

(Excerpt translation)

May 10, 2016

**BRIEF ANNOUNCEMENT OF SETTLEMENT OF ACCOUNTS FOR
THE FISCAL YEAR ENDED MARCH 31, 2016**

(Based on the accounting principles generally accepted in Japan)
(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. Tel. (042) 310-5333
Scheduled date of the Ordinary General Meeting of Shareholders:	June 24, 2016
Scheduled date of filing of securities report:	June 27, 2016
Scheduled date of payment of dividends:	-
Preparation of supplementary information on statement of accounts:	Yes
Holding of results briefing:	Yes (results briefing for analysts and institutional investors)

(Figures are stated by discarding fractions of one million yen.)

1. Consolidated business results for the fiscal year ended March 31, 2016 (April 1, 2015 through March 31, 2016):

(1) Consolidated operating results:

(The percentages indicate the rates of increase (decrease) from 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)	(%)
Year ended March 31, 2016	163,562	6.9	(4,576)	-	(8,896)	-	(9,662)	-
Year ended March 31, 2015	153,045	(2.7)	952	51.2	3,980	51.2	3,826	18.5

(Note) Comprehensive income:

Year ended March 31, 2016: (¥14,927 million) (-)
Year ended March 31, 2015: ¥10,446 million (85.2%)

	Net income per share (basic)	Fully diluted earnings per share	Percentage of net income to net worth	Percentage of recurring income to total assets	Percentage of operating income to net sales
	(yen)	(yen)	(%)	(%)	(%)
Year ended March 31, 2016	(115.92)	-	(9.2)	(5.5)	(2.8)
Year ended March 31, 2015	43.75	-	3.5	2.6	0.6

(For reference) Gain on equity method investments:

Year ended March 31, 2016: ¥4 million
Year ended March 31, 2015: ¥3 million

(2) Consolidated financial condition:

	Total assets	Net assets	Net worth ratio	Net assets per share
	(million yen)	(million yen)	(%)	(yen)
Year ended March 31, 2016	162,724	94,279	57.9	1,160.94
Year ended March 31, 2015	161,089	115,431	71.7	1,319.96

(For reference) Net worth

Year ended March 31, 2016: ¥94,279 million
Year ended March 31, 2015: ¥115,431 million

(3) State of consolidated cash flows:

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
	(million yen)	(million yen)	(million yen)	(million yen)
Year ended March 31, 2016	570	(5,616)	10,820	37,678
Year ended March 31, 2015	(173)	(17,870)	2,532	33,689

2. State of dividends:

	Annual dividend per share (yen)					Total dividends (annual)	Dividend propensity (consolidated)	Ratio of dividends to shareholders' equity (consolidated)
	First quarter -end	Second quarter -end	Third quarter -end	Year-end	Total			
						(million yen)	(%)	(%)
Year ended March 31, 2015	-	-	-	14.00	14.00	1,224	32.0	1.1
Year ended March 31, 2016	-	-	-	0.00	0.00	-	-	-
Year ending March 31, 2017 (forecast)	-	-	-	-	-		-	

It is stipulated by the Company in its Articles of Incorporation that the record date for year-end dividends of the Company shall be March 31 of each year. However, as the business integration is planned during the year ending March 31, 2017, the amount of dividend forecast for the record date for dividends for the fiscal year remains undecided.

3. Forecast of consolidated operating results for the fiscal year ending March 31, 2017
(April 1, 2016 through March 31, 2017):

(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	75,000	(10.4)	(3,200)	-	(3,700)	-	(4,000)	-	(49.26)
Whole-year period	165,000	0.9	0	-	(1,200)	-	(2,500)	-	(30.78)

* Notes:

- (1) Changes in important subsidiaries (changes in specific subsidiaries associated with changes in the scope of consolidation) during the year: None

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

- | | |
|---|------|
| (i) Changes in accounting policies associated with changes in accounting standards: | Yes |
| (ii) Other changes in accounting policies: | None |
| (iii) Changes in accounting estimates: | None |
| (iv) Modifications and restatements: | None |

(3) Number of issued shares (shares of common stock):

- | | |
|--|-------------------|
| (i) Number of issued shares (including shares of treasury stock) as of the end of the fiscal year: | |
| Year ended March 31, 2016: | 87,498,119 shares |
| Year ended March 31, 2015: | 87,498,119 shares |
| (ii) Number of shares of treasury stock as of the end of the fiscal year: | |
| Year ended March 31, 2016: | 6,288,753 shares |
| Year ended March 31, 2015: | 47,667 shares |
| (iii) Average number of shares during the fiscal year: | |
| Year ended March 31, 2016: | 83,360,105 shares |
| Year ended March 31, 2015: | 87,450,790 shares |

(For reference) Summary of the non-consolidated business results

Non-consolidated business results for the year ended March 31, 2016 (April 1, 2015 through March 31, 2016):

(1) Non-consolidated operating results:

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

	Net sales		Operating income		Recurring income		Net income	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Year ended March 31, 2016	148,570	6.0	(7,472)	-	(10,692)	-	(11,511)	-
Year ended March 31, 2015	140,129	(3.1)	(1,154)	-	1,984	667.8	990	235.0

	Net income per share (basic)	Fully diluted earnings per share
	(yen)	(yen)
Year ended March 31, 2016	(138.10)	-
Year ended March 31, 2015	11.33	-

(2) Non-consolidated financial condition:

	Total assets	Net assets	Net worth ratio	Net assets per share
	(million yen)	(million yen)	(%)	(yen)
Year ended March 31, 2016	147,167	83,099	56.5	1,023.27
Year ended March 31, 2015	142,016	100,879	71.0	1,153.56

(For reference) Net worth

Year ended March 31, 2016: ¥83,099 million

Year ended March 31, 2015: ¥100,879 million

* Statement on the state of performance of audit procedures:

This brief announcement of settlement of accounts for the fiscal year under review is not subject to audit procedures under the Financial Instruments and Exchange Act of Japan. The audit of this brief announcement of settlement of accounts for the fiscal year under review in accordance with the Financial Instruments and Exchange Act has not 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. ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITIONS: (1) Analysis of Operating Results" on page 7 hereof.

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Qualitative Information, Financial Statements, Etc.

1. ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITIONS

(1) Analysis of Operating Results

1) Operating results for the year ended March 31, 2016

To overview the global economic situations during 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 showed signs of bottoming out. However, the deceleration of the Chinese economy, which has been the driving force of the global economy, has appeared apparent. Other emerging economies marked a major slowdown or negative growth due to sharp falls in prices of raw materials. Overall, the global economy has been decelerating gradually, specifically in the second half of the period under review.

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 modest recovery due to an improvement in corporate earnings, among others. However, there is concern about the impacts of the deceleration of the emerging economies.

In our electronic parts industry, the market for smartphones, while sales volume is continuing to increase, is expanding much more slowly in terms of revenues as price reductions are under way. The market for car-mounted devices is accelerating expansion as parts mounted per automobile are further increasing in terms of prices with further development of computerized automobiles.

Under these circumstances, in the market for smartphones where demand was shifting for middle- and low-end devices from high-end devices, the Mitsumi Group experienced a slowdown in orders received for microactuators and other parts for high-end devices. However, orders received for amusement-related products and products related to car-mounted devices increased more than initially planned.

As a result, for the fiscal year under review, on a consolidated basis, net sales amounted to ¥163,562 million (106.9% in comparison with the previous fiscal year) due partly to the depreciation of the yen.

With regard to profits and losses, due to a decrease in the ratio of value added to sales resulting from a change in the sales composition ratios, as well as an increase in operating expenses in overseas operations resulting from increased production capacity and the depreciation of the yen, the Company registered an operating loss of ¥4,576 million (an operating income of ¥952 million for the previous fiscal year). Due to the recording of a foreign exchange loss and payment compensation as non-operating expenses, the Company registered a recurring loss of ¥8,896 million (a recurring income of ¥3,980 million for the previous fiscal year). Net loss attributable to owners of the parent amounted to ¥9,662 million (a net income of ¥3,826 million attributable to owners of the parent for the previous

fiscal year).

The operating results by product aggregation category for the fiscal year under review are as follow:

(i) Semiconductor Devices

Orders received by the Group for semiconductors and modules for lithium-ion secondary batteries increased. As a result, consolidated net sales of semiconductor devices amounted to ¥29,773 million (103.9% in comparison with the previous fiscal year).

(ii) Optical Devices

With regard to camera modules, orders received for products for information communications equipment decreased. As a result, consolidated net sales of optical devices amounted to ¥3,626 million (52.6% in comparison with the previous fiscal year).

(iii) System Parts

Orders received by the Group for system parts for smartphones decreased but orders received for amusement-related products, among others, increased. As a result, consolidated net sales of system parts amounted to ¥79,268 million (105.6% in comparison with the previous fiscal year).

(iv) High-Frequency Parts

Orders received by the Group for high-frequency parts for use in car-mounted devices increased. As a result, consolidated net sales of high-frequency parts amounted to ¥30,645 million (129.5% in comparison with the previous fiscal year).

(v) Power-Unit Parts

Orders received by the Group for adapters and built-in power-unit parts, both of which are its mainstay products, increased. As a result, consolidated net sales of power-unit parts amounted to ¥20,248 million (107.8% in comparison with the previous fiscal year).

2) Prospect for the fiscal year ending March 31, 2017

In our electronics parts industry, for the next fiscal year, the growth of parts related to information and portable devices, such as smartphones and tablet PCs, is expected to decelerate substantially, while the expansion of the market for parts related to car-mounted devices with the increased use of electronics, as well as parts related to environments and energy and to healthcare, is expected to accelerate, sustaining a stable growth as a whole. However, the continued appreciation of the yen and the further deceleration of the

economic growth of emerging economies and resource-rich countries remain as potential causes for concern.

Under these market circumstances, the Group will further promote the selection and concentration of business and concentrate its business resources in its main market and growth market to materialize the recovery trend in net sales in the fiscal year under review as a result from improved profitability. In addition, to ensure the consummation of the business integration with Minebea Co., Ltd. scheduled in March 2017 for the purpose of enhancing its enterprise value and maximizing the interests of all stakeholders, the Group will proceed with the preparations with no undue delay.

Under these policies, the following is an earnings outlook for the next fiscal year at present:

Earnings outlook on a consolidated basis:

Net sales:	¥165,000 million	(100.9% in comparison with the fiscal year under review)
Operating income:	¥0 million	(-% in comparison with the fiscal year under review)
Recurring income:	(¥1,200 million)	(-% in comparison with the fiscal year under review)
Net income attributable to owners of the parent:	(¥2,500 million)	(-% in comparison with the fiscal year under review)

As to exchange rates for the fiscal year ending March 31, 2017, the rate is estimated at \$1 = ¥110. The above earnings outlook on a consolidated basis is calculated based on the information available to management and the certain assumptions considered by management to be the most rational at the time of publication hereof. The actual results may materially differ from the above forecast.

(2) Analysis of Financial Conditions

1) Assets, liabilities and net assets

(i) Assets

Current assets decreased by 2.3% in comparison with the end of the previous fiscal year, accounting for ¥123,150 million, due principally to a decrease of ¥2,432 million in cash and deposits and a decrease of ¥2,774 million in trade notes and trade account receivable while inventories increased by ¥2,780 million.

Fixed assets increased by 12.8% in comparison with the end of the previous fiscal year, accounting for ¥39,573 million, due principally to an increase of ¥5,579 million in machinery and equipment and motor vehicles while net defined benefit asset decreased by ¥831 million.

As a result, total assets increased by 1.0% in comparison with the end of the previous fiscal year, accounting for ¥162,724 million.

(ii) Liabilities

Current liabilities increased by 4.1% in comparison with the end of the previous fiscal year, accounting for ¥42,809 million, due principally to an increase of ¥2,936 million in accrued expenses and an increase of ¥2,771 million in other current liabilities while trade notes and trade accounts payable decreased by ¥916 million and short-term borrowings decreased by ¥3,166 million.

Long-term liabilities increased by 467.7% in comparison with the end of the previous fiscal year, accounting for ¥25,635 million, due principally to an increase of ¥20,090 million in bonds with stock acquisition rights.

As a result, total liabilities increased by 49.9% in comparison with the end of the previous fiscal year, accounting for ¥68,445 million.

(iii) Net assets

Net assets decreased by 18.3% in comparison with the end of the previous fiscal year, accounting for ¥94,279 million, due principally to a decrease of ¥10,887 million in retained earnings, a decrease of ¥3,498 million in foreign exchange translation adjustment and the purchase of treasury stock in ¥5,000 million.

2) State of cash flows

Cash and cash equivalents ("net cash") on a consolidated basis at the end of the fiscal year under review increased by ¥3,988 million in comparison with the end of the previous fiscal year, accounting for ¥37,678 million.

The state of cash flows for the fiscal year under review and the reasons therefor are as follows:

(i) Cash flows from operating activities

Cash flows from operating activities resulted in receipts of ¥570 million (payments of ¥173 million for the previous fiscal year) due principally to a decrease in depreciation and a decrease in trade accounts receivable in spite of a loss of ¥8,781 million before income taxes and others.

(ii) Cash flows from investing activities

Cash flows from investing activities resulted in payments of ¥5,616 million (payments of ¥17,870 million for the previous fiscal year) due principally to payments for the acquisition of tangible fixed assets in spite of withdrawals of time deposits.

(iii) Cash flows from financing activities

Cash flows from financing activities resulted in receipts of ¥10,820 million (receipts of ¥2,532 million for the previous fiscal year) due principally to proceeds from the issuance of bonds with stock acquisition rights in spite of repayments of short-term borrowings, the purchase of treasury stock and payments of dividends.

The trends in cash flow indices of the Company are as shown below:

	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2016
Net worth ratio (%)	72.2	72.0	71.7	57.9
Net worth ratio on a market value basis (%)	32.1	45.7	48.5	26.1
Ratio of interest-bearing debt to cash flows (%)	-	71.8	-	4,766.8
Interest coverage ratio	-	187.8	-	8.9

(Notes)	Net worth ratio:	Net worth / Total assets
	Net worth ratio on a market value basis:	Aggregate market value of listed stock / Total assets
	Ratio of interest-bearing debt to cash flows:	Interest-bearing debt / Cash provided by operating activities
	Interest coverage ratio:	Cash provided by operating activities / Interest payments

1. Each of the indices is calculated based on financial data on a consolidated basis.
2. The aggregate market value of listed stock is calculated based on the closing stock price at the end of each fiscal year multiplied by the total number of shares issued as of the end of each fiscal year (with the deduction of shares of treasury stock).

3. As cash provided by operating activities, cash flows from operating activities in the consolidated statement of cash flows are used. Interest-bearing debt covers all debt with interest being paid which is stated in the consolidated balance sheet. Non-interest-bearing bonds with stock acquisition rights are also included.
4. For the fiscal year ended March 31, 2013 and the fiscal year ended March 31, 2015, the ratio of interest-bearing debt to cash flows and the interest coverage ratio were not calculated as cash provided by operating activities was negative.

(3) Basic Principles Concerning the Distribution of Profits and Dividends for the Fiscal Year under Review and the Next Fiscal Year

The Company believes that increasing its enterprise value matches interests of its shareholders and expected interests of other stakeholders. The Company follows a fundamental policy of distributing profits based on operating results and intends to maintain the constant payment of dividends to its shareholders. While aiming to maintain the dividend payout ratio at 30% or more based on consolidated operating results for the time being, the Company will endeavor to gradually increase dividends per share. Furthermore, the Company will, with due considerations to environmental issues, invest internal reserves efficiently in the development of new products by applying foreseeable technological innovations ahead of the competition, as well as measures to reduce cost, in an effort to improve performance.

The Company will, in consideration of its operating results for the fiscal year under review, business developments in the future and other factors, pay no dividend for the fiscal year under review. Dividends for the next fiscal year remain undecided in consideration of the business integration scheduled during the fiscal year.

(4) Risk Factors in Business

The factors that may affect the operating results, financial position, stock prices, etc. of the Group are described below:

1) Impact of the global economic conditions

The Group sells products in various areas of the world, including the major markets of Asia, North America and Europe. Therefore, demand for products of the Group is affected by the economies of the countries or regions where the trading partners of the Group are located or end-users of products of the trading partners are located.

2) Technological development and the introduction of new products

In connection with products, specifically digital equipment, of the Group, technological innovation advances rapidly and product cycles are shorter. Therefore, the development of new technologies, adoption of new systems, emergence of new products or rise of rival companies in the society and the market may cause rapid obsolescence and price reductions in a way the Company cannot foresee, and consequently affect the

operating results of the Group.

3) Risks of lower product prices

In global competition among companies, the Group is exerting its efforts to promote rapid development of new products and the improvement of cost prices to increase profitability. In this situation, requests by its clients for product price reductions or price competition with rival companies may render it difficult for the Group to maintain profitability and consequently affect the operating results and financial position of the Group.

4) Risks of higher prices of parts and materials, higher labor costs and higher costs and expenses

Higher purchase prices of materials and parts due to soaring prices of raw materials and energy, higher labor costs in the Philippines, China and other areas in which the major manufacturing sites of the Company are located and higher costs and expenses may render it difficult for the Group to maintain profitability and consequently affect the operating results and financial position of the Group.

5) Potential risks involving overseas presence

Almost all products of the Group, excluding semiconductor devices, are manufactured by the Company's overseas manufacturing subsidiaries, which are located mainly in the Philippines, China, Taiwan, Malaysia, Thailand and Mexico. Therefore, the Group is exposed to many risks related to these overseas manufacturing activities and its overseas business transactions, such as (i) political unrests, (ii) economic conditions of the overseas markets, (iii) trade restrictions and changes in customs and duties, (iv) unforeseeable changes in statutory or regulatory requirements, (v) relatively limited protection of intellectual property rights and other legal rights or the inadequate implementation thereof and (vi) the possibilities of unfavorable taxation treatment. If any of the events occurs, it may affect the execution of business, operating results and financial position of the Group.

6) Fluctuations of foreign exchanges

Local currencies in the Group's overseas manufacturing bases, or the Philippines, China, Taiwan, Malaysia, Thailand and Mexico, as well as sale and purchase transactions in foreign currencies are materially subject to currency fluctuations. With regard to transactions in the U.S. dollar, to hedge risks associated with foreign currency fluctuations, the Company has engaged in forward exchange contract transactions. However, even if it is possible to ease the impact of fluctuations of foreign exchanges by such measures, it is impossible to eliminate it completely. Therefore, the operating results and financial position of the Group may more or less be affected.

7) Impacts of natural calamities on business

The Group maintains manufacturing bases in Japan, the Philippines and China, as well as other Asian nations and Mexico and prepares against any natural calamity that may hamper manufacturing of any base by utilizing other bases to reduce the impacts thereof. However, it is impossible to immediately transfer the manufacturing of all products to any other base. Additionally, infrastructure, including electricity, running water and transportation, may fail and procurement of raw materials may be hampered. As a consequence, the execution of business, operating results and financial position of the Group may be affected.

(5) Additional Information

The Company and Minebea Co., Ltd. ("Minebea") agreed in December 2015 to proceed with the discussion and consideration of a business integration based on the spirit of equal partnership and continued having in-depth discussions, as a result of which the two companies entered into a business integration agreement and a share exchange agreement on March 30, 2016. The share exchange under the share exchange agreement is scheduled to be conducted with the effective date of March 17, 2017 subject to the Company's obtaining the approval thereof at its extraordinary General Meeting of Shareholders to be held on December 27, 2016. Minebea, pursuant to the main clause of Article 796, paragraph 2 of the Companies Act of Japan, is expected to conduct the share exchange following the procedures for a short-form share exchange that does not require the approval thereof at its general meeting of shareholders.

Upon the share exchange, Minebea will become the wholly-owning parent company and the Company will become the wholly-owned subsidiary.

Under the share exchange, the shares of common stock of the Company will be delisted on March 14, 2017 (the last trading day will be March 13, 2017) from the first section of the market established by Tokyo Stock Exchange, Inc. prior to the effective date of the share exchange (scheduled to be March 17, 2017).

2. STATE OF CORPORATE GROUP

The Group principally engages in the production and sale of electronic parts and parts of communications equipment. The Group comprises the Company (Mitsumi Electric Co., Ltd.) and its 18 consolidated subsidiaries, one non-consolidated subsidiary subject to the equity method and one non-consolidated subsidiary not subject to the equity method.

The product aggregation categories (business divisions) of the Group and the positioning of the Company and its related companies in the business divisions are described below:

(i) Semiconductor Devices

This business division covers the production and sale of various semiconductor products for use in electronic equipment, such as communications equipment, digital AV equipment, OA equipment and measuring devices. Its main lines are

semiconductor devices for resetting and related with batteries, as well as modules for use in lithium-ion batteries for portable devices. For future development, the Group will focus on battery-related semiconductor devices and analog semiconductor devices in which the Company has an edge to increase its market share.

Major consolidated subsidiary: CEBU MITSUMI, INC.

(ii) Optical Devices

The Group has endeavored to expand the business of camera modules, sensors and others in the market of cellular phones, web cameras and automobile-related equipment, by utilizing its nurtured optical technologies and mechatronics technologies. For future development, the Group plans to expand business by extending the scope of application of its technologies by further sophisticating its ultra-precision fabrication and assembly techniques, and creating new markets and new categories of products.

Major consolidated subsidiary: CEBU MITSUMI, INC.

(iii) System Parts

This business division consists of key parts, including micro actuators, optical image stabilizers, connectors, switches, coils and motors, and assembly parts. Demand is expected to increase steadily from the market of digital AV equipment, amusement equipment and car-mounted devices.

Hence, the Group will further sophisticate its precision fabrication and assembly technologies in the business of key parts, including micro actuators, connectors and switches and continuously launch new products, compact, high-performance and price-competitive, to the market to expand business.

Major consolidated subsidiaries:

CEBU MITSUMI, INC., QINGDAO MITSUMI ELECTRONICS CO., LTD.
and ZHUHAI MITSUMI ELECTRIC CO., LTD.

(iv) High-Frequency Parts

This business division covers products utilizing high-frequency technology at which the Company excels, including GPS and satellite broadcasting antennas, wireless modules and digital network equipment.

Specifically, as demand is expected to increase widely for wireless module products in the market for car-mounted devices and mobile equipment, as well as for antenna products in the market for car-mounted devices, the Group will aggressively expand business.

Major consolidated subsidiaries:

MITSUMI PHILIPPINES, INC. and TIANJIN MITSUMI ELECTRIC CO., LTD.

(v) Power-Unit Parts

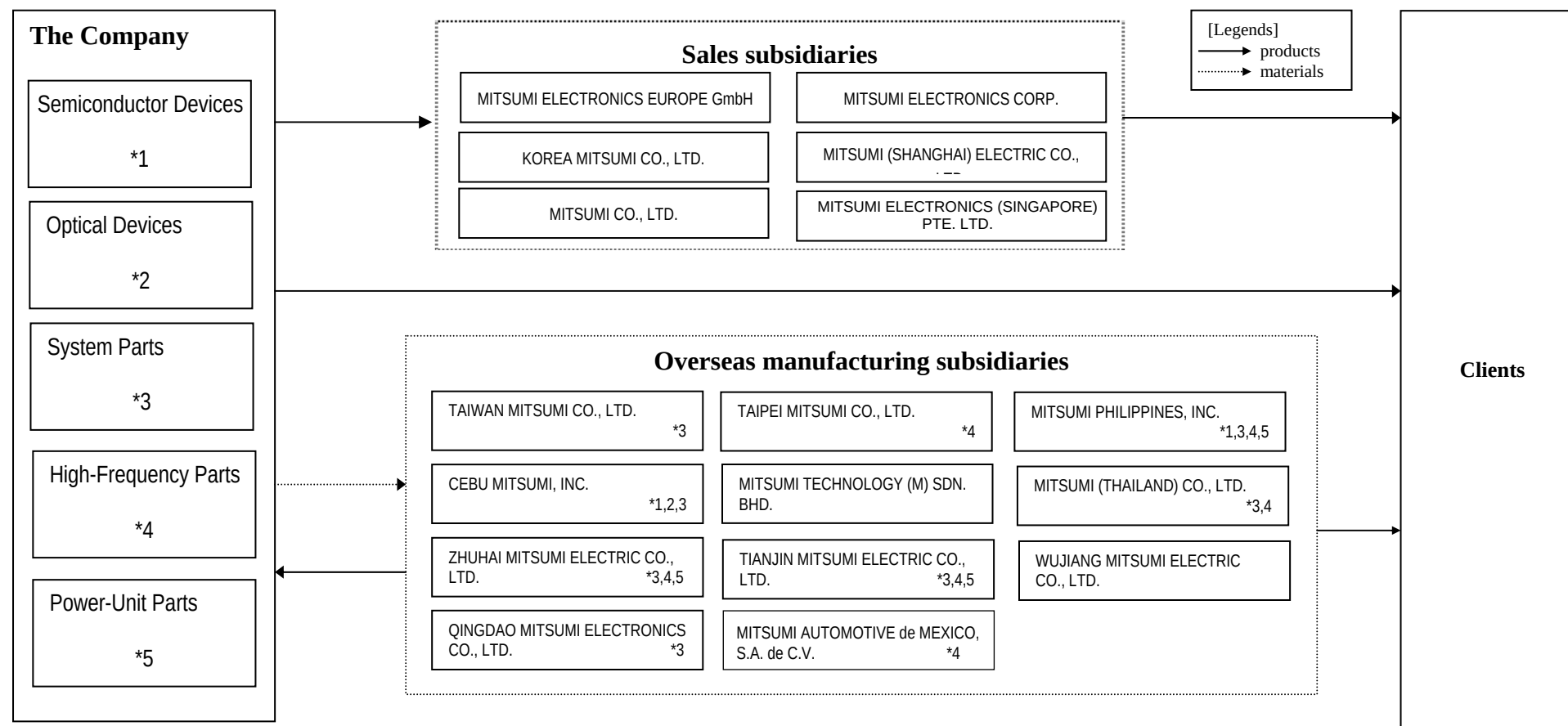
This business division covers various products related to power units for use in digital AV equipment, mobile equipment and amusement equipment. Products related to power-unit parts are used for various purposes and the market is growing in the long term.

With regard to built-in products, the Group manufactures ultra-thin and high-efficiency power units for the markets for LCD TVs and copiers. With regard to AC adaptor-related products, the Group manufactures small and high-efficiency battery chargers for use in mobile equipment and digital AV equipment. The Group will also launch new products, such as power units for use in LED lighting equipment, to the market to expand business.

Major consolidated subsidiaries:

MITSUMI PHILIPPINES, INC., ZHUHAI MITSUMI ELECTRIC CO., LTD.
and TIANJIN MITSUMI ELECTRIC CO., LTD.

Chart of the operations of the Group described above:



(Notes)

- Numbers 1 through 5 in the chart indicate the relations between the Company's product divisions and the respective operations of its subsidiaries.
- Certain overseas manufacturing subsidiaries sell their products directly to external customers.

3. BUSINESS POLICY

(1) Basic Management Policy

With the mission of making contributions to the people of the world by supplying electronic parts as a general electronic part manufacturer, the Group has engaged in development, manufacture and sale of products in broad areas by utilizing a broad range of its unique technologies, while placing emphasis on the "market-in" idea.

The Group will strive to take advantage of its features and strengthen its comprehensive capabilities by generating and enhancing synergistic effects among its product divisions. In addition, the Group will concentrate its managerial and technological resources on growing sectors, and strengthen its product competitiveness by accelerating the development and practical application of new technology, developing new products to meet market needs ahead of the competition and reducing cost by automatization and other means, all in an effort to develop its growth potentialities and improve profitability.

Furthermore, the Group regards the protection of the global environment to maintain a harmonious balance with nature as one of its most serious issues for management and will exert Group-wide efforts for that purpose.

(2) Target Management Benchmark

With the aim of boosting ROE (Return On Equity) on a consolidated basis to 10% or more, the Company will exert its efforts to increase its shareholder value.

(3) The Company's Middle- and Long-Range Management Strategies

To sustain its growth in the future, the Group will redefine the growth areas that will allow the Company to create values, and focus its management resources, including human resources, on such areas, all in an effort to increase net sales and improve profitability. The growth areas will be three markets for (i) information communications equipment, such as smartphones and tablet PCs, (ii) car-mounted devices with the advancement of electronic and information networks and (iii) healthcare and home electric appliances with an advance in demand expected.

Furthermore, to maintain and enhance competitiveness of its products in these growth areas, the Group will further strengthen its "product development capabilities" and "manufacturing capabilities" by further cultivating its proprietary technologies covering semiconductor technology, high-frequency technology, power-unit technology, optical technology and ultra-precision fabrication technology. In addition, by transferring its production controlling functions and transplanting technologies from its sites in Japan to the counterparts overseas, the Group will construct in stages organizational structures in which all operations are completed overseas.

Through these strategies, the Group intends to materialize a sustainable growth in its corporate value.

(4) Issues to be Addressed by the Company

With regard to the business lines of the Group, while the information communications equipment-related market is continuously expanding, its Japanese-affiliated clients have discontinued their information communications equipment business one after another and the market share of the companies in the emerging economies has increased. Thus, the main battlefield already has shifted to the emerging economies. Simultaneously, with the expanding business size of EMS (electronic manufacturing service) companies, the horizontal division of labor has developed and in our electronic parts industry, dependence on specific manufacturers has grown and the market has become oligopolistic on a global scale. Consequently, technology progress and price drops are further accelerating. In the market for components for car-mounted devices, the market size is growing with further computerization and information networking of automobiles and with a view to the practical use of autonomous driving technology in a few years, entries of large electronics and information-related companies are accelerating.

To respond to such market transformation, the Group will construct structures in which its engineers will directly engage in sales promotional activities in the overseas market and market needs will be taken in its product strategies on a timely basis, and commoditize high value added products incorporating advanced technology that may not possibly be surpassed by companies of emerging countries, based on its own core competence. Furthermore, to minimize the effects of rising operating cost in the emerging countries, the Group will expand the business size of its manufacturing sites in the Philippines and make optimal production of items within China.

With regard to components for information equipment, to increase sales in China, the largest market, the Group will expand and strengthen its technology development function and marketing function in the Greater China region. The Group also will make optimal allocation of its functions of marketing, technical support and manufacturing of components for car-mounted devices on a global scale and establish a system to respond to customer needs in the entire regions.

The Company regards corporate social responsibility as one of the most important managerial issues and has exerted its group-wide efforts with its CSR Promotion Committee playing a central role. For the purposes of management control, compliance with laws and social norms, information management and timely disclosure, the Company will focus its efforts on enhancing the levels of its subsidiaries, specifically and further strengthen the system of the entire Group to promote such purposes.

4. BASIC STANCE ON THE SELECTION OF ACCOUNTING STANDARDS

The Company has a policy of applying Japanese standards at the moment. However, in preparation for the application of IFRS (International Financial Reporting Standards) in the future, the Company is conducting a study on the preparation of internal rules and manuals and the time to apply the standards.

5. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

	Year ended March 31, 2015 (as of March 31, 2015)	Year ended March 31, 2016 (as of March 31, 2016)
	(million yen)	
ASSETS:		
Current assets:		
Cash and deposits	43,018	40,585
Trade notes and trade accounts receivable	44,804	42,030
Finished products	4,243	4,625
Work in process	13,280	14,326
Raw materials and storage	17,993	19,346
Deferred tax assets	159	112
Other assets	2,672	2,141
Allowance for doubtful receivables	(156)	(16)
Total current assets	126,015	123,150
Fixed assets:		
Tangible fixed assets:		
Buildings and structures	29,835	29,403
Accumulated depreciation	(19,901)	(19,288)
Buildings and structures (net)	9,934	10,114
Machinery and equipment and motor vehicles	74,308	78,153
Accumulated depreciation	(63,960)	(62,225)
Machinery and equipment and motor vehicles (net)	10,348	15,927
Tools, furniture and fixtures	37,552	37,146
Accumulated depreciation	(33,927)	(33,490)
Tools, furniture and fixtures (net)	3,625	3,655
Lands	5,427	5,439
Construction in progress	2,253	2,021
Total tangible fixed assets	31,587	37,158
Intangible fixed assets	1,218	1,052
Investments and other assets:		
Investment securities	478	334
Deferred tax assets	338	283
Net defined benefit asset	831	-
Other investments and other assets	859	867
Allowance for doubtful receivables	(241)	(122)
Total investments and other assets	2,267	1,363
Total fixed assets	35,073	39,573
TOTAL ASSETS	161,089	162,724

(million yen)

	Year ended March 31, 2015 (as of March 31, 2015)	Year ended March 31, 2016 (as of March 31, 2016)
<u>LIABILITIES:</u>		
Current liabilities:		
Trade notes and trade accounts payable	21,268	20,351
Short-term borrowings	10,276	7,109
Accrued expenses	3,570	6,507
Accrued corporate taxes, etc.	440	480
Allowance for bonuses	1,389	1,393
Other current liabilities	4,196	6,967
Total current liabilities	41,142	42,809
Long-term liabilities:		
Bonds with stock acquisition rights	-	20,090
Deferred tax liabilities	2,190	2,014
Net defined benefit liability	2,128	3,283
Other long-term liabilities	196	247
Total long-term liabilities	4,515	25,635
TOTAL LIABILITIES	45,657	68,445
<u>NET ASSETS:</u>		
Shareholders' equity:		
Capital	39,890	39,890
Additional paid-in capital	43,252	43,252
Retained earnings	39,552	28,665
Treasury stock	(92)	(5,093)
Total shareholders' equity	122,602	106,714
Accumulated other comprehensive income:		
Valuation difference of other securities	55	11
Foreign exchange translation adjustment	(4,154)	(7,653)
Remeasurements of defined benefit plans	(3,071)	(4,794)
Total accumulated other comprehensive income	(7,170)	(12,435)
TOTAL NET ASSETS	115,431	94,279
TOTAL LIABILITIES AND NET ASSETS	161,089	162,724

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(million yen)

	Year ended March 31, 2015 (April 1, 2014 through March 31, 2015)	Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)
Net sales	153,045	163,562
Cost of sales	140,321	155,420
Gross profit on sales	12,723	8,141
Selling, general and administrative expenses	11,771	12,718
Operating income (loss)	952	(4,576)
Non-operating income		
Interest income	240	316
Royalties earned	10	77
Rents received	-	79
Foreign exchange gain	3,463	-
Other income	585	319
Total non-operating income	4,300	793
Non-operating expenses		
Interest expense	69	64
Provision of allowance for doubtful receivables	243	1
Loss on disposition of fixed assets	97	205
Payment compensation	333	2,465
Foreign withholding tax	313	-
Foreign exchange loss	-	2,175
Other expenses	214	200
Total non-operating expenses	1,271	5,113
Recurring income (loss)	3,980	(8,896)
Special income:		
Governmental subsidies	1,434	-
Gain on sales of fixed assets	1,036	267
Total special income	2,470	267
Special loss:		
Impairment loss on fixed assets	1,104	129
Special retirement benefits	128	21
Revaluation loss on investment securities	421	-
Total special loss	1,654	151
Income (loss) before income taxes and others	4,796	(8,781)
Corporate, inhabitant and enterprise taxes	503	574
Interperiod tax allocation adjustment	466	306
Total corporate taxes, etc.	970	881
Net income (loss)	3,826	(9,662)
Net income (loss) attributable to noncontrolling interests	-	-
Net income (loss) attributable to owners of the parent	3,826	(9,662)

Consolidated Statements of Comprehensive Income

(million yen)

	Year ended March 31, 2015 (April 1, 2014 through March 31, 2015)	Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)
Net income (loss)	3,826	(9,662)
Other comprehensive income:		
Valuation difference of other securities	5	(43)
Foreign exchange translation adjustment	5,543	(3,498)
Remeasurements of defined benefit plans	1,070	(1,722)
Total other comprehensive income	6,620	(5,264)
Comprehensive income	10,446	(14,927)
(Items)		
Comprehensive income attributable to owners of the parent	10,446	(14,927)
Comprehensive income attributable to noncontrolling interests	-	-

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2015 (from April 1, 2014 through March 31, 2015)

(million yen)

	Shareholders' equity				
	Capital	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2014	39,890	43,252	33,733	(92)	116,783
Cumulative effect of changes in accounting policies			2,430		2,430
Balance at start of current year adjusted for change in accounting policies	39,890	43,252	36,163	(92)	119,213
Changes of items during the fiscal year					
Distribution of retained earnings			(437)		(437)
Net income attributable to owners of the parent			3,826		3,826
Purchase of treasury stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	-	3,389	(0)	3,388
Balance as of March 31, 2015	39,890	43,252	39,552	(92)	122,602

	Accumulated other comprehensive income				Total net assets
	Valuation difference of securities	Foreign exchange translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of April 1, 2014	49	(9,698)	(4,142)	(13,790)	102,992
Cumulative effect of changes in accounting policies					2,430
Balance at start of current year adjusted for change in accounting policies	49	(9,698)	(4,142)	(13,790)	105,422
Changes of items during the fiscal year					
Distribution of retained earnings					(437)
Net income attributable to owners of the parent					3,826
Purchase of treasury stock					(0)
Net changes of items other than shareholders' equity	5	5,543	1,070	6,620	6,620
Total changes of items during the fiscal year	5	5,543	1,070	6,620	10,008
Balance as of March 31, 2015	55	(4,154)	(3,071)	(7,170)	115,431

Year ended March 31, 2016 (from April 1, 2015 through March 31, 2016)

(million yen)

	Shareholders' equity				
	Capital	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2015	39,890	43,252	39,552	(92)	122,602
Cumulative effect of changes in accounting policies					
Balance at start of current year adjusted for change in accounting policies	39,890	43,252	39,552	(92)	122,602
Changes of items during the fiscal year					
Distribution of retained earnings			(1,224)		(1,224)
Net income (loss) attributable to owners of the parent			(9,662)		(9,662)
Purchase of treasury stock				(5,000)	(5,000)
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	-	(10,887)	(5,000)	(15,887)
Balance as of March 31, 2016	39,890	43,252	28,665	(5,093)	106,714

	Accumulated other comprehensive income				Total net assets
	Valuation difference of securities	Foreign exchange translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of April 1, 2015	55	(4,154)	(3,071)	(7,170)	115,431
Cumulative effect of changes in accounting policies					
Balance at start of current year adjusted for change in accounting policies	55	(4,154)	(3,071)	(7,170)	115,431
Changes of items during the fiscal year					
Distribution of retained earnings					(1,224)
Net income (loss) attributable to owners of the parent					(9,662)
Purchase of treasury stock					(5,000)
Net changes of items other than shareholders' equity	(43)	(3,498)	(1,722)	(5,264)	(5,264)
Total changes of items during the fiscal year	(43)	(3,498)	(1,722)	(5,264)	(21,152)
Balance as of March 31, 2016	11	(7,653)	(4,794)	(12,435)	94,279

(4) Consolidated Statements of Cash Flows

(million yen)

	Year ended March 31, 2015 (April 1, 2014 through March 31, 2015)	Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)
Cash flows from operating activities:		
Income (loss) before income taxes and others	4,796	(8,781)
Depreciation	7,132	6,910
Impairment loss on fixed assets	1,104	129
Increase (decrease) in allowance for doubtful receivables	250	(257)
Increase (decrease) in net defined benefit liability	555	323
Decrease (increase) in net defined benefit asset	-	(128)
Special retirement benefits	128	21
Interest and dividend income	(411)	(318)
Interest expenses	69	64
Foreign exchange (income) loss	1,013	451
(Gain) loss on sale of fixed assets	(1,212)	(300)
Loss from write-off and retirement of fixed assets	97	205
Government subsidies	(1,434)	-
Revaluation (income) loss on investment securities	421	-
(Increase) decrease in trade accounts receivable	(5,667)	1,399
(Increase) decrease in inventories	(6,650)	(3,647)
Increase (decrease) in trade accounts payable	669	424
(Increase) decrease in uncollected consumption taxes	(353)	(140)
Increase (decrease) in accrued consumption taxes	376	37
(Increase) decrease in other assets	(784)	760
Increase (decrease) in other liabilities	(392)	3,853
Subtotal	(293)	1,010
Interest and dividends received	389	323
Interest paid	(71)	(64)
Special retirement benefits paid	(128)	(21)
Governmental subsidies received	690	-
Business restructuring expenses paid	(101)	(189)
Corporate taxes paid	(700)	(552)
Corporate taxes refunded	40	65
Net cash (used in) provided by operating activities	(173)	570

(million yen)

	Year ended March 31, 2015 (April 1, 2014 through March 31, 2015)	Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)
Cash flows from investing activities:		
Placing of time deposits	(9,041)	(1,575)
Withdrawal of time deposits	802	7,461
Acquisition of tangible fixed assets	(11,987)	(12,018)
Sale of tangible fixed assets	2,565	663
Acquisition of intangible fixed assets	(164)	(147)
Acquisition of investment securities	(101)	-
Others	56	0
Net cash (used in) provided by investing activities	(17,870)	(5,616)
Cash flows from financing activities:		
Receipt of short-term borrowings	5,500	1,500
Repayment of short-term borrowings	(2,527)	(4,465)
Proceeds from the issuance of bonds with stock acquisition rights	-	20,023
Purchase of treasury stock	(0)	(5,015)
Cash dividends paid	(438)	(1,222)
Net cash (used in) provided by financing activities	2,532	10,820
Translation gain related to cash and cash equivalents	3,787	(1,785)
Net increase (decrease) in cash and cash equivalents	(11,723)	3,988
Cash and cash equivalents at beginning of the year	45,413	33,689
Cash and cash equivalents at end of the year	33,689	37,678

(5) Notes on the Premises of a Going Concern

Not applicable

6. NON-CONSOLIDATED FINANCIAL STATEMENTS

(1) Balance Sheets

	(million yen)	
	Year ended March 31, 2015 (as of March 31, 2015)	Year ended March 31, 2016 (as of March 31, 2016)
ASSETS:		
Current assets:		
Cash and deposits	13,072	12,447
Trade notes receivable	62	178
Electronically recorded monetary claims	-	173
Trade accounts receivable	43,293	39,471
Securities	120	-
Merchandise and finished products	187	173
Work in process	12,352	13,236
Raw materials and storage	13,477	15,192
Prepaid expenses	135	94
Other current assets	3,400	3,677
Allowance for doubtful receivables	(2,105)	(1,540)
Total current assets	83,996	83,107
Fixed assets:		
Tangible fixed assets:		
Buildings (net)	3,907	3,680
Structures (net)	99	219
Machinery and equipment (net)	7,665	10,130
Motor vehicles (net)	14	10
Tools, furniture and fixtures (net)	2,481	2,542
Lands	5,042	5,107
Construction in progress	446	1,554
Total tangible fixed assets	19,656	23,246
Intangible fixed assets:		
Goodwill	196	145
Software	274	249
Others	33	30
Total intangible fixed assets	504	424
Investments and other assets:		
Investment securities	429	284
Investment in related companies' stock	17,832	16,906
Investment capital in related companies' stock	17,045	17,045
Long-term loans receivable from related companies	-	3,331
Prepaid pension cost	2,471	2,598
Other investments and other assets	320	344
Allowance for doubtful receivables	(241)	(122)
Total investments and other assets	37,858	40,389
Total fixed assets	58,019	64,060
TOTAL ASSETS	142,016	147,167

(million yen)

	Year ended March 31, 2015 (as of March 31, 2015)	Year ended March 31, 2016 (as of March 31, 2016)
<u>LIABILITIES:</u>		
Current liabilities:		
Trade notes payable	1,840	1,262
Trade accounts payable	20,087	21,448
Short-term borrowings	10,276	7,109
Other accounts payable	1,872	3,098
Accrued expenses	2,666	5,471
Accrued corporate taxes, etc.	170	175
Allowance for bonuses	1,241	1,234
Other current liabilities	1,026	2,238
Total current liabilities	39,182	42,038
Long-term liabilities:		
Bonds with stock acquisition rights	-	20,090
Deferred tax liabilities	1,019	998
Allowance for operating loss	858	858
Other long-term liabilities	76	83
Total long-term liabilities	1,954	22,030
TOTAL LIABILITIES	41,136	64,068
<u>NET ASSETS:</u>		
Shareholders' equity:		
Capital	39,890	39,890
Additional paid-in capital:		
Capital reserve	42,250	42,250
Total additional paid-in capital	42,250	42,250
Retained earnings:		
Earned surplus reserve	1,505	1,505
Other retained earnings:		
Reserve for deferred income tax on fixed assets	144	134
Retained earnings brought forward from the previous year	17,126	4,400
Total retained earnings	18,776	6,040
Treasury stock	(92)	(5,093)
Total shareholders' equity	100,823	83,087
Revaluation and exchange differences, etc.:		
Valuation difference of other securities	55	11
Total revaluation and exchange differences, etc.	55	11
TOTAL NET ASSETS	100,879	83,099
TOTAL LIABILITIES AND NET ASSETS	142,016	147,167

(2) Statements of Income

(million yen)

	Year ended March 31, 2015 (April 1, 2014 through March 31, 2015)	Year ended March 31, 2016 (April 1, 2015 through March 31, 2016)
Net sales	140,129	148,570
Cost of sales	131,234	146,437
Gross profit on sales	8,895	2,133
Selling, general and administrative expenses	10,050	9,605
Operating loss	(1,154)	(7,472)
Non-operating income		
Interest income	9	34
Dividend income	1,674	479
Royalties earned	10	77
Rents received	-	79
Foreign exchange gain	2,431	-
Other income	113	130
Total non-operating income	4,238	801
Non-operating expenses		
Interest expense	55	51
Provision of allowance for doubtful receivables	243	1
Loss on disposition of fixed assets	55	116
Payment compensation	349	2,452
Foreign withholding tax	313	-
Foreign exchange loss	-	1,258
Other expenses	82	140
Total non-operating expenses	1,098	4,021
Recurring income (loss)	1,984	(10,692)
Special income		
Gain on sales of fixed assets	221	21
Total special income	221	21
Special loss		
Impairment loss on fixed assets	940	52
Special retirement benefits	23	-
Revaluation loss on investment securities	421	-
Revaluation loss on investment in related companies' stock	-	616
Total special loss	1,385	668
Income (loss) before income taxes and others	820	(11,339)
Corporate, inhabitant and enterprise taxes	91	172
Interperiod tax allocation adjustment	(262)	(0)
Total corporate taxes, etc.	(170)	172
Net income (loss)	990	(11,511)

(3) Statements of Shareholders' Equity, Etc.

Year ended March 31, 2015 (from April 1, 2014 through March 31, 2015)

(million yen)

	Shareholders' equity					
	Capital	Additional paid-in capital	Retained earnings			Total retained earnings
		Capital reserve	Earned surplus reserve	Other retained earnings	Retained earnings brought forward from the previous year	
				Reserve for deferred income tax on fixed assets		
Balance as of April 1, 2014	39,890	42,250	1,505	155	14,997	16,658
Cumulative effect of changes in accounting policies					1,564	1,564
Balance at start of current year adjusted for change in accounting policies	39,890	42,250	1,505	155	16,562	18,222
Changes of items during the fiscal year						
Distribution of retained earnings					(437)	(437)
Reversal of reserve for deferred income tax on fixed assets				(10)	10	-
Net income					990	990
Purchase of treasury stock						
Net changes of items other than shareholders' equity						
Total changes of items during the fiscal year	-	-	-	(10)	564	553
Balance as of March 31, 2015	39,890	42,250	1,505	144	17,126	18,776

	Shareholders' equity		Revaluation and exchange differences, etc.	Total net assets
	Treasury stock	Total shareholders' equity	Valuation differences of other securities	
Balance as of April 1, 2014	(92)	98,706	49	98,756
Cumulative effect of changes in accounting policies		1,564		1,564
Balance at start of current year adjusted for change in accounting policies	(92)	100,270	49	100,320
Changes of items during the fiscal year				
Distribution of retained earnings		(437)		(437)
Reversal of reserve for deferred income tax on fixed assets		-		-
Net income		990		990
Purchase of treasury stock	(0)	(0)		(0)
Net changes of items other than shareholders' equity			5	5
Total changes of items during the fiscal year	(0)	552	5	558
Balance as of March 31, 2015	(92)	100,823	55	100,879

Year ended March 31, 2016 (from April 1, 2015 through March 31, 2016)

(million yen)

	Shareholders' equity					
	Capital	Additional paid-in capital	Retained earnings			Total retained earnings
		Capital reserve	Earned surplus reserve	Other retained earnings	Retained earnings brought forward from the previous year	
				Reserve for deferred income tax on fixed assets		
Balance as of April 1, 2015	39,890	42,250	1,505	144	17,126	18,776
Cumulative effect of changes in accounting policies						
Balance at start of current year adjusted for change in accounting policies	39,890	42,250	1,505	144	17,126	18,776
Changes of items during the fiscal year						
Distribution of retained earnings					(1,224)	(1,224)
Reversal of reserve for deferred income tax on fixed assets				(9)	9	-
Net income (loss)					(11,511)	(11,511)
Purchase of treasury stock						
Net changes of items other than shareholders' equity						
Total changes of items during the fiscal year	-	-	-	(9)	(12,726)	(12,735)
Balance as of March 31, 2016	39,890	42,250	1,505	134	4,400	6,040

	Shareholders' equity		Revaluation and exchange differences, etc.	Total net assets
	Treasury stock	Total shareholders' equity	Valuation differences of other securities	
Balance as of April 1, 2015	(92)	100,823	55	100,879
Cumulative effect of changes in accounting policies				
Balance at start of current year adjusted for change in accounting policies	(92)	100,823	55	100,879
Changes of items during the fiscal year				
Distribution of retained earnings		(1,224)		(1,224)
Reversal of reserve for deferred income tax on fixed assets		-		-
Net income (loss)		(11,511)		(11,511)
Purchase of treasury stock	(5,000)	(5,000)		(5,000)
Net changes of items other than shareholders' equity			(43)	(43)
Total changes of items during the fiscal year	(5,000)	(17,736)	(43)	(17,780)
Balance as of March 31, 2016	(5,093)	83,087	11	83,099

(4) Notes on the Premises of a Going Concern

Not applicable

7. OTHERS

Change of Officers

(i) Change of Representative

Not applicable

(ii) Change of Other Officers (scheduled as of June 24, 2016)

· Director to retire

Director: Fujio Furukawa

· Statutory Auditor to retire

Full-time Statutory Auditor: Shizuumi Nojima

(iii) Election of Substitute Statutory Auditor (scheduled as of June 24, 2016)

· Candidate for new Substitute Statutory Auditor

Masahiro Machida (currently, attorney at law)

(Note) One Substitute Statutory Auditor will be elected in case of a vacancy
in the statutory number of Statutory Auditors.