

(Excerpt translation)

February 4, 2016

**BRIEF ANNOUNCEMENT OF SETTLEMENT OF ACCOUNTS FOR
THE THIRD 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: February 10, 2016

Scheduled date of payment of dividends: -

Quarterly supplemental explanatory material prepared: No

Quarterly results briefing held: No

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

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

- (1) Consolidated operating results:

(The percentages indicate the rates of increase (decrease) from the third 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)	(%)
Third quarter of the year ending March 31, 2016	124,051	9.3	(2,570)	-	(5,064)	-	(6,018)	-
Third quarter of the year ended March 31, 2015	113,484	(6.4)	492	-	3,479	54.1	3,468	181.6

(Note) Comprehensive income:

Third quarter of the year ending March 31, 2016:	¥(6,723) million	(- %)
Third quarter of the year ended March 31, 2015:	¥9,838 million	(107.2%)

	Net income per share (basic)	Net income per share (diluted)
	(yen)	(yen)
Third quarter of the year ending March 31, 2016	(71.64)	-
Third quarter of the year ended March 31, 2015	39.66	-

(2) Consolidated financial condition:

	Total assets	Net assets	Net worth ratio
	(million yen)	(million yen)	(%)
Third quarter of the year ending March 31, 2016	172,634	102,483	59.4
Year ended March 31, 2015	161,089	115,431	71.7

(For reference) Net worth: Third quarter of the year ending March 31, 2016: ¥102,483 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: 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.)

	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	165,000	7.8	(2,500)	-	(5,000)	-	(6,000)	-	(71.98)

(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:

Third 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:

Third quarter of the year ending March 31, 2016:	6,288,575 shares
Year ended March 31, 2015:	47,667 shares
 - 3) Average number of shares during the period:

Third quarter of the year ending March 31, 2016:	84,005,316 shares
Third quarter of the year ended March 31, 2015:	87,450,881 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 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. 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 third-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 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 toward the end 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 smart phones, 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 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 and other parts 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 third-quarter cumulative period of the fiscal year under review, on a consolidated basis, net sales amounted to ¥124,051 million (109.3% 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 ¥2,570 million (an operating income of ¥492 million for the corresponding period of the previous fiscal year). Due to the recording of payment compensation as non-operating expenses, the Company registered a recurring loss of ¥5,064 million (a recurring income of ¥3,479 million for the corresponding period of the previous fiscal year). Net loss attributable to owners of the parent amounted to ¥6,018 million (a net income of ¥3,468 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 third quarter of the fiscal year under review, on a consolidated basis, total assets accounted for ¥172,634 million, up ¥11,545 million from the end of the previous fiscal year, due principally to an increase of ¥2,142 million in trade notes and trade accounts receivable, an increase of ¥6,075 million in inventories and an increase of ¥3,637 million in tangible fixed assets.

Total liabilities accounted for ¥70,151 million, up ¥24,493 million from the end of the previous fiscal year, due principally to an increase of ¥3,485 million in trade notes and trade accounts payable and an increase of ¥20,094 million in bonds with stock acquisition rights in spite of a decrease of ¥2,982 million in short-term borrowings.

Total net assets accounted for ¥102,483 million, down ¥12,948 million from the end of the previous fiscal year, due principally to a decrease of ¥7,242 million in retained earnings, a decrease of ¥1,054 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 third quarter of the fiscal year under review decreased by 12.3 percentage points from the end of the previous fiscal year to 59.4%.

(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 Adjustment to the Forecast of Business Results" publicized on February 4, 2016.

(4) Additional information

The Company, in accordance with the resolution adopted at the meeting of its Board of Directors held on December 21, 2015, agreed with Minebea Co., Ltd. to proceed with a discussion and consideration of a business integration based on the spirit of equal partnership and entered into a basic agreement for the business integration with Minebea Co., Ltd. as of December 21, 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)	Third-quarter period of the year ending March 31, 2016 (as of December 31, 2015)
<u>ASSETS:</u>		
Current assets:		
Cash and deposits	43,018	42,843
Trade notes and trade accounts receivable	44,804	46,946
Finished products	4,243	5,360
Work in process	13,280	16,360
Raw materials and storage	17,993	19,871
Other assets	2,831	2,209
Allowance for doubtful receivables	(156)	(21)
Total current assets	126,015	133,571
Fixed assets:		
Tangible fixed assets	31,587	35,225
Intangible fixed assets	1,218	1,161
Investments and other assets:		
Others investments and other assets	2,508	2,798
Allowance for doubtful receivables	(241)	(122)
Total investments and other assets	2,267	2,676
Total fixed assets	35,073	39,063
TOTAL ASSETS	161,089	172,634
<u>LIABILITIES:</u>		
Current liabilities:		
Trade notes and trade accounts payable	21,268	24,753
Short-term borrowings	10,276	7,294
Accrued corporate taxes, etc.	440	600
Allowance for bonuses	1,389	609
Other current liabilities	7,767	12,017
Total current liabilities	41,142	45,274
Long-term liabilities:		
Bonds with stock acquisition rights	-	20,094
Net defined benefit liability	2,128	2,139
Other long-term liabilities	2,387	2,643
Total long-term liabilities	4,515	24,876
TOTAL LIABILITIES	45,657	70,151
<u>NET ASSETS:</u>		
Shareholders' equity:		
Capital	39,890	39,890
Additional paid-in capital	43,252	43,252
Retained earnings	39,552	32,310
Treasury stock	(92)	(5,093)
Total shareholders' equity	122,602	110,359
Accumulated other comprehensive income:		
Valuation difference of other securities	55	20
Foreign exchange translation adjustment	(4,154)	(5,208)
Remeasurements of defined benefit plans	(3,071)	(2,688)
Total accumulated other comprehensive income	(7,170)	(7,876)
TOTAL NET ASSETS	115,431	102,483
TOTAL LIABILITIES AND NET ASSETS	161,089	172,634

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

Consolidated quarterly statements of income

(For the consolidated third-quarter cumulative period)

(million yen)

	Third-quarter cumulative period of the year ended March 31, 2015 (April 1, 2014 through December 31, 2014)	Third-quarter cumulative period of the year ending March 31, 2016 (April 1, 2015 through December 31, 2015)
Net sales	113,484	124,051
Cost of sales	104,140	117,179
Gross profit on sales	9,343	6,872
Selling, general and administrative expenses	8,851	9,442
Operating income (loss)	492	(2,570)
Non-operating income		
Interest income	157	249
Royalties earned	6	67
Rents received	-	39
Foreign exchange gains	3,340	-
Other income	508	237
Total non-operating income	4,012	594
Non-operating expenses		
Interest expense	43	51
Loss on disposition of fixed assets	43	147
Payment compensation	279	2,500
Provision of allowance for doubtful receivables	223	1
Foreign withholding tax	313	-
Foreign exchange loss	-	223
Other expenses	120	162
Total non-operating expenses	1,024	3,087
Recurring income (loss)	3,479	(5,064)
Special income		
Gain on sale of fixed assets	789	21
Subsidy income	1,434	-
Total special income	2,223	21
Special loss		
Impairment loss on fixed assets	702	98
Valuation loss of investment in securities	421	-
Special retirement allowances	23	22
Total special loss	1,148	120
Loss before income taxes and others	4,555	(5,163)
Corporate, inhabitant and enterprise taxes	1,086	854
Net income (loss)	3,468	(6,018)
Net income (loss) attributable to noncontrolling interests	-	-
Net income (loss) attributable to owners of the parent	3,468	(6,018)

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

	(million yen)	
	Third-quarter cumulative period of the year ended March 31, 2015 (April 1, 2014 through December 31, 2014)	Third-quarter cumulative period of the year ending March 31, 2016 (April 1, 2015 through December 31, 2015)
Net income (loss)	3,468	(6,018)
Other comprehensive income		
Valuation difference of other securities	2	(34)
Foreign exchange translation adjustment	5857	(1,054)
Remeasurements of defined benefit plans	510	383
Total other comprehensive income	6,370	(705)
Quarterly comprehensive income	9,838	(6,723)
(Items)		
Quarterly comprehensive income attributable to owners of the parent	9,838	(6,723)
Quarterly comprehensive income attributable to noncontrolling interests	-	-

(3) 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 third-quarter cumulative period under review and amounted to ¥5,093 million as at the end of the consolidated third-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 third-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	21,989	104.3
Optical Devices	2,945	52.2
System Parts	61,876	110.0
High-Frequency Parts	22,416	124.4
Power-Unit Parts	15,916	115.3
Total	125,144	109.0

(ii) Orders received

Orders received by product division for the consolidated third-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	21,541	103.6	3,152	98.6
Optical Devices	2,082	36.0	161	14.5
System Parts	62,035	106.4	5,779	80.8
High-Frequency Parts	23,610	134.5	4,556	146.2
Power-Unit Parts	15,590	102.7	2,288	81.2
Total	124,861	106.1	15,938	91.6

(iii) Sales

Sales by product division for the consolidated third-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	21,812	103.2
Optical Devices	2,954	52.3
System Parts	61,203	109.5
High-Frequency Parts	22,238	130.1
Power-Unit Parts	15,842	115.4
Total	124,051	109.3

(2) Overseas net sales

For the consolidated third-quarter cumulative period of the fiscal year ended March 31, 2015 (April 1, 2014 through December 31, 2014):

(million yen)

	Asia	Europe	North America	Total
I Overseas net sales	61,973	3,427	2,600	68,001
II Consolidated net sales				113,484
III Ratio of overseas net sales to consolidated net sales (%)	54.6	3.0	2.3	59.9

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

(million yen)

	Asia	Europe	North America	Total
I Overseas net sales	65,505	2,245	6,025	73,776
II Consolidated net sales				124,051
III Ratio of overseas net sales to consolidated net sales (%)	52.8	1.8	4.9	59.5

- END -