54.8
System Parts	14,964	150.7
High-Frequency Parts	6,357	124.7
Power-Unit Parts	4,538	142.8
Total	34,157	129.0

(2) Overseas net sales

For the consolidated first-quarter period of the fiscal year ended March 31, 2015 (April 1, 2014 through June 30, 2014):

(million yen)

	Asia	Europe	North America	Total
I Overseas net sales	15,729	739	1,178	17,646
II Consolidated net sales				26,477
III Ratio of overseas net sales to consolidated net sales (%)	59.4	2.8	4.4	66.6

For the consolidated first-quarter period of the fiscal year ending March 31, 2016 (April 1, 2015 through June 30, 2015):

(million yen)

	Asia	Europe	North America	Total
I Overseas net sales	19,843	679	1,875	22,398
II Consolidated net sales				34,157
III Ratio of overseas net sales to consolidated net sales (%)	58.1	2.0	5.5	65.6

- END -