

(Excerpt translation)

November 5, 2015

**BRIEF ANNOUNCEMENT OF SETTLEMENT OF ACCOUNTS FOR
THE SECOND 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: November 10, 2015

Scheduled date of payment of
dividends: -

Quarterly supplemental
explanatory material prepared: Yes

Quarterly results briefing held: Yes (for analysts and institutional investors)

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

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

(1) Consolidated operating results:

(The percentages indicate the rates of increase (decrease)
from the second 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)	(%)
Second quarter of the year ending March 31, 2016	83,683	23.3	(550)	-	(693)	-	(1,246)	-
Second quarter of the year ended March 31, 2015	67,858	(10.8)	(2,414)	-	(1,606)	-	(1,859)	-

(Note) Comprehensive income:

Second quarter of the year ending March 31, 2016: ¥(2,027) million (-%)

Second quarter of the year ended March 31, 2015: ¥(706) million (-%)

	Net income per share (basic)	Net income per share (diluted)
	(yen)	(yen)
Second quarter of the year ending March 31, 2016	(14.62)	-
Second quarter of the year ended March 31, 2015	(21.26)	-

(2) Consolidated financial condition:

	Total assets	Net assets	Net worth ratio
	(million yen)	(million yen)	(%)
Second quarter of the year ending March 31, 2016	180,273	107,179	59.5
Year ended March 31, 2015	161,089	115,431	71.7

(For reference) Net worth: Second quarter of the year ending March 31, 2016: ¥107,179 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)			—	0.00	0.00

(Note) Adjustment to the most recently publicized forecast of dividends: Yes

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.)

	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)
Whole-year period	170,000	11.1	300	(68.5)	(1,000)	-	(1,500)	-	(17.99)

(Note) Adjustment to the most recently publicized forecast of consolidated business results: Yes

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:

Second 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:

Second quarter of the year ending March 31, 2016:	6,288,443 shares
Year ended March 31, 2015:	47,667 shares
 - 3) Average number of shares during the period:

Second quarter of the year ending March 31, 2016:	85,203,489 shares
Second quarter of the year ended March 31, 2015:	87,451,000 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 7 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 second-quarter cumulative 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, 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, the market for smart phones, while further price reductions are under way, are expanding slowly as sales volume is continuing to increase. The market for car-mounted devices is accelerating expansion as parts mounted per automobile are increasing in terms of prices with further development of computerized automobiles.

Under these circumstances, in the market for smart phones 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 for high-end devices in the Greater China market, specifically. However, orders received for amusement-related products and products related to car-mounted devices increased more than initially planned.

As a result, for the second-quarter cumulative period of the fiscal year under review, on a consolidated basis, net sales amounted to ¥83,683 million (123.3% in comparison with the corresponding period of 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 ¥550 million (an operating loss of ¥2,414 million for the corresponding period of the previous fiscal year) and a recurring loss of ¥693 million (a recurring loss of ¥1,606 million for the corresponding period of the previous fiscal year). Net loss attributable to owners of the parent amounted to ¥1,246 million (a net loss of ¥1,859 million attributable to owners of the parent for the corresponding period of the previous fiscal year).

(2) Explanations on the financial condition

(i) State of assets, liabilities and net assets

As of the end of the second quarter of the fiscal year under review, on a consolidated basis, total assets accounted for ¥180,273 million, up ¥19,183 million from the end of the previous fiscal year, due principally to an increase of ¥6,564 million in trade notes and trade accounts receivable, an increase of ¥10,212 million in inventories and an increase of ¥2,257 million in tangible fixed assets.

Total liabilities accounted for ¥73,094 million, up ¥27,436 million from the end of the previous fiscal year, due principally to an increase of ¥9,319 million in trade notes and trade accounts payable and an increase of ¥20,097 million in bonds with stock acquisition rights in spite of a decrease of ¥3,008 million in short-term borrowings.

Total net assets accounted for ¥107,179 million, down ¥8,252 million from the end of the previous fiscal year, due principally to a decrease of ¥2,470 million in retained earnings, a decrease of ¥1,018 million in foreign exchange translation adjustment and the acquisition by the Company of its own shares for ¥5,000 million.

As a result, the net worth ratio as of the end of the second quarter of the fiscal year under review decreased by 12.2 percentage points from the end of the previous fiscal year to 59.5%.

(ii) State of cash flows

Cash and cash equivalents ("net cash") on a consolidated basis at the end of the second-quarter cumulative period of the fiscal year under review increased by ¥6,329 million from the end of the previous fiscal year, accounting for ¥40,019 million.

The state of cash flows for the second-quarter cumulative period of the fiscal year under review is as follows:

(Cash flows from operating activities)

Cash flows from operating activities resulted in payments of ¥3,948 million (payments of ¥1,406 million for the corresponding period of the previous fiscal year) due principally to an increase in trade accounts receivable and an increase in inventories in spite of an increase in trade accounts payable.

(Cash flows from investing activities)

Cash flows from investing activities resulted in payments of ¥230 million (payments of ¥10,277 million for the corresponding period of the previous fiscal year) due principally to payments for placing of time deposits and payments for the acquisition of tangible fixed assets in spite of receipts from withdrawal of time deposits.

(Cash flows from financing activities)

Cash flows from financing activities resulted in receipts of ¥10,787 million (payments of ¥437 million for the corresponding period of the previous fiscal year) due to proceeds from the issuance of bonds with stock acquisition rights in spite of a decrease in short-term borrowings, payments for the purchase of treasury stock and payments of dividends.

- (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, please refer to the "Notice on the Differences between the Forecasted Amounts and Actual Amounts of Consolidated Business Results for the Second-Quarter Cumulative Period of the Fiscal Year Ending March 31, 2016 and the Adjustment to the Forecasts of Consolidated Business Results for the Whole-Year Period of the Fiscal Year Ending March 31, 2016 and Dividends" publicized on November 5, 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)	Second-quarter period of the year ending March 31, 2016 (as of September 30, 2015)
<u>ASSETS:</u>		
Current assets:		
Cash and deposits	43,018	43,087
Trade notes and trade accounts receivable	44,804	51,368
Finished products	4,243	5,032
Work in process	13,280	17,386
Raw materials and storage	17,993	23,311
Other assets	2,831	2,532
Allowance for doubtful receivables	(156)	(19)
Total current assets	126,015	142,698
Fixed assets:		
Tangible fixed assets	31,587	33,845
Intangible fixed assets	1,218	1,172
Investments and other assets:		
Others investments and other assets	2,508	2,677
Allowance for doubtful receivables	(241)	(120)
Total investments and other assets	2,267	2,556
Total fixed assets	35,073	37,574
TOTAL ASSETS	161,089	180,273
<u>LIABILITIES:</u>		
Current liabilities:		
Trade notes and trade accounts payable	21,268	30,587
Short-term borrowings	10,276	7,268
Accrued corporate taxes, etc.	440	476
Allowance for bonuses	1,389	1,410
Other current liabilities	7,767	8,606
Total current liabilities	41,142	48,349
Long-term liabilities:		
Bonds with stock acquisition rights	-	20,097
Net defined benefit liability	2,128	2,116
Other long-term liabilities	2,387	2,529
Total long-term liabilities	4,515	24,744
TOTAL LIABILITIES	45,657	73,094
<u>NET ASSETS:</u>		
Shareholders' equity:		
Capital	39,890	39,890
Additional paid-in capital	43,252	43,252
Retained earnings	39,552	37,082
Treasury stock	(92)	(5,093)
Total shareholders' equity	122,602	115,131
Accumulated other comprehensive income:		
Valuation difference of other securities	55	19
Foreign exchange translation adjustment	(4,154)	(5,173)
Remeasurements of defined benefit plans	(3,071)	(2,798)
Total accumulated other comprehensive income	(7,170)	(7,952)
TOTAL NET ASSETS	115,431	107,179
TOTAL LIABILITIES AND NET ASSETS	161,089	180,273

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

Consolidated quarterly statements of income

(For the consolidated second-quarter cumulative period)

(million yen)

	Second-quarter cumulative period of the year ended March 31, 2015 (April 1, 2014 through September 30, 2014)	Second-quarter cumulative period of the year ending March 31, 2016 (April 1, 2015 through September 30, 2015)
Net sales	67,858	83,683
Cost of sales	64,516	78,014
Gross profit on sales	3,342	5,669
Selling, general and administrative expenses	5,757	6,220
Operating loss	(2,414)	(550)
Non-operating income		
Interest income	83	195
Royalties earned	2	50
Foreign exchange gains	946	-
Other income	339	135
Total non-operating income	1,372	382
Non-operating expenses		
Interest expense	25	33
Loss on disposition of fixed assets	27	96
Payment compensation	68	157
Provision of allowance for doubtful receivables	137	-
Foreign withholding tax	221	-
Foreign exchange loss	-	85
Other expenses	83	151
Total non-operating expenses	563	524
Recurring loss	(1,606)	(693)
Special income	764	-
Gain on sale of fixed assets	764	-
Total special income		
Special loss	541	87
Impairment loss on fixed assets	156	-
Special retirement allowances	-	22
Total special loss	697	109
Loss before income taxes and others	(1,539)	(803)
Corporate, inhabitant and enterprise taxes	319	442
Net loss	(1,859)	(1,246)
Net loss attributable to noncontrolling interests	-	-
Net loss attributable to owners of the parent	(1,859)	(1,246)

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

	(million yen)	
	Second-quarter cumulative period of the year ended March 31, 2015 (April 1, 2014 through September 30, 2014)	Second-quarter cumulative period of the year ending March 31, 2016 (April 1, 2015 through September 30, 2015)
Net loss	(1,859)	(1,246)
Other comprehensive income		
Valuation difference of other securities	(7)	(35)
Foreign exchange translation adjustment	2,158	(1,018)
Remeasurements of defined benefit plans	414	273
Total other comprehensive income	2,565	(781)
Quarterly comprehensive income	706	(2,027)
(Items)		
Quarterly comprehensive income attributable to owners of the parent	706	(2,027)
Quarterly comprehensive income attributable to noncontrolling interests	-	-

(3) Consolidated quarterly statements of cash flows

(million yen)

	Second-quarter cumulative period of the year ended March 31, 2015 (April 1, 2014 through September 30, 2014)	Second-quarter cumulative period of the year ending March 31, 2016 (April 1, 2015 through September 30, 2015)
Cash flows from operating activities:		
Loss before income taxes and others	(1,539)	(803)
Depreciation	3,034	3,456
Impairment loss on fixed assets	541	87
Increase (decrease) in allowance for doubtful receivables	141	(256)
Increase (decrease) in net defined benefit liability	254	129
(Increase) decrease in net defined benefit asset	-	(61)
Special retirement benefits	-	22
Interest and dividend income	(254)	(196)
Interest expenses	25	33
Foreign exchange (income) loss	380	288
(Gain) loss on sale of fixed assets	(807)	(5)
Loss from write-off and retirement of fixed assets	27	96
Revaluation (gain) loss on investment securities	156	-
(Increase) decrease in trade accounts receivable	(8,427)	(6,998)
(Increase) decrease in inventories	(10,794)	(10,519)
Increase (decrease) in trade accounts payable	16,610	9,606
Others	(621)	1,424
Subtotal	(1,272)	(3,695)
Interest and dividends received	227	161
Interest paid	(26)	(35)
Special retirement benefits paid	-	(22)
Business restructuring expenses paid	(91)	(189)
Corporate taxes paid	(282)	(232)
Corporate taxes refunded	40	65
Net cash provided by (used in) operating activities	(1,406)	(3,948)
Cash flows from investing activities:		
Placing of time deposits	(6,378)	(1,259)
Withdrawal of time deposits	276	7,228
Acquisition of tangible fixed assets	(4,810)	(6,418)
Sale of tangible fixed assets	785	323
Acquisition of intangible fixed assets	(94)	(107)
Acquisition of investment securities	(101)	-
Others	45	1
Net cash provided by (used in) investing activities	(10,277)	(230)

(million yen)

	Second-quarter cumulative period of the year ended March 31, 2015 (April 1, 2014 through September 30, 2014)	Second-quarter cumulative period of the year ending March 31, 2016 (April 1, 2015 through September 30, 2015)
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Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	-	(3,000)
Proceeds from the issuance of bonds with stock acquisition rights	-	20,023
Purchase of treasury stock	(0)	(5,015)
Cash dividends paid	(437)	(1,220)
Net cash provided by (used in) financing activities	(437)	10,787
Translation gain related to cash and cash equivalents	2,161	(278)
Net increase (decrease) in cash and cash equivalents	(9,960)	6,329
Cash and cash equivalents at beginning of the period	45,413	33,689
Cash and cash equivalents at end of the period	35,452	40,019

(4) Notes on consolidated quarterly financial statements

(Note on assumptions for going concern)

Not applicable.

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

The Company acquired 6,240,300 shares of its own in accordance with the resolution adopted at the meeting of its Board of Directors held on July 16, 2015. As a result thereof, principally, its shares of treasury stock increased by ¥5,000 million during the consolidated second-quarter cumulative period under review and amounted to ¥5,093 million as at the end of the consolidated second-quarter cumulative period under review.

(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.

4. Supplementary Information

(1) Production, orders received and sales

(i) Production

Production by product division for the consolidated second-quarter cumulative 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	15,641	108.7
Optical Devices	2,128	53.1
System Parts	42,050	140.6
High-Frequency Parts	14,637	128.9
Power-Unit Parts	10,237	122.9
Total	84,695	124.6

(ii) Orders received

Orders received by product division for the consolidated second-quarter cumulative 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	14,747	105.8	2,521	86.0
Optical Devices	1,443	34.8	342	30.4
System Parts	42,429	124.1	6,066	67.1
High-Frequency Parts	16,448	140.9	5,286	166.7
Power-Unit Parts	10,171	100.0	2,468	76.3
Total	85,240	115.0	16,685	85.5

(iii) Sales

Sales by product division for the consolidated second-quarter cumulative 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	15,650	107.6
Optical Devices	2,133	53.4
System Parts	41,310	138.4
High-Frequency Parts	14,346	128.6
Power-Unit Parts	10,243	123.4
Total	83,683	123.3

(2) Overseas net sales

For the consolidated second-quarter cumulative period of the fiscal year ending March 31, 2015 (April 1, 2014 through September 30, 2014):

(million yen)

	Asia	Europe	North America	Total
I Overseas net sales	38,921	1,478	2,581	42,981
II Consolidated net sales				67,858
III Ratio of overseas net sales to consolidated net sales (%)	57.3	2.2	3.8	63.3

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

(million yen)

	Asia	Europe	North America	Total
I Overseas net sales	46,651	1,419	3,917	51,988
II Consolidated net sales				83,683
III Ratio of overseas net sales to consolidated net sales (%)	55.7	1.7	4.7	62.1

- END -