(Translation)

Securities Code: 6767
June 3, 2011

To the Shareholders:

NOTICE OF THE 66TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Please take notice that the 66th Ordinary General Meeting of Shareholders of the Company will be held as described below and you are cordially invited to attend the meeting.

Since voting rights can be exercised in writing even if you are not present at the meeting, please go over the Reference Documents for the General Meeting of Shareholders set forth below and send us by return mail the enclosed voting form indicating your approval or disapproval of the propositions no later than 5:20 p.m. on June 23 (Thursday), 2011.

Yours very truly,

Shigeru Moribe,
President and Representative Director

Mitsumi Electric Co., Ltd.
11-2, Tsurumaki 2-chome,
Tama City, Tokyo

Description

1. Date and hour:

   June 24 (Friday), 2011, 10:00 a.m.

2. Place:

   Keio Plaza Hotel Tama, 3F "Hakuhou-no-ma"
   43, Ochiai 1-chome, Tama City, Tokyo

3. Matters forming the objects of the meeting:

   Matters to be reported:

   1. Report on the business report, the consolidated financial statements and the results of audit of the consolidated financial statements by the account auditors and the Board of Statutory Auditors for the 66th fiscal year (from April 1, 2010 to March 31, 2011)

   2. Report on the non-consolidated financial statements for the 66th fiscal year (from April 1, 2010 to March 31, 2011)

   Matters to be resolved:

   Proposition No. 1: Appropriation of retained earnings
   Proposition No. 2: Election of one Director

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(Provided document)

BUSINESS REPORT

(April 1, 2010 to March 31, 2011)

1. Current state of the Mitsumi Group (the "Group")

(1) State of business activities for the fiscal year under review

(i) Development and results of business activities:

To overview the global economic situations during the fiscal year under review, in the first half of the year, the economy remained healthy as emerging countries continued to remain on the phase of expansion and developed countries implemented pump-priming measures. In the second half of the year, in spite of some factors of economic downturn, including the reduction in the effectiveness of the pump-priming measures and a slowdown in job growth in some developed countries, the economy showed a high growth due to strong sales in the year-end shopping season and strong demand from emerging countries. The Japanese economy was stimulated by fiscal measures, including tax reductions for and subsidization of specified environment-responsive purchases and made good progress for the full year while negative factors, including the abrupt appreciation of the yen in the foreign exchange market, the backlash of last-minute orders accompanying the expiration of such subsidization and the occurrence of the Great Eastern Japan Earthquake, emerged. However, since the occurrence of the quake, the breakage of supply chains in manufacturing operations caused by the disaster has apparently heightened a sense of uncertainty about the future.

In our electronic parts industry, in the first half of the year, demand for related parts continued to increase favorably due to the expansion of the market for flat-screen TVs, automobiles and sustainable energy, among others, driven by steady demand from emerging countries, as well as a sharp increase in demand for smart phones and other information devices. In the second half of the year, demand for related parts also remained strong. However, the industry has faced with some factors that may batter profits, including a decline in product prices, an increase in prices of raw materials and an accelerated rise in costs of business operations in overseas production bases.

Mitsumi Group has continued to record an increase in orders received for general-purpose products as well as those related to smart phones and terrestrial digital broadcasting, which has less than offset a decrease in orders received for amusement-related products. As a result, for the fiscal year under review, on a consolidated basis, net sales amounted to ¥187,418 million (90.3% in comparison with the previous fiscal year). With regard to profits and losses, due to decreased orders received, the higher yen and the recording of a special loss caused by the Great Eastern Japan Earthquake in spite of its various measures to reduce cost, the Company registered an operating loss of ¥5,020 million (operating income of ¥9,416 million for the previous fiscal year) and a recurring loss of ¥6,387 million (recurring income of ¥8,295 million for the previous fiscal year). Net loss amounted to ¥3,541 million (net income of ¥5,901 million for the previous fiscal year).

Outline of business performance of the major divisions for the consolidated fiscal year:

Semiconductor devices:

Orders received by the Group for devices for related parts for use in smart phones and other mobile devices increased favorably. As a result, consolidated net sales of semiconductor devices amounted to ¥34,941 million (121.6% in comparison with the previous fiscal year).

Optical Devices:

Orders received for camera modules for use in cellular phones increased. As a result, consolidated net sales of optical devices amounted to ¥13,759 million (117.7% in comparison with the previous fiscal year).

System Parts:

Orders received by the Group for general-use products, such as connectors and motors, for use in automobiles and mobile devices increased, while orders received for amusement-related products decreased. As a result, consolidated net sales of system parts amounted to ¥83,523 million (86.0% in comparison with the previous fiscal year).

High-Frequency Parts:

Orders received by the Group for tuner-related products and car-mounted antennas increased steadily, while orders received for some module products decreased. As a result, consolidated net sales of high-frequency parts amounted to ¥30,978 million (85.8% in comparison with previous fiscal year).

Power-Unit Parts:

Orders received by the Group for power-unit parts for use in copiers and healthcare, while orders received for amusement-related products and others decreased. As a result, consolidated net sales of power-unit parts amounted to ¥19,407 million (71.0% in comparison with the previous fiscal year).

Information Communications Equipment:

The Group continued its efforts to discontinue the business of unprofitable products. As a result, consolidated net sales of information communications equipment amounted to ¥4,808 million (73.5% in comparison with the previous fiscal year).

(ii) Investment in plant and equipment:

Investment in plant and equipment during the fiscal year under review totaled ¥12,818 million, which was spent mainly in improvements of production facilities to develop new products and increase production in the division of system parts, among others, and the replacement of machinery and equipment and molds to improve productivity and product qualities.

(iii) Financing:

To provide operating funds efficiently, the Company has entered into loan commitment agreements, in the aggregate amount of ¥10,000 million, with its main financial institutions.

(iv) Transfer of business, acquisition through divestiture or divestiture through incorporation:

Not applicable.

(v) Acquisition of business from other corporations:

Not applicable.

(vi) Acquisition and assumption of the rights and obligations with regard to the business of other corporations by merger or acquisition through divestiture:

Not applicable.

(vii) Acquisition and disposition of shares, equity interests, stock acquisition rights, etc. of other corporations:

Not applicable.

(2) Property and income/loss for the most recent three fiscal years:

Fiscal year / Item	63rd April 1, 2007 - Mar. 31, 2008	64th April 1, 2008 - Mar. 31, 2009	65th April 1, 2009 - Mar. 31, 2010	66th (current year) April 1, 2010 - Mar. 31, 2011
Net sales (million yen)	301,944	247,734	207,536	187,418
Recurring income (loss) (million yen)	30,861	17,659	8,295	(6,387)
Net income (loss) (million yen)	24,400	11,156	5,901	(3,541)
Net income (loss) per share (yen)	282.77	127.55	67.48	(40.49)
Total assets (million yen)	223,275	195,286	202,570	191,827
Net assets (million yen)	141,686	146,456	148,617	139,659
Net assets per share (yen)	1,619.89	1,674.63	1,699.37	1,596.96

(3) Major parent company and subsidiaries:

(i) Relationship with the parent company:

Not applicable.

(ii) State of major subsidiaries:

Name of Company	Capital stock	Ratio of voting rights of the Company (%)	Major business
MITSUMI PHILIPPINES, INC.	Philippine Pesos 1,186,000 thousand	100.0	Manufacture and sale of electronic parts
CEBU MITSUMI, INC.	Philippine Pesos 1,145,683 thousand	100.0	Manufacture and sale of electronic parts
Zhuhai Mitsumi Electric Co., Ltd.	RMB 230,358 thousand	100.0	Manufacture and sale of electronic parts
Qingdao Mitsumi Electric Co., Ltd.	US$38,850 thousand	100.0	Manufacture and sale of electronic parts
Tianjin Mitsumi Electric Co., Ltd.	US$40,825 thousand	100.0	Manufacture and sale of electronic parts

(4) Issues to be addressed by the Group

In our electronic parts industry, the importance of the market of China and other emerging countries is growing at an accelerated pace and rapid growth of companies in such emerging countries has continued to reduce prices of hot-selling products.

To respond to such market transformation, the Group will accelerate development of new products and reconstruct its manufacturing and marketing networks in China and other overseas areas, whereby strengthening its marketing functions and optimizing its manufacturing sites. The Group will also expand business in new growth areas and strengthen its corporate basis based on its own core competence.

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, to strengthen the system of the entire Group to promote management control, compliance with laws and social norms, information management and timely disclosure.

Due to the Great Eastern Japan Earthquake, which struck on March 11, 2011, situations where business operations are hindered, such as the restriction of electricity usage and difficulties in procurement of raw materials, may arise. In such situations, the Company will revise its production planning.

The Company sincerely hopes that its shareholders will continue giving the Company their full support and encouragement.

(5) Major business (as of March 31, 2011)

The Group is primarily engaged in the manufacture and sale of electric machinery and equipment, including semiconductor devices, optical devices, system parts, high-frequency parts, power unit parts and information communications equipment, and in other businesses pertaining or relating thereto.

(6) Main business offices, plants and factories (as of March 31, 2011)

The Company	Business offices	Head Office	Tama City, Tokyo
		Kansai Branch	Kita-ku, Osaka City
		Hong Kong Branch	Kowloon, Hong Kong Special Administrative Region
		Singapore Branch	The Republic of Singapore
		Taiwan Branch	Taipei, The Republic of China
	Business divisions	Atsugi Operation Base	Atsugi City, Kanagawa
		Chitose Business Division	Chitose City, Hokkaido
		Akita Business Division	Katagami City, Akita
		Yamagata Business Division	Yamagata City, Yamagata
		Kyushu Business Division	Iizuka City, Fukuoka
		Mito Office	Mito City, Ibaraki
Subsidiaries	Factories	MITSUMI PHILIPPINES, INC.	The Republic of the Philippines
		CEBU MITSUMI, INC.	The Republic of the Philippines
		Zhuhai Mitsumi Electric Co., Ltd.	The People's Republic of China
		Qingdao Mitsumi Electric Co., Ltd.	The People's Republic of China
		Tianjin Mitsumi Electric Co., Ltd.	The People's Republic of China

(7) State of employees (as of March 31, 2011)

(i) Employees of the Group:

Division	Number of employees (persons)	Comparison with the end of the previous fiscal year (+ or -) (persons)
Semiconductor devices	3,804	+ 917
Optical devices	3,658	+ 1,430
System parts	22,620	+ 2,170
High-frequency parts	3,516	- 153
Power-unit parts	3,806	- 410
Information communications equipment	1,660	+ 602
Group-wide (common)	1,773	- 540
Total	40,837	+ 4,016

(Notes) 1. The above number of employees represents persons actually at work.

2. The number of employees categorized as "group-wide (common)" represents those assigned to administrative duties that cannot be categorized in any specific division.

(ii) Employees of the Company:

Number of employees	Comparison with the end of the previous fiscal year (+ or -) (persons)	Average age (years)	Average length of service (years)
2,888	- 39	40.7	15.3

(Note) The above number of employees excludes 143 employees of the Company who are temporarily sent to other companies.

(8) **Principal lenders** (as of March 31, 2011)

Lender	Balance of borrowings
	(million yen)
Sumitomo Mitsui Banking Corporation	1,766
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,197
Mizuho Corporate Bank, Ltd.	1,010
The Yamanashi Chuo Bank, Limited	715
The Yamagata Bank, Ltd.	382

(9) Other important matters concerning the current state of the Group

Not applicable.

2. Current state of the Company

(1) State of shares (as of March 31, 2011)

(i) Total number of issuable shares: 200,000,000 shares

(ii) Total number of issued shares: 87,498,119 shares

(iii) Number of shareholders: 23,573 persons

(iv) Principal shareholders (top ten):

Name	Equity participation in the Company	
	Number of shares held (thousand shares)	Equity participation ratio (%)
Japan Master Trust Bank of Japan, Ltd. (Trust account)	10,930	12.50
Japan Trustee Services Bank, Ltd. (Trust account)	7,665	8.77
JP Morgan Securities (Japan) Limited	3,766	4.31
Japan Trustee Services Bank, Ltd. (Trust account 9)	3,140	3.59
Masako Moribe	2,477	2.83
Trust & Custody Services Bank, Ltd. (Security investment trust account)	2,231	2.55
The Nomura Trust and Banking Co., Ltd. (Trust account)	1,552	1.77
CBHK-CITIBANK LONDON-F117	1,479	1.69
Mizuho Securities Co., Ltd.	1,216	1.39
Itsuo Moribe	1,087	1.24

(Notes) 1. The equity participation ratio is calculated by excluding the shares of treasury stock (44,839 shares).

2. The above number of shares held by the trust banks includes those shares related to their trust business.

(2) State of stock acquisition rights:

(i) Stock acquisition rights offered to the officers of the Company in consideration of the performance of their duties and held by them (as of March 31, 2011):

Not applicable.

(ii) Stock acquisition rights offered to the employees, etc. in consideration of the performance of their duties during the fiscal year under review:

Not applicable.

(iii) Other material fact about stock acquisition rights:

Not applicable.

(3) Officers of the Company

(i) Directors and Statutory Auditors (as of March 31, 2011):

Name	Position in the Company	Business in charge and important concurrent office
Shigeru Moribe	President and Representative Director	
Kazuie Hirose	Senior Managing Director	Philippines region president
Shozo Watanabe	Senior Managing Director	In charge of corporate planning and human resources
Yasuo Hirose	Senior Managing Director	General Manager, Sales & Marketing Division
Kazuo Osawa	Managing Director	General Manager, Yamagata Business Division; General Manager, Network Devices Business Headquarters; and China region president
Fumio Hoki	Director	General Manager, Material & Procurement Division
Toshikazu Nagaoka	Director	General Manager, MPS Promotion Division; and General Manager, Quality and Environment Division
Megumi Yamada	Director	General Manager, Component Devices Business Headquarters
Jun Onosaka	Director	General Manager, R&D Division
Fujio Furukawa	Director	General Manager, Atsugi Business Operation Base; and Deputy General Manager, Network Devices Business Headquarters
Motomu Saito	Director	General Manager in charge of accounting, general affairs and systems
Hiroshi Aso	Director	General Manager, Semiconductor Devices Business Headquarters
Nobushige Sakurai	Full-time Statutory Auditor	
Kenji Shinya	Full-time Statutory Auditor	
Shizuumi Nojima	Full-time Statutory Auditor	
Miyuki Hara	Statutory Auditor	Certified tax accountant (Miyuki Hara Tax Accounting Office)

(Notes) 1. Full-time Statutory Auditors Messrs. Nobushige Sakurai and Kenji Shinya and Statutory Auditor Mr. Miyuki Hara are external auditors as provided for in Article 2, item 16 of the Corporation Law of Japan.

2. Full-time Statutory Auditor Mr. Shizuumi Nojima, who served in the Accounting Division of the Company from 1973 through 2006 and engaged in closing processes and the preparation of financial statements for many years, has considerable knowledge of financing and accounting.

3. At the 65th Ordinary General Meeting of Shareholders held on June 25, 2010, Messrs. Motomu Saito and Hiroshi Aso were newly elected as Directors and assumed office, respectively.

4. The Company has designated full-time Statutory Auditors Messrs. Nobushige Sakurai and Kenji Shinya and Statutory Auditor Mr. Miyuki Hara as independent officers as stipulated by Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. and registered them with both exchanges as such.

(ii) Directors and Statutory Auditors who retired from office during the fiscal year under review:

Executive Vice President Mr. Isao Sato and Managing Director Mr. Nobuhiro Horiguchi retired from office due to the expiration of the term of office at the close of the 65th Ordinary General Meeting of Shareholders held on June 25, 2010.

(iii) Total amount of remuneration of the Directors and Statutory Auditors for the fiscal year under review:

Category	Number	Amount of payments
Directors	14	¥222 million
Statutory Auditors (External Statutory Auditors)	4 (3)	¥48 million (¥35 million)
Total (External Officers)	18 (3)	¥271 million (¥35 million)

(Notes) 1. The above number of Directors and Statutory Auditors includes two Directors who retired from office as at the close of the 65th Ordinary General Meeting of Shareholders held on June 25, 2010.
2. The amount of payments to the Directors does not include the portions of salaries and wages of employees concurrently serving as Directors.
3. In addition to the above, in accordance with the resolution adopted at the 61st Ordinary General Meeting of Shareholders held on June 29, 2006, retirement gratuities to Directors and Statutory Auditors were paid as follows:

Two retired Directors: ¥61 million

4. The maximum amount of remuneration of Directors was determined to be ¥350 million per annum (excluding Directors' bonuses and the portions of salaries and wages of employees concurrently serving as

Directors) by resolution of the 54th Ordinary General Meeting of Shareholders held on June 29, 1999.

5. The maximum amount of remuneration of Statutory Auditors was determined to be ¥70 million per annum by resolution of the 65th Ordinary General Meeting of Shareholders held on June 25, 2010.

(iv) Matters concerning external officers:

(a) Concurrent holding of offices of officers (executive officers) of other corporations and the relations between the Company and such other corporations:

Not applicable.

(b) Concurrent holding of offices of external officers of other corporations and the relations between the Company and such other corporations:

Not applicable.

(c) Principal activities during the fiscal year under review:

- Attendance at meetings of the Board of Directors and the Board of Statutory Auditors:

	Board of Directors		Board of Directors	
	Number of attendance	Ratio of attendance	Number of attendance	Ratio of attendance
Statutory Auditor Nobushige Sakurai	24/26	92%	25/28	89%
Statutory Auditor Kenji Shinya	26/26	100%	28/28	100%
Statutory Auditor Miyuki Hara	23/26	88%	24/28	86%

- Speech at meetings of the Board of Directors

Full-time Statutory Auditors Messrs. Nobushige Sakurai and Kenji Shinya expressed opinions principally from the perspective of compliance with law and corporate governance, as to the execution by the Directors of their duties in accordance with the Corporation Law and other laws or ordinances and the fundamental policy on the establishment of the internal control systems of the Company, and otherwise provided advice and recommendations to secure the validity and appropriateness of decision-making by the Board of Directors.

Part-time Statutory Auditor Mr. Miyuki Hara, principally with regard to accounting treatment by the Company, provided advice and recommendations to secure the validity and appropriateness of decision-making by the Board of Directors by taking advantage of his specialized knowledge as a certified tax accountant.

In addition to these activities, they exchanged opinions with top management regularly and visited any group companies to make on-site surveys whenever necessary.

At the meetings of the Board of Statutory Auditors, they made audits and exchange opinions as full-time Statutory Auditors and also made remarks and recommendations as external Statutory Auditors, as to the state of internal control and audits of the Company, including comparison thereof with those of other corporations.

(d) Outline of the content of liability limitation agreements:

In accordance with Article 427, paragraph 1 of the Corporation Law of Japan, the Company has entered into an agreement with each external Statutory Auditor to limit the liability for any damage as provided for in Article 423, paragraph 1 of the said law. The maximum liability amount under such agreement is an amount as provided for in laws or ordinances

(4) Account auditors:

(i) Name: Deloitte Touche Tohmatsu LLC

(ii) Amount of remuneration, etc.:

	Amount of payment
Amount of remuneration, etc. of the account auditors for the fiscal year under review:	¥60 million
Total amount of money and other proprietary benefits payable by the Company and its subsidiaries to the account auditors:	¥63 million

(Notes) 1. The amount of remuneration payable to the account auditors for their audits under the Corporation Law of Japan and the amount of remuneration payable for their audits under the Financial Instruments and Exchange Law of Japan are not specifically separated in the audit contract between the Company and the account auditors and cannot be separated practically. Hence, such amounts are stated collectively.

2. The overseas subsidiaries described in the "1. Current state of the Mitsumi Group: (3) Major parent company and subsidiaries: (ii) State of major subsidiaries" are audited by the following account auditors:

MITSUMI PHILIPPINES, INC. and CEBU MITSUMI, INC.	:	Diaz Murillo Dalupan and Company
Zhuhai Mitsumi Electric Co., Ltd.	:	BDO CHINA LIXIN DAHUA Certified Public Accountants Co., Ltd.
Qingdao Mitsumi Electric Co., Ltd.	:	SHANDONG DESHENG CERTIFIED PUBLIC ACCOUNTANTS
Tianjin Mitsumi Electric Co., Ltd.	:	TIANJIN JINLIAN CERTIFIED PUBLIC ACCOUNTANTS CO., LTD.

(iii) Content of non-auditing services:

The Company has entrusted the account auditors with guidance and advisory services on the International Financial Reporting Standards (IFRS), which services (non-auditing services) are not covered by Article 2, paragraph 1 of the Certified Public Accountant Law of Japan.

(iv) Policy on determination of dismissal and non-reappointment of the account auditors:

In the event that the Board of Statutory Auditors determines the account auditors fall under any of the items of Article 340, paragraph 1 of the Corporation Law of Japan, it shall, upon unanimous consent, dismiss the account auditors. In the event that the Board of Statutory Auditors dismisses the account auditors, it shall report the fact and the reason therefor at the General Meeting of Shareholders first convened thereafter.

In the event that the Board of Directors considers it necessary to do so due to the difficulty for the account auditors to perform their duties or otherwise, it shall, upon consent of or by request from the Board of Statutory Auditors, submit to the General Meeting of Shareholders a proposition to dismiss or not to reappoint the account auditors.

(v) Outline of the content of liability limitation agreements:

Not applicable.

(5) Systems to secure the properness of business activities

With regard to the fundamental policy on the establishment of the internal control systems, the Company has the following provisions:

To promote the establishment of the appropriate internal control systems of the Company and its related companies, the Company shall institute an Internal Control Committee, which shall consist of the Directors, the General Managers of the Business Headquarters, responsible officials of the related companies, etc.

For the purpose of the establishment of the internal control systems, the Company considers that the compliance system, risk management system and information disclosure and management system are specifically important. Hence, the Company shall institute a Compliance Committee, a Risk Management Committee and an Information Disclosure Committee, which shall consist of the Directors in charge and relevant personnel in charge, as subordinate organs of the Internal Control Committee to develop and administer such control systems.

(i) Systems to secure the execution by the Directors and employees of their duties to comply with laws or ordinances and the Articles of Incorporation:

- The Directors and employees shall comply with laws or ordinances, the Articles of Incorporation and internal rules of the Company and also comply with, and realize the spirit of, the "Mitsumi Code of Conduct" established by the Company to fulfill its corporate social responsibility at large.

- The Directors and employees responsible for executing business shall take measures to further improve the internal rules, including the rules of assignment of duties, the rules of duties and powers and the compliance rules, and shall execute business pursuant to the internal procedures.
- The Compliance Committee shall consist of the Director in charge of compliance, the General Affairs Division (Legal Group), the Internal Auditing Office, etc. and shall establish a system to secure the appropriate execution by the Directors and employees of their duties.
- An Internal Auditing Office shall be established to conduct internal audits to confirm that operations of the Company are conducted in compliance with laws or ordinances, the Articles of Incorporation and its internal rules.
- A whistle-blowing acceptance office is established in the Department of General Affairs to promptly discover and correct any act in contravention of laws or ordinances, the Articles of Incorporation, the internal rules, etc.
- To stay out of any antisocial force or group that may threaten the order or safety of civil society, the Company shall improve its internal control system in cooperation with the competent authorities and other external bodies, including attorneys at law.

(ii) Systems concerning storage and management of information on the execution by the Directors of their duties:

- Documents and other information concerning the execution of the Directors and employees of their duties ("Information on Execution of Duties") shall be stored and managed properly in accordance with the document management rules to be established by the Board of Directors.
- The document management rules shall include the following provisions:
    1. The Statutory Auditors and the Internal Auditing Office shall be authorized to have access to Information on Execution of Duties.
    2. Of the Information on Execution of Duties, specifically important documents and information shall be stored properly by specifying the storage period and a quick system to search for the existence of information and the content thereof shall be established.
    3. Any amendment to or abolition of the document management rules shall be subject to consent by the Board of Statutory Auditors.

(iii) Regulations concerning management of exposure to the risk of loss and other systems:

- A Risk Management Committee shall be formed to build up a group-wide risk management system and exercise general control over measures to absorb risks.
- The activities of the Risk Management Committee shall periodically be reported to the Board of Directors and the Board of Statutory Auditors.

- The state of risk management assigned to each division shall periodically be audited by the Internal Auditing Office and be reported to the Risk Management Committee.
- In the event that the Company incurs or threatens to incur a grave risk as provided for in the risk management rules, each relevant division shall immediately report the same to the Director in charge and the Risk Management Committee, which shall immediately report it to the Representative Director and take necessary measures.

(iv) Systems to secure efficient execution by the Directors of their duties:

- The function and the scope of the duties of each division shall be stipulated in the rules of assignment of duties and the system of authorization of duties and decision-making shall be stipulated in the rules of duties and powers to define the scope of powers of the Directors in charge of execution of business and the delegation of such powers, whereby securing the efficiencies of execution of business.

(v) Systems to secure the properness of business activities of the corporate group comprised of the Company and its subsidiaries:

- To apply the "Mitsumi Code of Conduct" to its overseas subsidiaries and business offices, the Company shall revise it in conformity to the culture, customs and religions of each country and prepare the English, Chinese and other versions thereof.
- To allow all subsidiaries to have access to its whistle-blowing acceptance office, the Company shall revise the system.
- The Company shall promote the establishment of rules of assignment of duties and rules of duties and powers for its subsidiaries and provide that important matters shall be determined by the parent company.
- The Company shall keep track of and evaluate risks to the Company and its subsidiaries as well.
- The Internal Auditing Office shall conduct internal audits of the subsidiaries as well whenever necessary.
- The Company shall institute an Information Disclosure Committee to establish and operate a system to promptly keep track of material facts about the Company, and also make material facts about its related companies promptly reported to the Company and disclose information thereon without delay.

(vi) Matters concerning the appointment of employees to assist the Statutory Auditors to execute their duties:

- The Company shall appoint employees as staff to assist the Statutory Auditors to execute their duties.

(vii) Matters concerning the independence of the employees to assist the Statutory Auditors to execute their duties from the Directors:

- With regard to changes and evaluation of staff for the Statutory Auditors, opinions of the Board of Statutory Auditors shall be respected and any disciplinary disposition of such staff shall be subject to approval of the Board of Statutory Auditors .

(viii) System for reporting by the Directors and employees to the Statutory Auditors and other systems for reporting to the Statutory Auditors:

- The Compliance Committee, the Risk Management Committee, the Information Disclosure Committee and the Internal Auditing Office shall periodically report the state of activities to the Board of Statutory Auditors , and shall report to the Board of Statutory Auditors immediately if they find any act in violation of, or threatening to violate, laws or ordinances or the Articles of Incorporation.
- Of the information provided to the whistle-blowing acceptance office, any matter that threaten to violate laws or ordinances, the Articles of Incorporation or the internal rules shall be reported to the Board of Statutory Auditors .
- The Statutory Auditors may request the Directors and employees to file a report whenever necessary.

(ix) Other systems to ensure effective audits by the Statutory Auditors:

- The President shall have periodic meetings with the Board of Statutory Auditors and exchange opinions with regard to the development of the internal control systems.
- The Company shall exert its efforts to make its officers and employees better understand audits by the Statutory Auditors and improve the environment for audits by the Statutory Auditors.

(6) Fundamental policy on corporate control

The Company recognizes that it is the primary responsibility for the Directors entrusted with corporate management to explore efficient means of increasing its enterprise value at all times. If such means is a proposal involving a change in management control, it cannot be denied itself and the final decision for or against the proposal should be left to the shareholders. Therefore, the Company has not adopted any specific purchase defense measure.

However, as the decision for or against the proposal should be left to the shareholders, the Company believes that it is essential that all necessary information should be provided to allow the shareholders to consider to the fullest extent whether or not the proposal will be conducive to enhancing the corporate value of the Company. In the event that any investor emerges who intends to make a large purchase of the shares of the Company and participate in management, the Company will, based on the Financial Instruments and Exchange Law and other laws or ordinances of Japan and the standards of the stock exchanges, ask the investor how he/she/it will enhance the corporate value of the Company and fulfill its shareholders' mandate after acquiring a large portion of its shares and request him/her/it to provide information to the shareholders.

CONSOLIDATED BALANCE SHEET

(as of March 31, 2011)

(million yen)

ASSETS:

Current assets:	143,800
Cash and deposits	45,115
Trade notes and trade accounts receivable	63,624
Finished products	2,572
Work in process	4,137
Raw materials and storage	23,596
Deferred tax assets	2,583
Other assets	2,228
Allowance for doubtful receivables	(56)
Fixed assets:	48,026
Tangible fixed assets:	39,814
Buildings and structures	11,337
Machinery and equipment and motor vehicles	15,204
Tools, furniture and fixtures	6,724
Lands	5,889
Construction in progress	658
Intangible fixed assets:	1,883
Investments and other assets:	6,328
Investment securities	472
Prepaid pension cost	2,860
Deferred tax assets	2,584
Other investments and other assets	652
Allowance for doubtful receivables	(241)
TOTAL ASSETS	191,827

(million yen)

LIABILITIES:	
Current liabilities:	50,243
Trade notes and trade accounts payable	36,113
Short-term borrowings	5,072
Accrued expenses	3,285
Accrued corporate taxes, etc.	477
Allowance for bonuses	1,437
Other current liabilities	3,856
Long-term liabilities:	1,924
Deferred tax liabilities	1,097
Reserve for employee retirement benefits	607
Other long-term liabilities	219
TOTAL LIABILITIES	52,167
NET ASSETS:	
Shareholders' equity:	155,214
Capital	39,890
Additional paid-in capital	43,252
Retained earnings	72,162
Treasury stock	(90)
Accumulated other comprehensive income:	(15,554)
Valuation difference of other securities	6
Foreign exchange translation adjustment	(15,560)
TOTAL NET ASSETS	139,659
TOTAL LIABILITIES AND NET ASSETS	191,827

(Note) The figures are given by disregarding fractions of a million yen.

CONSOLIDATED STATEMENT OF INCOME

(April 1, 2010 through March 31, 2011)

(million yen)

Net sales		187,418
Cost of sales		179,976
Gross profit on sales		7,441
Selling, general and administrative expenses		12,461
Operating loss		(5,020)
Non-operating income		
Interest income	100	
Royalties earned	67	
Returned patent fees	198	
Other income	373	739
Non-operating expenses		
Interest expense	46	
Loss from disposition of fixed assets	361	
Foreign exchange loss	1,157	
Other expenses	541	2,107
Recurring loss		(6,387)
Special income:		
Gain on insurance claims	63	
Governmental subsidies	13	
Transfer back of allowance for doubtful receivables	4	81
Special loss:		
Special retirement allowances	67	
Loss from disaster	186	254
Loss before income taxes and others		(6,559)
Corporate, inhabitant and enterprise taxes	1,414	
Interperiod tax allocation adjustment	(4,433)	(3,018)
Net loss		(3,541)

(Note) The figures are given by disregarding fractions of a million yen.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY, ETC.

(April 1, 2010 through March 31, 2011)

(million yen)

Item	Shareholders' equity				
	Capital	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2010	39,890	43,252	78,745	(88)	161,798
Changes during the year					
Distribution of retained earnings			(3,060)		(3,060)
Net loss			(3,541)		(3,541)
Acquisition of treasury stock				(2)	(2)
Increase in retained earnings due to change in the scope of consolidation			19		19
Changes in items other than shareholders' equity during the year – net					
Total changes during the year	-	-	(6,582)	(2)	(6,584)
Balance as of March 31, 2011	39,890	43,252	72,162	(90)	155,214

Item	Accumulated other comprehensive income			Total net assets
	Valuation difference of other securities	Foreign exchange translation adjustment	Total accumulated other comprehensive income	
Balance as of March 31, 2010	10	(13,191)	(13,181)	148,617
Changes during the year				
Distribution of retained earnings				(3,060)
Net loss				(3,541)
Acquisition of treasury stock				(2)
Increase in retained earnings due to change in the scope of consolidation				19
Changes in items other than shareholders' equity during the year – net	(4)	(2,369)	(2,373)	(2,373)
Total changes during the year	(4)	(2,369)	(2,373)	(8,958)
Balance as of March 31, 2011	6	(15,560)	(15,554)	139,659

(Note) The figures are given by disregarding fractions of a million yen.

Notes to Consolidated Financial Statements

1. Important matters forming the basis of preparation of consolidated financial statements

(1) Matters concerning the scope of consolidation:

(i) Consolidated subsidiaries:

- Number of consolidated subsidiaries: 17 companies

  As from the fiscal year under review, a newly established Mitsumi (Shanghai) Electronic Co., Ltd. and Quingdao Mitsumi Electronic Co., Ltd., which has increased importance, are included in the scope of consolidation.

  The names of major consolidated subsidiaries are as described in "1. Current state of the Mitsumi Group (the "Group"): (3) Major parent company and subsidiaries: (ii) State of major subsidiaries" of the business report.

(ii) Non-consolidated subsidiaries:

- Number of non-consolidated subsidiaries: 2 companies
- Names of non-consolidated subsidiaries: MGI Co., Ltd.
MITSUMI REALTY INC.
- Reason for excluding the subsidiaries from the scope of consolidation:

  The scale of business conducted by 2 non-consolidated subsidiaries are small, and their respective total assets, net sales, net income or loss and retained earnings (based on the Company's equity interest) do not have a material impact on the consolidated financial statements.

(2) Matters concerning the application of the equity method:

(i) Affiliates to which the equity method is applied:

- Number of equity method affiliates: 1 company

  Infection Diagnostic Kit LLP, which was dissolved in the fiscal year under review, is excluded from the scope of application of the equity method.

- Name of the equity method affiliate: MITSUMI REALTY INC.

(ii) Non-consolidated subsidiaries to which the equity method is not applied:

- Number of non-consolidated subsidiaries to which the equity method is not applied: 1 company
- Name of the non-consolidated subsidiary to which the equity method is not applied: MGI Co., Ltd.
- Reason for not applying the equity method to such company:

  The company to which the equity method is not applied has no significant impact on net income or loss and retained earnings (based on the Company's equity interest), and in general has no significant impact on the consolidated financial statements. Hence, the equity method is not applied to the company and it is valued at cost.

(3) Matters concerning the fiscal years of consolidated subsidiaries:

The balance sheet date of Zhuhai Mitsumi Electric Co., Ltd. and five other consolidated subsidiaries is December 31 of each year. For the purpose of consolidated accounting, the accounts of such consolidated subsidiaries are settled provisionally as of the consolidated balance sheet date.

(4) Matters concerning accounting standards:

(i) Basis and method of valuation of important assets:

a. Securities

Other securities:

- Those with market value: At market value, determined by market prices, etc. as of the close of the fiscal year (Revaluation differences are all transferred directly to net assets. Selling costs are determined by the moving average method.)
- Those without market value: At cost, determined by the moving average method

b. Inventories:

Inventories are stated at cost (the balance sheet values are calculated by the write-down method based on declined margins).

- Finished products and work in process: Determined by the periodic average method or the moving average method
- Raw materials and storage: Determined by the last cost method principally

(ii) Method of depreciation of important depreciable assets:

a. Tangible fixed assets (excluding lease assets):

Declining balance method based on the useful lives of assets estimated by category, structure and usage; provided, however, that the straight-line method is applicable to the buildings (excluding any appurtenances thereto) acquired on or after April 1, 1998 and some overseas consolidated subsidiaries.

Useful lives of principal tangible fixed assets are as described below:

Buildings and structures:	15 to 38 years
Machinery and equipment and motor vehicles:	5 to 10 years
Tools, furniture and fixtures:	2 to 8 years

b. Intangible fixed assets (excluding lease assets):

Straight-line method based on the useful lives of assets estimated by category and usage.

Software installed in products for sale is depreciated by the straight-line method based on the estimated salable period (3 years) and software for use by the Company is depreciated by the straight-line method based on the useful lives for the Company (5 years).

c. Lease assets:

Lease assets related to finance lease transactions that do not transfer ownership are depreciated by the straight-line method, based on the assumption that the useful life equals to the lease term and the residual value equals to zero.

Any finance lease transaction other than those in which ownership of leased property is deemed to pass to its lessee, which became effective on or prior to March 31, 2008, is treated similarly in the manner in which ordinary lease transactions are treated.

(iii) Basis for translation of foreign currency assets and liabilities into Japanese currency:

Receivables and payables in foreign currency are translated into Japanese yen based on the spot exchange rate as of the close of the fiscal year and exchange differences are treated as exchange gains or losses. With regard to the overseas consolidated subsidiaries, assets and liabilities are translated into Japanese yen based on the spot exchange rate as of the close of the fiscal year and incomes and expenses are translated into Japanese yen based on the average exchange rate for the year, and exchange differences are reported by inclusion in the foreign exchange translation adjustment in the section of net assets.

(iv) Basis for providing for important reserves:

a. Allowance for doubtful receivables:

To meet losses from loan default, the Company sets aside an estimated uncollectible amount, by taking into consideration the actual loss rate in respect of general credits and the individual possibilities of collection in respect of possible non-performing credits and claims in bankruptcy and corporate reorganization. Its overseas consolidated subsidiaries set aside an estimated uncollectible amount based on individual estimates.

b. Accrued bonuses:

To meet the payment of bonuses to employees, the Company and some of its overseas consolidated subsidiaries set aside an estimated amount of bonuses to be paid for each current fiscal year.

c. Reserve for employee retirement benefits:

To meet the payment of retirement benefits to employees, the Company and some of its overseas consolidated subsidiaries account for reserves for employee retirement benefits or prepaid pension cost, based on estimated retirement benefit obligations and plan assets as of the close of each current fiscal year.

With regard to the difference of ¥12,579 million upon restatement of the accounts, ¥2,279 million was amortized by the creation of a retirement benefit trust and the balance of ¥10,300 million, except for the amount to be amortized due to the transfer of the substitutional portion of the Employee Pension Fund, is treated as expenses, based on a pro rata basis for 15 years.

Actuarial differences are treated as expenses from the subsequent fiscal year, based on a pro rata basis for a specific period of years (10 years) not exceeding the average remaining years of service of employees when such differences occur.

(v) Method of important hedge accounting:

a. Method of hedge accounting:

The Company engages in forward exchange contracts. A periodic allocation approach may be applicable to foreign currency receivables with forward exchange contracts.

b. Hedging instruments and hedged items:

(Hedging instruments)	Forward exchange contracts
(Hedged items)	Foreign currency receivables

c. Hedging policy:

To hedge risks of currency fluctuations in foreign currency transactions.

d. Method of evaluating the effectiveness of a hedge:

The Company applies the periodic application approach to foreign currency transactions in accordance with its risk management policies. Hence, the determination of effectiveness of such transactions as at the close of each fiscal year is not made.

(vi) Accounting treatment of consumption taxes:

Consumption taxes are treated for accounting purpose on a tax-excluded basis.

(5) Change in accounting policies:

(Accounting Standard for Asset Retirement Obligations, etc.)
As from the fiscal year under review, the Company has applied the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ) Corporate Accounting Standard No.18, March 31, 2008) and the "Implementation Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Implementation Guidance No. 21, March 31, 2008).

The change has no impact on the consolidated statement of income.

(6) Additional information:

As from the fiscal year under review, the "Ministerial Ordinance to Amend Part of Corporate Accounting Regulations" (2010 Ordinance of the Ministry of Justice No. 33, September 30, 2010) is applicable. In accordance with the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Corporate Accounting Standard No.25, June 30, 2010), the Company has replaced the method of presentation of "Valuation and translation adjustments" with "Accumulated other comprehensive income" in its consolidated balance sheet and consolidated statement of shareholders' equity, etc.

2. Notes to consolidated balance sheet

Accumulated depreciation of tangible fixed assets: ¥120,580 million

3. Notes to consolidated statement of income

Loss from disaster

The Company recorded a loss from the Great Eastern Japan Earthquake, which struck on March 11, 2011. The details thereof are as follows:

(i)	Disposal of inventories and fixed assets	¥49 million
(ii)	Expenses of restoration and repair of buildings and facilities	¥46 million
(iii)	Fixed cost while operations were halted	¥80 million
(iv)	Others	¥10 million
	Total	¥186 million

4. Notes to consolidated statement of shareholders' equity, etc.

(1) Total number of issued shares:

Class	Number of shares as of March 31, 2010	Increase in the number of shares during the year	Decrease in the number of shares during the year	Number of shares as of March 31, 2011
Shares of common stock	87,498 thousand shares	-	-	87,498 thousand shares

(2) Matters concerning the distribution of retained earnings

(i) Amount of payment for dividends, etc.:

Matters concerning the dividends by resolution of the 65th Ordinary General Meeting of Shareholders held on June 25, 2010:

- Aggregate amount of dividends ¥3,060 million
- Source of dividends Retained earnings
- Amount of dividend per share ¥35
- Record date March 31, 2010
- Effective date June 28, 2010

(ii) Dividends for which the record date falls during the fiscal year under review but the effective date falls during the next fiscal year:

The following matters will be submitted to the 66th Ordinary General Meeting of Shareholders to be held on June 24, 2011:

- Aggregate amount of dividends ¥1,749 million
- Source of dividends Retained earnings
- Amount of dividend per share ¥20
- Record date March 31, 2011
- Effective date June 27, 2011

5. Notes on financial instruments:

(1) Matters relating to the status of financial instruments

The Group invests funds only by short-term deposits and raises funds by loans from banks and financial institutions.

With regard to risks relating to the collection of trade notes and trade accounts receivable, the Group has stipulated its sales and business (management) rules and bylaws thereof to reduce risks.

With regard to investment securities, which are principally stocks, the market prices of listed stocks are recognized for each quarter.

Derivatives are exchange contracts to hedge foreign currency risk relating to foreign currency trade accounts receivable. The Company has a policy of not engaging in speculative transactions. The hedging instruments, hedged items, hedging policy, method of evaluating the effectiveness of a hedge, etc. relating to hedge accounting are as described in "1. Important matters forming the basis of preparation of consolidated financial statements: (4) Matters concerning accounting standards: (v) Method of important hedge accounting" above.

(2) Matters concerning fair values, etc. of financial instruments

The following chart shows amounts for items recorded in the consolidated balance sheet as of March 31, 2011, along with their fair values and the variances:

(million yen)

		Balance sheet amount*	Fair value*	Variance
(1)	Cash and deposits	45,115	45,115	-
(2)	Trade notes and trade accounts receivable	63,624	63,624	-
(3)	Investment securities:			
	Other marketable securities	69	69	-
(4)	Trade notes and trade accounts payable	(36,113)	(36,113)	-
(5)	Short-term borrowings	(5,072)	(5,072)	-

* The items recognized as liabilities are shown in the parentheses.

(Note 1) Matters concerning the calculation method of the fair values of financial instruments, as well as marketable securities:

(1) Cash and deposits and (2) Trade notes and trade accounts receivable:

The book value is used for these items, as the fair value is nearly equal to the book value as a result of their short settlement periods.

(3) Investment securities:

The fair value of stocks is determined by the prices of the stocks traded on an exchange.

(4) Trade notes and trade accounts payable and (5) Short-term borrowings:

The book value is used for these items, as the fair value is nearly equal to the book value as a result of their short settlement periods.

(Note 2) Unlisted shares (¥402 million on the balance sheet) have no market price and it is impossible to estimate their future cash flow. As determining the market value thereof is recognized as being extremely difficult, they are not included in "(3) Investment securities – Other marketable securities".

6. Notes on information per share:

(1)	Net assets per share:	¥1,596.96
(2)	Net loss per share:	¥40.49

NON-CONSOLIDATED BALANCE SHEET

(as of March 31, 2011)

(million yen)

ASSETS

Current assets:	120,347
Cash and deposits	27,141
Trade notes receivable	158
Trade accounts receivable	62,051
Trade receivables on supply of raw materials	5,393
Merchandise and finished products	1,063
Work in process	3,359
Raw materials and storage	17,428
Prepaid expenses	132
Deferred tax assets	2,376
Other accounts receivable	1,271
Other current assets	14
Allowance for doubtful receivables	(44)
Fixed assets:	69,275
Tangible fixed assets:	26,560
Buildings and structures	7,323
Machinery and equipment	10,126
Motor vehicles	58
Tools, furniture and fixtures	3,428
Lands	5,485
Construction in progress	137
Intangible fixed assets:	1,122
Patents	4
Utility rights	14
Software	1,072
Telephone rights	30
Investments and other fixed assets:	41,592
Investment securities	273
Investment in related companies' stock	19,458
Investment capital in related companies' stock	16,664
Prepaid pension cost	2,860
Deferred tax assets	2,172
Other investments and other assets	404
Allowance for doubtful receivables	(241)
TOTAL ASSETS	189,623

(million yen)

LIABILITIES:

Current liabilities:	49,542
Trade notes payable	2,115
Trade accounts payable	35,450
Short-term loans payable	5,072
Other accounts payable	1,635
Accrued expenses	2,437
Accrued corporate income taxes, etc.	201
Accrued bonuses	1,302
Notes payable relating to facilities	737
Other current liabilities	588
Long-term liabilities:	219
Other long-term liabilities	219
TOTAL LIABILITIES	49,761

NET ASSETS:

Shareholders' equity:	139,855
Capital	39,890
Additional paid-in capital	42,250
Capital reserve	42,250
Retained earnings	57,805
Earned surplus reserve	1,505
Other retained earnings	56,300
Reserve for deferred income tax on fixed assets	358
Retained earnings brought forward from the previous year	55,941
Treasury stock	(90)
Revaluation and exchange differences, etc.:	6
Valuation difference of other securities	6
TOTAL NET ASSETS	139,861
TOTAL LIABILITIES AND NET ASSETS	189,623

(Note) The figures are given by disregarding fractions of a million yen.

NON-CONSOLIDATED STATEMENT OF INCOME
(April 1, 2010 through March 31, 2011)

(million yen)

Net sales		177,889
Cost of sales		173,674
Gross profit on sales		4,214
Selling, general and administrative expenses		11,984
Operating loss		(7,770)
Non-operating income		
Interest and dividend income	5,192	
Royalties earned	67	
Other income	340	5,600
Non-operating expenses		
Interest expense	40	
Loss from disposition of fixed assets	237	
Foreign exchange loss	985	
Other expenses	318	1,581
Recurring loss		(3,752)
Special income		
Gain on insurance claims	62	
Governmental subsidies	13	
Transfer back of allowance for doubtful receivables	4	80
Special loss		
Loss from disaster	186	186
Loss before income taxes and others		(3,858)
Corporate, inhabitant and enterprise taxes	710	
Interperiod tax allocation adjustment	(3,880)	(3,170)
Net loss for the year		(687)

(Note) The figures are given by disregarding fractions of a million yen.

NON-CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY, ETC.

(April 1, 2010 through March 31, 2011)

(million yen)

Item	Shareholders' equity								Revaluation and exchange differences, etc.	Total Net assets
	Capital	Additional paid-in capital	Retained earnings				Treasury stock	Total shareholders' equity		
				Other retained earnings						
		Capital reserve	Earned surplus reserve	Reserve for deferred income tax on fixed assets	Retained earnings brought forward from the previous year	Total retained earnings			Valuation difference of other securities	
Balance as of March 31, 2010	39,890	42,250	1,505	387	59,661	61,554	(88)	143,606	10	143,616
Changes during the year										
Distribution of retained earnings					(3,060)	(3,060)		(3,060)		(3,060)
Reversal of reserve for deferred income tax on fixed assets				(29)	29	-		-		-
Net loss					(687)	(687)		(687)		(687)
Acquisition of treasury stock							(2)	(2)		(2)
Changes in items other than shareholders' equity during the year – net									(4)	(4)
Total changes during the year	-	-	-	(29)	(3,719)	(3,748)	(2)	(3,750)	(4)	(3,755)
Balance as of March 31, 2011	39,890	42,250	1,505	358	55,941	57,805	(90)	139,855	6	139,861

(Note) The figures are given by disregarding fractions of a million yen.

Notes to Non-Consolidated Financial Statements

1. Notes to the matters concerning significant accounting policies:

(1) Basis and method of valuation of marketable securities:

(i) Investment in subsidiaries' stock and affiliated companies' stock: At cost, determined by the moving average method

(ii) Other securities:

- Those with market value: At market value, determined by market prices, etc. as of the close of the fiscal year (Revaluation differences are all transferred directly to net assets. Selling costs are determined by the moving average method.)
- Those without market value: At cost, determined by the moving average method

(2) Basis and method of evaluation of inventories:

Inventories are stated at cost (the balance sheet values are calculated by the write-down method based on declined margins).

- Merchandise: Determined by the moving average method
- Finished products and work in process: Determined by the periodic average method
- Raw materials and storage: Determined by the last cost method principally

(3) Method of depreciation of fixed assets (excluding lease assets):

(i) Tangible fixed assets (excluding lease assets):

Declining balance method based on the useful lives of assets estimated by category, structure and usage; provided, however, that the straight-line method is applicable to the buildings (excluding any appurtenances thereto) acquired on or after April 1, 1998.

Useful lives of principal tangible fixed assets are as described below:

Buildings and structures	15 to 38 years
Machinery and equipment	5 to 8 years
Tools, furniture and fixtures	2 to 8 years

(ii) Intangible fixed assets (excluding lease assets):

Straight-line method based on the useful lives of assets estimated by category and usage.

Software installed in products for sale is depreciated by the straight-line method based on the estimated salable period (3 years) and software for use by the Company is depreciated by the straight-line method based on the useful lives for the Company (5 years).

(iii) Lease assets:

Lease assets related to finance lease transactions that do not transfer ownership are depreciated by the straight-line method, based on the assumption that the useful life equals to the lease term and the residual value equals to zero.

Any finance lease transaction other than those in which ownership of leased property is deemed to pass to its lessee, which became effective on or prior to March 31, 2008, is treated similarly in the manner in which ordinary lease transactions are treated.

(4) Basis for translation of foreign currency assets and liabilities into Japanese currency:

Receivables and payables in foreign currency are translated into Japanese yen based on the spot exchange rate as of the close of the fiscal year and exchange differences are treated as exchange gains or losses.

(5) Basis for providing for reserves:

(i) Allowance for doubtful receivables:

To meet losses from loan default, the Company sets aside an estimated uncollectible amount, by taking into consideration the actual loss rate in respect of general credits and the individual possibilities of collection in respect of possible non-performing credits and claims in bankruptcy and corporate reorganization.

(ii) Accrued bonuses:

To meet the payment of bonuses to employees, the Company sets aside an estimated amount of bonuses to be paid for each current fiscal year.

(iii) Reserve for employee retirement benefits:

To meet the payment of retirement benefits to employees, the Company provides an amount, based on estimated retirement benefit obligations and plan assets as of the close of each current fiscal year.

With regard to the difference of ¥12,579 million upon restatement of the accounts, ¥2,279 million was amortized by the creation of a retirement benefit trust and the balance of ¥10,300 million, except for the amount to be amortized due to the transfer of the substitutional portion of the Employee Pension Fund, is treated as expenses, based on a pro rata basis for 15 years.

Actuarial differences are treated as expenses from the subsequent fiscal year, based on a pro rata basis for a specific period of years (10 years) not exceeding the average remaining years of service of employees when such differences occur.

The Company accounted for "prepaid pension cost" under investments and other intangible fixed assets as at the end of the fiscal year under review.

(6) Method of hedge accounting:

- Method of hedge accounting:

  The Company engages in forward exchange contracts. A periodic allocation approach may be applicable to foreign currency receivables with forward exchange contracts.

- Hedging instruments and hedged items:

(Hedging instruments)	Forward exchange contracts
(Hedged items)	Foreign currency receivables

- Hedging policy:

  To hedge risks of currency fluctuations in foreign currency transactions.

- Method of evaluating the effectiveness of a hedge:

  The Company applies the periodic application approach to foreign currency transactions in accordance with its risk management policies. Hence, the determination of effectiveness of such transactions as at the close of each fiscal year is not made.

(7) Accounting treatment of consumption taxes:

Consumption taxes are treated for accounting purpose on a tax-excluded basis.

(8) Changes in accounting policies:

(Accounting Standard for Asset Retirement Obligations, etc.)
As from the fiscal year under review, the Company has applied the "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ) Corporate Accounting Standard No.18, March 31, 2008) and the "Implementation Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Implementation Guidance No. 21, March 31, 2008).
The change has no impact on the non-consolidated statement of income.

2. Notes to non-consolidated balance sheet

(1) Accumulated depreciation of tangible fixed assets ¥90,335 million

(2) Money debts due from and payable to related companies:

- (i) Short-term money debts due from related companies: ¥6,259 million
- (ii) Short-term money debts payable to related companies: ¥7,398 million

(3) Aggregate money debts payable to Directors and Statutory Auditors:

Long-term money debts payable to Directors and Statutory Auditors: ¥204 million

3. Notes to non-consolidated statement of income

(1) Transactions with related companies:

- (i) Sales: ¥3,578 million
- (ii) Purchases: ¥93,942 million
- (iii) Provision for value: ¥33,727 million
- (iv) Transactions other than ordinary business: ¥5,484 million

(2) Loss from disaster:

The Company recorded a loss from the Great Eastern Japan Earthquake, which struck on March 11, 2011. The details thereof are as follows:

(i)	Disposal of inventories and fixed assets	¥49 million
(ii)	Expenses of restoration and repair of buildings and facilities	¥46 million
(iii)	Fixed cost while operations were halted	¥80 million
(iv)	Others	¥10 million
	Total	¥186 million

4. Notes to non-consolidated statement of shareholders' equity, etc.

Matters concerning the number of shares of treasury stock:

Class	Number of shares as of March 31, 2010	Increase in the number of shares during the year	Decrease in the number of shares during the year	Number of shares as of March 31, 2011
Shares of common stock	43 thousand shares	1 thousand shares	-	44 thousand shares

(Note) The number of shares of treasury stock increased as a result of the purchases of less-than-one-unit shares.

5. Notes on employee retirement benefits

(1) Outline of the retirement benefit plans adopted by the Company

The Company has a defined-benefit corporate pension fund plan.

(2) Matters concerning retirement benefit obligations

(million yen)

(i)	Retirement benefit obligations	(26,931)
(ii)	Plan assets	22,065
(iii)	Unfunded retirement benefit obligations ((i)+(ii))	(4,865)
(iv)	Unappropriated difference upon restatement of the accounts	1,464
(v)	Unrecognized actuarial differences	6,261
(vi)	Net balance sheet amount ((iii)+(iv)+(v))	2,860
(vii)	Prepaid pension cost	2,860
(viii)	Reserve for employee retirement benefits ((vi)-(vii))	-

(3) Matters concerning retirement benefit cost (April 1, 2010 to March 31, 2011)

(million yen)

(i)	Service cost	1,170
(ii)	Interest cost	613
(iii)	Expected investment yields	(405)
(iv)	Appropriated cost of difference upon restatement of the accounts	366
(v)	Appropriated cost of actuarial differences	1,132
(vi)	Retirement benefit cost ((i)+(ii)+(iii)+(iv)+(v))	2,877

(4) Matters concerning the basis for calculating employee benefit obligations, etc.

(i)	Method of periodic allocation of estimated amounts of retirement benefits	Periodic flat-rate formula
(ii)	Discount rate	2.0%
(iii)	Rate of expected investment yields	2.0%
(iv)	Years of appropriation of the difference upon restatement of the accounts	15 years
(v)	Years of appropriation of actuarial differences	10 years

6. Notes on tax effect accounting

(1) Analysis of principal items that caused the accrual of deferred tax assets and deferred tax liabilities:

(million yen)

Current assets and current liabilities:	
Deferred tax assets	
Non-admitted accrued bonuses	529
Non-admitted revaluation loss of inventories	454
Non-admitted accrued expenses	296
Foreign corporate taxes	448
Loss carry-forward	324
Others	349
Sub-total	2,403
Valuation allowance	(9)
Balance of deferred tax assets	2,393
Offset against deferred tax liabilities	(17)
Net deferred tax assets	2,376
Deferred tax liabilities	
Reserve for deferred income tax on fixed assets	(17)
Total deferred tax liabilities	(17)
Offset against deferred tax assets	17
Net deferred tax liabilities	-
Fixed assets and long-term liabilities:	
Deferred tax assets	
Excess depreciation amount	589
Non-admitted impairment loss on fixed assets	88
Loss carry-forward	3,126
Others	458
Sub-total	4,263
Valuation allowance	(488)
Balance of deferred tax assets	3,774
Offset against deferred tax liabilities	(1,601)
Net deferred tax assets	2,172
Deferred tax liabilities	
Prepaid pension cost	(1,164)
Reserve for deferred income tax on fixed assets	(229)
Valuation loss of investment in subsidiaries' stock	(203)
Others	(4)
Total deferred tax liabilities	(1,601)
Offset against deferred tax assets	1,601
Net deferred tax liabilities	-

(2) Analysis of principal items that caused a difference between the statutory effective tax rate and the corporate tax charge rate after application of tax effect accounting:

No analysis is given here as the Company registered a loss before income taxes and others for the fiscal year under review.

7. Notes on the fixed assets used by lease

(1) Amounts equivalent to the acquisition prices, accumulated depreciation and balance at the end of the year, of leased property:

(million yen)

	Amount equivalent to the acquisition prices	Amount equivalent to accumulated depreciation	Amount equivalent to balance at the end of the year
Machinery and equipment	51	34	16
Motor vehicles	4	2	1
Tools, furniture and fixtures	191	141	50
Software	11	9	2
Total:	259	188	70

The amount equivalent to the acquisition prices is calculated by an interest expense-inclusive method as the ratio of the balance of unearned rent at the end of the year to the balance of tangible fixed assets at the end of the year is low.

(2) Amount equivalent to the balance of unearned rent at the end of the year:

Lease within one year:	¥40 million
Lease exceeding one year:	¥30 million
Total:	¥70 million

The amount equivalent to the balance of unearned rent at the end of the year is calculated by an interest expense-inclusive method as the ratio of the balance of unearned rent at the end of the year to the balance of tangible fixed assets at the end of the year is low.

(3) Rent paid for the year and the amount equivalent to depreciation costs:

Rent paid:	¥61 million
Amount equivalent to depreciation costs:	¥61 million

(4) Method of calculation of the amount equivalent to depreciation costs:

By the straight-line method on the assumption that the useful life equals to the lease term and the residual value equals to zero.

8. Notes on transactions with related parties

Subsidiaries, etc.

Attribute	Corporate name	Address	Capital stock or contribu-tion	Business	Ratio of voting rights held by (in) the Company	Relationship		Transaction	Transaction amount (million yen)	Account	Year-end balance (million yen)
						Number of interlocking officers	Business relationship				
Subsidiary	Qingdao Mitsumi Electric Co., Ltd.	Quingdao, Quangdong, The People's Republic of China	US$ 38,850 thousand	Manufacture and sale of information communications equipment and system parts	Held by the Company Direct: 100%	2	Manufacture of information communications equipment and system parts of the Company	Provision of raw materials for value	21,680	Trade receivables on supply of raw materials	2,800
								Purchase of products	37,173	Trade accounts payable	1,870
Subsidiary	Zhuhai Mitsumi Electric Co., Ltd.	Zhuhai, Guangdong, The People's Republic of China	RMB 230,358 thousand	Manufacture and sale of information communications equipment and system parts	Held by the Company Direct: 100%	2	Manufacture of information communications equipment and system parts of the Company	Provision of raw materials for value	1,097	Trade receivables on supply of raw materials	69
								Purchase of products	19,512	Trade accounts payable	1,850

(Notes) Terms of transactions and the policy on determination thereof, etc.:

1. The provision of raw materials for value is determined based on predetermined costs of the Company.
2. Transaction prices are determined by negotiations from time to time, in consideration of market prices and gross costs.
3. The transaction amount and the year-end balance do not include consumption taxes.

9. Notes on information per share

(1) Net assets per share: ¥1,599.27

(2) Net loss per share: ¥7.87

Audit Report on Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

May 13, 2011

To: The Board of Directors
Mitsumi Electric Co., Ltd.

Deloitte Touche Tohmatsu LLC

By Toshiyuki Ono (seal)
Specified and Executive Partner
Certified Public Accountant

By Yasunari Kunii (seal)
Specified and Executive Partner
Certified Public Accountant

By Takako Fujimoto (seal)
Specified and Executive Partner
Certified Public Accountant

In accordance with the provision of Article 444, paragraph 4 of the Corporation Law of Japan, this firm has audited the consolidated financial statements, or the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity, etc. and the notes to consolidated financial statements of Mitsumi Electric Co., Ltd. (the "Company"), covering the consolidated fiscal year from April 1, 2010 to March 31, 2011. Management of the Company is responsible for preparing such consolidated financial statements and our responsibility is to express our opinions thereon from an independent standpoint.

We made such audit in compliance with the auditing standards generally accepted in Japan. The auditing standards require us to have a reasonable assurance whether any material misrepresentation exists in the consolidated financial statements or not. Our audit was made on a test basis and included the examination of the presentations in their entirety in the consolidated financial statements, including the evaluation of the accounting policies and methods of application thereof employed by management and estimates made by management. We consider that as a result of our audit, we have obtained a reasonable basis for expressing our opinions.

This firm is of the opinion that the abovementioned consolidated financial statements present fairly the state of the property and profit and loss of the corporate group consisting of the Company and its consolidated subsidiaries for the period related to the consolidated financial statements in all material respects in conformity with the corporate accounting standards generally accepted in Japan.

There is no such relation of interests between the Company and this auditing firm or any executive partner thereof as is required to be stated under the Certified Public Accountant Law of Japan.

- END -

Audit Report on Non-Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

May 13, 2011

To: The Board of Directors
Mitsumi Electric Co., Ltd.

Deloitte Touche Tohmatsu LLC

By Toshiyuki Ono (seal)
Specified and Executive Partner
Certified Public Accountant

By Yasunari Kunii (seal)
Specified and Executive Partner
Certified Public Accountant

By Takako Fujimoto (seal)
Specified and Executive Partner
Certified Public Accountant

In accordance with the provision of Article 436, paragraph 2, item 1 of the Corporation Law of Japan, this auditing firm audited the non-consolidated financial statements, or the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of shareholders' equity, etc. and the notes to non-consolidated financial statements, and their accompanying detailed statements for the 66th fiscal year of Mitsumi Electric Co., Ltd. (the "Company") covering the period from April 1, 2010 to March 31, 2011. Management of the Company is responsible for preparing such non-consolidated financial statements and their accompanying detailed statements and our responsibility is to express our opinions thereon from an independent standpoint.

We made such audit in compliance with the auditing standards generally accepted in Japan. The auditing standards require us to have a reasonable assurance whether any material misrepresentation exists in the non-consolidated financial statements and their accompanying detailed statements or not. Our audit was made on a test basis and included the examination of the presentations in their entirety in the non-consolidated financial statements and their accompanying detailed statements, including the evaluation of the accounting policies and methods of application thereof employed by management and estimates made by management. We consider that as a result of our audit, we have obtained a reasonable basis for expressing our opinions.

This firm is of the opinion that the abovementioned non-consolidated financial statements and their accompanying detailed statements present fairly the state of the property and profit and loss of the Company for the period related to the non-consolidated financial statements and their accompanying detailed statements in all material respects in conformity with the corporate accounting standards generally accepted in Japan.

There is no such relation of interests between the Company and this auditing firm or any executive partner thereof as is required to be stated under the Certified Public Accountant Law of Japan.

- END -

Board of Statutory Auditors' Audit Report

AUDITORS' REPORT

We, the Board of Statutory Auditors of the Company, report upon deliberation based upon the audit report prepared by each Statutory Auditor on the performance by the Directors of their duties during the 66th fiscal year from April 1, 2010 to March 31, 2011, unanimously prepared this audit and hereby report as follows:

1. Method of audit by the Statutory Auditors and the Board of Statutory Auditors and the particulars thereof:

The Board of Statutory Auditors determined the audit policy and audit plans, including assignment of duties, for the fiscal year under review, received from each Statutory Auditor reports on the state of his performance of audits and the results thereof, and also received from the Directors, etc. and the account auditors reports on the state of performance of their duties and demanded their explanations whenever necessary.

Each Statutory Auditor, pursuant to the audit policy and audit plans, including assignment of duties, for the fiscal year under review determined by the Board of Statutory Auditors, maintained constant communication with the Directors, the internal audit sections and other employees, etc. in an effort to collect information and improve the environment for auditing, attended meetings of the Board of Directors and other important meetings, received from the Directors and employees, etc. reports on the state of performance of their duties, demanded their explanations whenever necessary, inspected important decision documents, etc., and made investigation into the state of activities and property at the head office and principal business offices of the Company. With regard to the details of the resolutions of the Board of Directors for establishing systems to secure that the performance by the Directors of their duties will comply with laws or ordinances and the Articles of Incorporation and such other systems provided for in Article 100, paragraphs 1 and 3 of the Regulations to Enforce the Corporation Law of Japan as necessary to secure the adequacy of business of joint-stock corporations, as well as the status of the systems (internal control systems) established pursuant to such resolutions, which are described in the business report, we periodically received from the Directors and employees, etc. reports, demanded their explanations and expressed our opinions whenever necessary, on the state of formulation and operation thereof. With regard to the fundamental policy under Article 118, item 3(a) of the Regulations to Enforce the Corporation Law, as described in the business report, we investigated the details thereof by taking into account the developments of deliberation by the Board of Directors, etc. With regard to its subsidiaries, we maintained constant communication and exchanged information with the directors, statutory auditors, etc. thereof and required the subsidiaries to render reports on their business operations whenever necessary. In accordance with such methods, we investigated the business report and its accompanying detailed statements for the fiscal year under review.

We also monitored and verified whether the account auditors had maintained an independent position and conducted adequate audits, and received from the account auditors reports on the state of performance of their duties and demanded their explanations whenever necessary. In addition, we received from the account auditors a notice that the "systems to secure adequate performance of duties" (as listed in the items of Article 131 of the Regulations on Corporate Accounts) had been established in accordance with the "Standard for Quality Control Concerning Audits" (the Accounting Standards Board of Japan, October 28, 2005) and demanded their explanations whenever necessary. In accordance with such methods, we investigated the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of shareholders' equity, etc. and the notes to non-consolidated financial statements) and their accompanying detailed statements, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity, etc. and the notes to consolidated financial statements), for the fiscal year under review.

2. Results of audit:

(1) Results of audit of the business report, etc.:

We are of the opinion:

i. That the business report and its accompanying detailed statements present fairly the state of the Company in accordance with laws or ordinances and the Articles of Incorporation;

ii. That in connection with the performance by the Directors of their duties, no dishonest act or material fact of violation of laws or ordinances or the Articles of Incorporation exists;

iii. That the details of the resolutions of the Board of Directors on internal control systems are proper and that the descriptions in the business report and the performance by the Directors of their duties concerning such internal control systems contain nothing to be pointed out; and

iv. That the details of the fundamental policy on corporate control described in the business report contain nothing to be pointed out.

(2) Results of audit of the non-consolidated financial statements and their accompanying detailed statements:

We are of the opinion that the method and results of the audit made by the account auditors, Deloitte Touche Tohmatsu LLC, are proper.

(3) Results of audit of the consolidated financial statements:

We are of the opinion that the method and results of the audit made by the account auditors, Deloitte Touche Tohmatsu LLC, are proper.

May 19, 2011

The Board of Statutory Auditors
Mitsumi Electric Co., Ltd.

Nobushige Sakurai (seal)
Full-time Statutory Auditor
(External Statutory Auditor)

Kenji Shinya (seal)
Full-time Statutory Auditor
(External Statutory Auditor)

Shizuumi Nojima (seal)
Full-time Statutory Auditor

Miyuki Hara (seal)
Statutory Auditor
(External Statutory Auditor)

- END -

Reference Documents for the General Meeting of Shareholders

Proposition No. 1: Appropriation of retained earnings

The Company follows a fundamental policy of distributing profits based on its operating results and will endeavor to develop business to maintain the constant payment of dividends while aiming to maintain the dividend payout ratio at 30% or more based on its consolidated operating results.

The Company registered a net loss for the fiscal year under review. However, based on the aforementioned fundamental policy and by taking into consideration the future business development, management proposes the appropriation of retained earnings for the fiscal year under review, as set forth below:

Matters concerning the year-end dividends:

(i) Kind of the property to be distributed: Cash

(ii) Matter concerning the allocation of the property to be distributed and the aggregate amount thereof:

20 Japanese yen per share of common stock of the Company; in such case, the aggregate amount of the dividends will amount to 1,749,065,600 Japanese yen.

(iii) Effective date of the distribution of retained earnings: June 27, 2011

Proposition No. 2: Election of one Director

Director Mr. Jun Onosaka will retire from office due to resignation at the close of this General Meeting of Shareholders and it is hereby proposed that one Director be elected. The term of office of the Director to be newly elected will expire when the term of office of the Directors currently in office shall expire, pursuant to the Articles of Incorporation of the Company.

The candidate for Director is follows:

Name (Date of birth)	Brief history, position and duties in the Company (and important concurrent office)		Number of shares of the Company held by Candidate
Keishou Fujiwara (April 8, 1954)	March 1979	Joined the Company	200 shares
	December 1996	Chief Manager, C/C Technology Section, Technology Department, AVC Business Division.	
	December 2001	Deputy General Manager, Technology Department, AVC Business Division	
	January 2003	General Manager, Technology Department, AVC Business Division	
	April 2007	General Manager, AVC Business Division, to date	

(Note) There is no conflict of interest between the candidate and the Company.

- END -