(Excerpt translation)

May 12, 2011

BRIEF ANNOUNCEMENT OF SETTLEMENT OF ACCOUNTS FOR THE FISCAL YEAR ENDED MARCH 31, 2011

(Based on the accounting principles generally accepted in Japan)
(Consolidated)

Name of listed company:	MITSUMI ELECTRIC CO., LTD.
Listing exchange:	Tokyo Stock Exchange Osaka Securities Exchange
Code number:	6767
URL:	http://www.mitsumi.co.jp
Representative:	Shigeru Moribe President and Representative Director
Person to contact:	Kunihiro Noguchi General Manager of General Affairs Dept. Tel. (042) 310-5333

Scheduled date of the Ordinary General Meeting of Shareholders:	June 24, 2011
Scheduled date of payment of dividends	June 27, 2011
Scheduled date of filing of securities report	June 27, 2011
Preparation of supplementary information on statement of accounts:	Yes
Holding of results briefing:	Yes (results briefing for analysts and institutional investors)

1. Consolidated business results for the fiscal year ended March 31, 2011 (April 1, 2010 through March 31, 2011):

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

(1) Consolidated operating results:

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

	Year ended March 31	
	2011	2010
Net sales	¥187,418 million	¥207,536 million
	(9.7%)	(16.2%)
Operating income	(¥5,020 million)	¥9,416 million
	-	(54.5%)
Recurring income	(¥6,387 million)	¥8,295 million
	-	(53.0%)
Net income	(¥3,541 million)	¥5,901 million
	-	(47.1%)
(Note)		
Comprehensive income	(¥5,914 million)	¥5,224 million
	-	-
Net income per share	(¥40.49)	¥67.48
Fully diluted earnings per share	-	-
Percentage of net income to net worth	(2.5%)	4.0%
Percentage of recurring income to total assets	(3.2%)	4.2%
Percentage of operating income to net sales	(2.7%)	4.5%
(For reference)		
Gain on equity method investments:	¥8 million	(¥1 million)

(2) Consolidated financial condition:

	Year ended March 31	
	2011	2010
Total assets	¥191,827 million	¥202,570 million
Net assets	¥139,659 million	¥148,617 million
Net worth ratio	72.8%	73.4%
Net assets per share	¥1,596.96	¥1,699.37
(For reference) Net worth	¥139,659 million	¥148,617 million

(3) State of consolidated cash flows:

	Year ended March 31	
	2011	2010
Cash flows from operating activities	¥5,457 million	¥30,839 million
Cash flows from investing activities	(¥13,963 million)	(¥9,065 million)
Cash flows from financing activities	(¥3,062 million)	(¥4,310 million)
Cash and cash equivalents at end of the year	¥43,417 million	¥55,869 million

2. State of dividends:

		Year ended/ending March 31		
		2010	2011	2012 (forecast)
Dividend per share:	First quarter-end	-	-	-
	Second quarter-end	-	-	-
	Third quarter-end	-	-	-
	Year-end	¥35.00	¥20.00	¥10.00
	Annual	¥35.00	¥20.00	¥10.00
Aggregate dividends (annual):		¥3,060 million	¥1,749 million	
Dividend propensity (consolidated):		51.9%	-	87.5%
Ratio of dividends to net assets (consolidated):		2.1%	1.2%	

3. Forecast of consolidated operating results for the fiscal year ending March 31, 2012 (April 1, 2011 through March 31, 2012):

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

	Second-quarter cumulative period	Whole-year period
Net sales	¥90,000 million	¥200,000 million
	(3.0%)	6.7%
Operating income	(¥2,500 million)	¥1,000 million
	-	-
Recurring income	(¥2,500 million)	¥500 million
	-	-
Net income	(¥500 million)	¥1,000 million
	-	-
Net income per share	(¥5.72)	¥11.43

4. Others

(1) Changes in important subsidiaries (changes in specific subsidiaries associated with changes in the scope of consolidation) during the year: No

(2) Changes in accounting principles, procedures, disclosure methods, etc.:

(i) Changes associated with changes in accounting standards: Yes

(ii) Other changes: No

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

	Year ended March 31	
	2011	2010
(i) Number of issued shares (including shares of treasury stock) as of the end of the fiscal year:	87,498,119 shares	87,498,119 shares
(ii) Number of shares of treasury stock as of the end of the fiscal year:	44,839 shares	43,464 shares
(iii) Average number of shares during the fiscal year:	87,454,007 shares	87,455,313 shares

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

1. Non-consolidated operating results for the year ended March 31, 2011 (April 1, 2010 through March 31, 2011):

(1) Non-consolidated operating results

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

	Year ended March 31	
	2011	2010
Net sales	¥177,889 million (10.3%)	¥198,233 million (16.9%)
Operating income	(¥7,770 million) -	¥3,535 million (79.0%)
Recurring income	(¥3,752 million) -	¥2,874 million (78.9%)
Net income	(¥687 million) -	¥1,922 million (76.2%)
Net income per share	(¥7.87)	¥21.98
Fully diluted earnings per share	-	-

(2) Non-consolidated financial condition

	Year ended March 31	
	2011	2010
Total assets	¥189,623 million	¥194,193 million
Net assets	¥139,861 million	¥143,616 million
Net worth ratio	73.8%	74.0%
Net assets per share	¥1,599.27	¥1,642.18
(For reference) Net worth	¥139,861 million	¥143,616 million

* Statement on the state of performance of audit procedures:

This brief announcement of settlement of accounts for the fiscal year under review is not subject to audit procedures under the Financial Instruments and Exchange Law of Japan. The audit of this brief announcement of settlement of accounts for the fiscal year under review in accordance with the Financial Instruments and Exchange Law has not been completed at the time of disclosure hereof.

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

The description of the future in this material, including the forecast of business results, is based on the information currently available to the Company and certain assumptions currently considered reasonable by the Company. The actual results may change depending on various factors. As for the conditions precedent to the forecasts of business results and the instructions on the use of the forecasts of business results, please refer to "1. OPERATING RESULTS: (1) Analysis of Operating Results " on page 8 hereof.

CONTENTS OF ATTACHMENT

Qualitative Information, Financial Statements, Etc.

1. OPERATING RESULTS

(1) Analysis of Operating Results

1) Operating results for the year ended March 31, 2011

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, 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).

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

(i) Semiconductor Devices:

Orders received by the Group for 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).

(ii) 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).

(iii) 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).

(iv) 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).

(v) 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).

(vi) 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).

The operating results by geographic segment for the fiscal year under review are as follow:

(i) Japan:

Orders received for terrestrial digital-related products continued to increase while orders received for amusement-related products and others decreased. As a result, consolidated net sales and operating loss amounted to ¥107,789 million (83.8% in comparison with the previous fiscal year) and ¥9,325 million (an operating income of ¥1,927 million for the previous fiscal year), respectively.

(ii) Asia:

Orders received for general-use products in the segments of semiconductor devices and system parts increased, while orders received for high-frequency parts decreased. As a result, consolidated net sales and operating income amounted to ¥75,959 million (100.0% in comparison with the previous fiscal year) and ¥4,192 million (56.1% in comparison with the previous fiscal year), respectively.

(iii) Europe:

Orders received for car-mounted products increased. As a result, consolidated net sales and operating income amounted to ¥2,469 million (117.2% in comparison with the previous fiscal year) and ¥138 million (155.1% in comparison with the previous fiscal year), respectively.

(iv) North America:

Orders received for car-mounted products increased. As a result, consolidated net sales and operating income amounted to ¥1,200 million (155.4% in comparison with the previous fiscal year) and ¥154 million (669.2% in comparison with the previous fiscal year), respectively.

2) Prospect for the fiscal year ending March 31, 2012

To foresee the global economy, while the economy of emerging countries is expected to continue to expand, private spending is expected to increase due to improvement in employment in developed countries except for Japan. However, it is difficult to estimate the effects of the Great Eastern Japan Earthquake on the global economy and it involves serious destabilizing factors. Specifically, in the electronics and automobile industries, which are driving forces for boosting the global economy, it is anticipated to require substantial time before short supply of parts and materials ceases and negative growth is possibly inevitable for the whole-year period even if we make a projection of recovery in the second half of the year. In this economic situation, in the electronics market, sustained by strong demand from emerging countries, the market for smart phones, tablet PCs, flat-screen TVs and products related to sustainable energy is expected to continue to grow.

Under these business circumstances, Mitsumi Group will expand new businesses of car-mounted products, sustainable energy and healthcare as well as its existing businesses of related products for use in amusement-related equipment, AV-related equipment and cellular phones. Additionally, Mitsumi Group will focus its efforts on strengthening its product development capabilities and marketing capabilities in its production bases in China and Southeast Asia and also enhance its capabilities to survey market needs in its bases in Europe and the United States to deploy group-wide efforts in new growth fields.

The following is an earnings outlook for the next fiscal year at present:

Earnings outlook on a consolidated basis:

Net sales:	¥200,000 million	(106.7% in comparison with the fiscal year under review)
Operating income:	¥1,000 million	(-)
Recurring income:	¥500 million	(-)
Net income:	¥1,000 million	(-)

As to exchange rates for the fiscal year ending March 31, 2012, the rate is estimated at $1 = ¥83. The above earnings outlook on a consolidated basis is calculated based on the information available to management and the certain assumptions considered by management to be the most rational at the time of publication hereof. However, it is difficult to estimate the effects of the Great East Japan Earthquake, including the temporary shrinkage of market and the actual results may materially differ from the above forecast.

(2) Analysis of Financial Conditions

1) Assets, liabilities and net assets

(i) Assets

Current assets decreased by 7.9% in comparison with the previous fiscal year, accounting for ¥143,800 million, principally due to a decrease of ¥12,132 million in cash and deposits and a decrease of ¥5,955 million in trade notes and accounts receivable in spite of an increase of ¥5,803 million in inventories. (For more information on cash and deposits, please refer to the consolidated statements of cash flows on pages 27 and 28.)

Fixed assets increased by 3.5% in comparison with the previous fiscal year, accounting for ¥48,026 million, principally due to an increase of ¥2,200 million in deferred tax assets.

As a result, total assets decreased by 5.3% in comparison with the previous fiscal year, accounting for ¥191,827 million.

(ii) Liabilities

Current liabilities increased by ¥8 million in comparison with the previous fiscal year, accounting for ¥50,243 million.

Long-term liabilities decreased by 48.2% in comparison with the previous fiscal year, accounting for ¥1,924 million, principally due to a decrease of ¥1,739 million in deferred tax liabilities.

As a result, total liabilities decreased by 3.3% in comparison with the previous fiscal year, accounting for ¥52,167 million.

(iii) Net assets

Net assets decreased by 6.0% in comparison with the previous fiscal year, accounting for ¥139,659 million, principally due to a decrease of ¥6,582 million in retained earnings.

2) State of cash flows

Cash and cash equivalents ("net cash") on a consolidated basis at the end of the fiscal year under review decreased by ¥12,451 million in comparison with the previous fiscal year, accounting for ¥43,417 million (including an increase in cash and cash equivalents due to new consolidation).

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

(i) Cash flows from operating activities

Cash flows from operating activities resulted in receipts of ¥5,457 million (receipts of ¥30,839 million for the previous fiscal year) principally due to an increase in net cash by decreases in depreciation and trade accounts receivable in spite of a loss of ¥6,559 million before income taxes and others and an increase in inventories.

(ii) Cash flows from investing activities

Cash flows from investing activities resulted in payments of ¥13,963 million (payments of ¥9,065 million for the previous fiscal year) principally due to payments for the acquisition of tangible fixed assets and intangible fixed assets.

(iii) Cash flows from financing activities

Cash flows from financing activities resulted in payments of ¥3,062 million (payments of ¥4,310 million for the previous fiscal year) principally due to payments of dividends.

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

	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011
Net worth ratio (%)	63.5	75.0	73.4	72.8
Net worth ratio on a market value basis (%)	123.4	63.1	88.3	50.5
Ratio of interest-bearing debt to cash flows (%)	46.9	26.4	18.4	92.9
Interest coverage ratio	45.1	113.6	364.9	116.3

(Notes)

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

1. Each of the indices is calculated based on financial data on a consolidated basis.

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

3. As cash provided by operating activities, cash flows from operating activities in the consolidated statement of cash flows are used. Interest-bearing debt covers all debt with interest being paid which is stated in the consolidated balance sheet.

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

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

By taking into consideration the operating results for the fiscal year under review and the future business development, the Company intends to pay a dividend of ¥20 per share for the fiscal year under review. The Company plans to pay a dividend of ¥10 per share for the next fiscal year.

(4) Risk Factors in Business

The major risks that may affect the operating results of the Group in the future are described below. Some factors that are not necessarily considered by the Group to be risk factors but considered important for investment judgments or the understanding of operating activities of the Company by investors are described hereinafter from the positive stance of information disclosure to investors.

The future factors contained herein are envisioned by the Company as of the end of the fiscal year under review.

1) Impact of the global economic conditions

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

2) Technological development and the introduction of new products

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

3) Risks of lower product prices

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

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

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

5) Potential risks involving overseas presence

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

6) Fluctuations of foreign exchanges

Local currencies in the Group's overseas manufacturing bases, or the Philippines, China, Taiwan, Malaysia and Thailand, as well as sale and purchase transactions in foreign currencies are materially subject to currency fluctuations. With regard to transactions in the U.S. dollar, to hedge risks associated with foreign currency fluctuations, the Company has engaged in forward exchange contract transactions.

However, even if it is possible to ease the impact of fluctuations of foreign exchanges by such measures, it is impossible to eliminate it completely. Therefore, the operating results and financial position of the Group may more or less be affected.

7) Impacts of natural calamities on business

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

2. STATE OF CORPORATE GROUP

The Group principally engages in the production and sale of electronic parts and parts of communications equipment. The Group comprises the Company (Mitsumi Electric Co., Ltd.) and its 17 consolidated subsidiaries, one non-consolidated subsidiary subject to the equity method and one non-consolidated subsidiary not subject to the equity method.

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

(i) Semiconductor Devices

This business division covers the production and sale of various semiconductor products for use in electronic equipment, such as communications equipment, digital AV equipment, OA equipment and measuring devices. Its main lines are semiconductor devices for resetting and related with batteries, as well as modules for use in lithium-ion batteries for portable devices highly appraised for reliability in the market.

For future development, the Group will seek continuous business expansion by further strengthening its process technology and making fuller the line of analog/digital mixed signal products.

Major consolidated subsidiary: CEBU MITSUMI, INC.

(ii) Optical Devices

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

Major consolidated subsidiary: CEBU MITSUMI, INC.

(iii) System Parts

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

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

Major consolidated subsidiaries:

CEBU MITSUMI, INC., QUINGDAO MITSUMI ELECTRIC CO., LTD. and ZHUHAI MITSUMI ELECTRIC CO., LTD.

(iv) High-Frequency Parts

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

Specifically, as demand for wireless module products is expected to increase widely in the market for automobile-related equipment, mobile equipment, amusement equipment and digital AV equipment, the Group will aggressively expand business.

Major consolidated subsidiaries:

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

(v) Power-Unit Parts

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

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

Major consolidated subsidiaries:

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

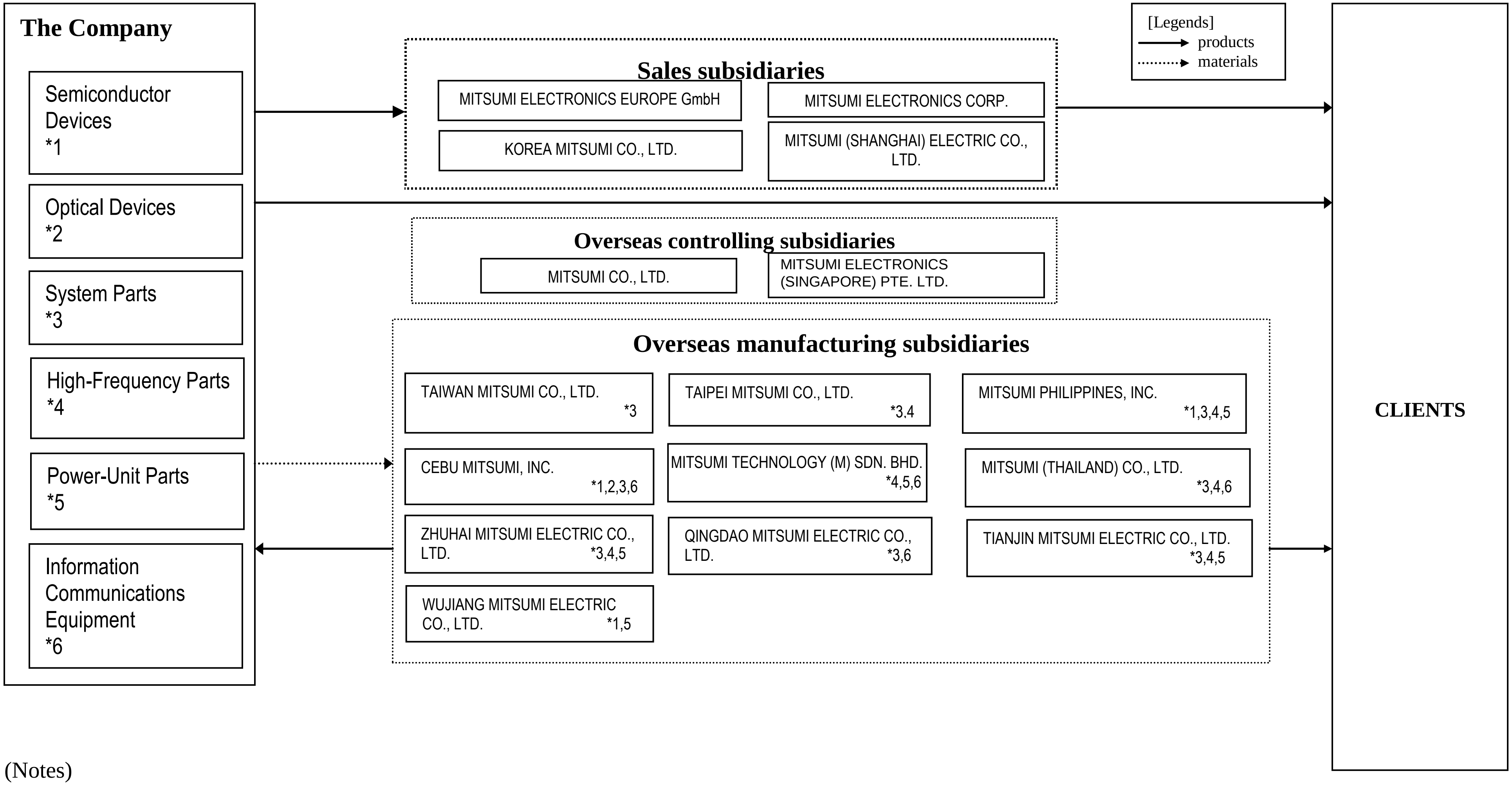
(vi) Information Communications Equipment

This business division covers the production and sale of tape storage devices for computer-related data back-ups, input devices, including keyboard switches and mice, and digital network equipment. The Group will implement stoppage in production of unprofitable products and review the operations of this division comprehensively.

Major consolidated subsidiaries:

CEBU MITSUMI, INC.

Chart of the operations of the Group described above:



(Notes)

1. Numbers 1 through 6 in the chart indicate the relations between the Company's product divisions and the respective operations of its subsidiaries.
2. Certain overseas manufacturing subsidiaries sell their products directly to external customers.

3. BUSINESS POLICY

(1) Basic Management Policy

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

The Group will strive to take advantage of its features and strengthen its comprehensive capabilities by generating and enhancing synergistic effects among its product divisions while placing emphasis on the "market-in" idea. In addition, the Group will concentrate its managerial and technological resources on growing sectors, and enhance competitiveness by developing new products to meet market needs ahead of the competition and reducing cost, all in an effort to develop its growth potentialities and improve profitability.

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

(2) Target Management Benchmark

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

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

In the electronic equipment industry, demand remains high in China and other emerging countries and also is expected to grow on the global basis. The Group will, in the business areas of products related to terrestrial digital broadcasting, products related to wireless communications equipment, network-related products and amusement-related products, properly allocate its managerial resources to products for emerging countries and high-function, cutting-edge products to expand business. In addition, in the business areas with growth potential related to environments, energy, automobiles and health, the Group will accelerate its efforts to develop new products to increase sales and profitability.

To enhance competitiveness of its products, the Group will further strengthen its "research and development capabilities" and "manufacturing capabilities" by further cultivating its unique technologies covering semiconductor technology, high-frequency technology, power-unit technology, optical technology and ultra-precision fabrication technology, and establish a system to supply high valued added products to the market on a timely manner. In addition, to respond to rapid market changes, the Group will speed up development and application of new products and new technologies through business alliances and cooperation with companies in and outside Japan.

Through these strategies, the Group intends to materialize a sustainable growth and a continued increase in its enterprise value.

(4) Issues to be Addressed by the Company

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.

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

(million yen)

	Year ended March 31, 2010 (as of March 31, 2010)	Year ended March 31, 2011 (as of March 31, 2011)
ASSETS:		
Current assets:		
Cash and deposits	57,247	45,115
Trade notes and trade accounts receivable	69,579	63,624
Finished products	2,995	2,572
Work in process	3,229	4,137
Raw materials and storage	18,276	23,596
Deferred tax assets	2,119	2,583
Other assets	2,797	2,228
Allowance for doubtful receivables	(90)	(56)
Total current assets	156,154	143,800
Fixed assets:		
Tangible fixed assets:		
Buildings and structures	30,923	30,290
Accumulated depreciation	(18,190)	(18,952)
Buildings and structures (net)	12,732	11,337
Machinery and equipment and motor vehicles	81,465	82,521
Accumulated depreciation	(67,667)	(67,317)
Machinery and equipment and motor vehicles (net)	13,798	15,204
Tools, furniture and fixtures	39,298	41,034
Accumulated depreciation	(33,102)	(34,310)
Tools, furniture and fixtures (net)	6,196	6,724
Lands	5,901	5,889
Construction in progress	662	658
Total tangible fixed assets	39,291	39,814
Intangible fixed assets	2,089	1,883
Investments and other assets:		
Investment securities	478	472
Prepaid pension cost	3,605	2,860
Deferred tax assets	383	2,584
Other investments and other assets	809	652
Allowance for doubtful receivables	(243)	(241)
Total investments and other assets	5,034	6,328
Total fixed assets	46,415	48,026
TOTAL ASSETS	202,570	191,827

(million yen)

	Year ended March 31, 2010 (as of March 31, 2010)	Year ended March 31, 2011 (as of March 31, 2011)
LIABILITIES:		
Current liabilities:		
Trade notes and trade accounts payable	34,714	36,113
Short-term borrowings	5,675	5,072
Accrued expenses	3,148	3,285
Accrued corporate taxes, etc.	281	477
Allowance for bonuses	1,630	1,437
Other current liabilities	4,785	3,856
Total current liabilities:	50,235	50,243
Long-term liabilities:		
Deferred tax liabilities	2,836	1,097
Reserve for employee retirement benefits	623	607
Other long-term liabilities	257	219
Total long-term liabilities	3,717	1,924
TOTAL LIABILITIES	53,953	52,167
NET ASSETS:		
Shareholders' equity:		
Capital	39,890	39,890
Additional paid-in capital	43,252	43,252
Retained earnings	78,745	72,162
Treasury stock	(88)	(90)
Total shareholders' equity	161,798	155,214
Accumulated other comprehensive income:		
Valuation difference of other securities	10	6
Foreign exchange translation adjustment	(13,191)	(15,560)
Total accumulated other comprehensive income	(13,181)	(15,554)
TOTAL NET ASSETS	148,617	139,659
TOTAL LIABILITIES AND NET ASSETS	202,570	191,827

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

Consolidated Statements of Income

(million yen)

	Year ended March 31, 2010 (April 1, 2009 through March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)
Net sales	207,536	187,418
Cost of sales	183,847	179,976
Gross profit on sales	23,688	7,441
Selling, general and administrative expenses	14,271	12,461
Operating income (loss)	9,416	(5,020)
Non-operating income		
Interest income	112	100
Royalties earned	65	67
Grants in aid	80	-
Returned patent fees	-	198
Other income	321	373
Total non-operating income	580	739
Non-operating expenses		
Interest expense	81	46
Loss from disposition of fixed assets	591	361
Payment compensation	117	292
Foreign exchange loss	449	1,157
Other expenses	460	248
Total non-operating expenses	1,700	2,107
Recurring income (loss)	8,295	(6,387)
Special income:		
Gain on insurance claims	-	63
Governmental subsidies	18	13
Transfer back of allowance for doubtful receivables	-	4
Total special income	18	81
Special loss:		
Special retirement allowances	-	67
Loss from disaster	-	186
Total special loss	-	254
Income (loss) before income taxes and others	8,314	(6,559)
Corporate, inhabitant and enterprise taxes	1,792	1,414
Interperiod tax allocation adjustment	620	(4,433)
Total corporate taxes, etc.	2,413	(3,018)
Net income (loss)	5,901	(3,541)

Consolidated Statements of Comprehensive Income

(million yen)

	Year ended March 31, 2010 (April 1, 2009 through March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)
Net income (loss)	-	(3,541)
Other comprehensive income:		
Valuation difference of other securities	-	(4)
Foreign exchange translation adjustment	-	(2,369)
Total other comprehensive income	-	(2,373)
Comprehensive income	-	(5,914)
(Items)		
Comprehensive income related to the shareholders of the parent company	-	(5,914)
Comprehensive income related to the minority shareholders	-	-

(3) Consolidated Statements of Shareholders' Equity, Etc.

(million yen)

	Year ended March 31, 2010 (April 1, 2009 through March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)
Shareholders' equity		
Capital		
Balance as of the end of the previous year	39,890	39,890
Changes during the year		
Total changes during the year	-	-
Balance as of the end of the year	39,890	39,890
Additional paid-in capital		
Balance as of the end of the previous year	43,252	43,252
Changes during the year		
Total changes during the year	-	-
Balance as of the end of the year	43,252	43,252
Retained earnings		
Balance as of the end of the previous year	75,904	78,745
Changes during the year		
Distribution of retained earnings	(3,060)	(3,060)
Net income (loss)	5,901	(3,541)
Change in the scope of consolidation	-	19
Total changes during the year	2,840	(6,582)
Balance as of the end of the year	78,745	72,162
Treasury stock		
Balance as of the end of the previous year	(86)	(88)
Changes during the year		
Acquisition of treasury stock	(2)	(2)
Total changes during the year	(2)	(2)
Balance as of the end of the year	(88)	(90)
Total shareholders' equity		
Balance as of the end of the previous year	158,960	161,798
Changes during the year		
Distribution of retained earnings	(3,060)	(3,060)
Net income (loss)	5,901	(3,541)
Acquisition of treasury stock	(2)	(2)
Change in the scope of consolidation	-	19
Total changes during the year	2,838	(6,584)
Balance as of the end of the year	161,798	155,214
Accumulated other comprehensive income		
Valuation difference of other marketable securities		
Balance as of the end of the previous year		
Changes during the year	(2)	10
Changes in items other than shareholders' equity during the year – net		
Total changes during the year	12	(4)
Balance as of the end of the year	12	(4)
Foreign exchange translation adjustment	10	6
Balance as of the end of the previous year		

(million yen)

	Year ended March 31, 2010 (April 1, 2009 through March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)
Changes during the year	(12,501)	(13,191)
Changes in items other than shareholders' equity during the year – net		
Total changes during the year	(689)	(2,369)
Balance as of the end of the year	(689)	(2,369)
Total accumulated other comprehensive income	(13,191)	(15,560)
Balance as of the end of the previous year		
Changes during the year	(12,503)	(13,181)
Changes in items other than shareholders' equity during the year – net		
Total changes during the year	(677)	(2,373)
Balance as of the end of the year	(677)	(2,373)
Total net assets	(13,181)	(15,554)
Balance as of the end of the previous year		
Changes during the year	146,456	148,617
Distribution of retained earnings		
Net income (loss)	(3,060)	(3,060)
Acquisition of treasury stock	5,901	(3,541)
Change in the scope of consolidation	(2)	(2)
Changes in items other than shareholders' equity during the year – net	-	19
Total changes during the year	(677)	(2,373)
Balance as of the end of the year	2,161	(8,958)
	148,617	139,659

(4) Consolidated Statements of Cash Flows

(million yen)

	Year ended March 31, 2010 (April 1, 2009 through March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)
Cash flows from operating activities:		
Income (loss) before income taxes and others	8,314	(6,559)
Depreciation	10,858	11,443
Loss from disaster	-	186
Increase (decrease) in allowance for doubtful receivables	169	(33)
Increase (decrease) in reserve for employee retirement benefits	(204)	15
(Increase) decrease in prepaid pension cost	634	744
Special retirement benefits	-	67
Interest and dividend income	(114)	(101)
Interest expenses	81	46
Foreign exchange (income) loss	(291)	(577)
(Gain) loss on sale of tangible fixed assets	(15)	25
Loss from write-off and retirement of fixed assets	591	361
Grants in aid	(80)	-
Governmental subsidies	(18)	(13)
Gain on insurance claims	-	(63)
(Increase) decrease in trade accounts receivable	(1,440)	5,463
(Increase) decrease in inventories	7,889	(6,160)
Increase (decrease) in trade accounts payable	5,813	1,860
(Increase) decrease in uncollected consumption taxes	38	172
Increase (decrease) in accrued consumption taxes	(166)	(10)
(Increase) decrease in other assets	(7)	243
Increase (decrease) in other liabilities	694	(574)
Subtotal	32,745	6,537
Interest and dividends received	113	112
Interest paid	(84)	(46)
Grants in aid received	80	-
Governmental subsidies received	18	13
Insurance claims received	-	285
Corporate taxes paid	(2,034)	(1,444)
Net cash (used in) provided by operating activities	30,839	5,457

(million yen)

	Year ended March 31, 2010 (April 1, 2009 through March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)
Cash flows from investing activities:		
Placing of time deposits	(1,256)	(675)
Withdrawal of time deposits	222	214
Acquisition of tangible fixed assets	(7,537)	(13,269)
Sale of tangible fixed assets	186	284
Acquisition of intangible fixed assets	(471)	(533)
Acquisition of investment securities	(199)	-
Payment of equity contribution	(44)	-
Others	34	16
Net cash (used in) provided by investing activities	(9,065)	(113,963)
Cash flows from financing activities:		
Repayment of long-term borrowings	(1,250)	-
Purchase of treasury stock	(2)	(2)
Cash dividends paid	(3,058)	(3,059)
Net cash (used in) provided by financing activities	(4,310)	(3,062)
Translation gain/loss related to cash and cash equivalents	(230)	(953)
Net increase (decrease) in cash and cash equivalents	17,232	(12,521)
Cash and cash equivalents at beginning of the year	38,636	55,869
Increase in cash and cash equivalents due to new consolidation	-	69
Cash and cash equivalents at end of the year	55,869	43,417

(5) Notes on the Premises of a Going Concern

Not applicable

5. NON-CONSOLIDATED FINANCIAL STATEMENTS

(1) Balance Sheets

(million yen)

	Year ended March 31, 2010 (as of March 31, 2010)	Year ended March 31, 2011 (as of March 31, 2011)
ASSETS:		
Current assets:		
Cash and deposits	33,115	27,141
Trade notes receivable	410	158
Trade accounts receivable	67,682	62,051
Trade receivables on supply of raw materials	6,025	5,393
Merchandise and finished products	1,130	1,063
Work in process	2,708	3,359
Raw materials and storage	13,635	17,428
Prepaid expenses	118	132
Deferred tax assets	1,911	2,376
Other accounts receivable	1,382	1,271
Other current assets	28	14
Allowance for doubtful receivables	(49)	(44)
Total current assets	128,101	120,347
Fixed assets:		
Tangible fixed assets:		
Buildings	17,912	17,964
Accumulated depreciation	(10,391)	(11,002)
Buildings (net)	7,521	6,962
Structures	1,218	1,219
Accumulated depreciation	(801)	(858)
Structures (net)	416	361
Machinery and equipment	61,211	63,292
Accumulated depreciation	(53,133)	(53,166)
Machinery and equipment (net)	8,078	10,126
Motor vehicles	520	523
Accumulated depreciation	(443)	(465)
Motor vehicles (net)	77	58
Tools, furniture and fixtures	27,755	28,272
Accumulated depreciation	(24,276)	(24,843)
Tools, furniture and fixtures (net)	3,479	3,428
Lands	5,485	5,485
Construction in progress	238	137
Total tangible fixed assets	25,296	26,560

(million yen)

	Year ended March 31, 2010 (as of March 31, 2010)	Year ended March 31, 2011 (as of March 31, 2011)
Intangible fixed assets:		
Patents	1	4
Software	1,477	1,072
Utility rights	16	14
Telephone rights	30	30
Total intangible fixed assets	1,526	1,122
Investments and other assets:		
Investment securities	280	273
Investment in related companies' stock	19,458	19,458
Investment capital in related companies' stock	15,657	16,664
Long-term prepaid expenses	124	36
Prepaid pension cost	3,605	2,860
Deferred tax assets	-	2,172
Other investments and other assets	385	367
Allowance for doubtful receivables	(243)	(241)
Total investments and other assets	39,268	41,592
Total fixed assets	66,092	69,275
TOTAL ASSETS	194,193	189,623
LIABILITIES:		
Current liabilities:		
Trade notes payable	1,978	2,115
Trade accounts payable	34,113	35,450
Short-term loans payable	5,675	5,072
Other accounts payable	1,899	1,635
Accrued expenses	2,472	2,437
Accrued corporate taxes, etc.	39	201
Allowance for bonuses	1,501	1,302
Notes payable relating to facilities	677	737
Other current liabilities	715	588
Total current liabilities	49,073	49,542
Long-term liabilities:		
Deferred tax liabilities	1,246	-
Other long-term liabilities	257	219
Total long-term liabilities	1,504	219
TOTAL LIABILITIES	50,577	49,761

(million yen)

	Year ended March 31, 2010 (as of March 31, 2010)	Year ended March 31, 2011 (as of March 31, 2011)
NET ASSETS:		
Shareholders' equity		
Capital	39,890	39,890
Additional paid-in capital		
Capital reserve	42,250	42,250
Total additional paid-in capital	42,250	42,250
Retained earnings		
Earned surplus reserve	1,505	1,505
Other retained earnings		
Reserve for deferred income tax on fixed assets	387	358
Retained earnings brought forward from the previous year	59,661	55,941
Total retained earnings	61,554	57,805
Treasury stock	(88)	(90)
Total shareholders' equity	143,606	139,855
Revaluation and exchange differences, etc.		
Valuation difference of other securities	10	6
Total revaluation and exchange differences, etc.	10	6
TOTAL NET ASSETS	143,616	139,861
TOTAL LIABILITIES AND NET ASSETS	194,193	189,623

(2) Statements of Income

(million yen)

	Year ended March 31, 2010 (April 1, 2009 through March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)
Net sales	198,233	177,889
Cost of sales	181,136	173,674
Gross profit on sales	17,097	4,214
Selling, general and administrative expenses	13,561	11,984
Operating income (loss)	3,535	(7,770)
Non-operating income		
Interest income	8	5
Dividend income	1	5,187
Royalties earned	65	67
Other income	173	340
Total non-operating income:	248	5,600
Non-operating expenses		
Interest expense	67	40
Loss from disposition of fixed assets	346	237
Foreign exchange loss	35	985
Other expenses	459	318
Total non-operating expenses:	909	1,581
Recurring income (loss)	2,874	(3,752)
Special income		
Gain on insurance claims	-	62
Governmental subsidies	18	13
Transfer back of allowance for doubtful receivables	-	4
Total special income:	18	80
Special loss		
Loss from disaster	-	186
Total special loss	-	186
Income (loss) before income taxes and others	2,893	(3,858)
Corporate, inhabitant and enterprise taxes	964	710
Interperiod tax allocation adjustment	6	(3,880)
Total corporate taxes, etc.	971	(3,170)
Net income (loss)	1,922	(687)

(3) Statements of Shareholders' Equity, Etc.

(million yen)

	Year ended March 31, 2010 (April 1, 2009 through March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)
Shareholders' equity		
Capital		
Balance as of the end of the previous year	39,890	39,890
Changes during the year		
Total changes during the year	-	-
Balance as of the end of the year	39,890	39,890
Additional paid-in capital		
Capital reserve		
Balance as of the end of the previous year	42,250	42,250
Changes during the year		
Total changes during the year	-	-
Balance as of the end of the year	42,250	42,250
Retained earnings		
Earned surplus reserve		
Balance as of the end of the previous year	1,505	1,505
Changes during the year		
Total changes during the year	-	-
Balance as of the end of the year	1,505	1,505
Other retained earnings		
Reserve for deferred income tax on fixed assets		
Balance as of the end of the previous year	423	387
Changes during the year		
Reversal of reserve for deferred income tax on fixed assets	(35)	(29)
Total changes during the year	(35)	(29)
Balance as of the end of the year	387	358
Reserve for special accounts of deferred income tax on fixed assets		
Balance as of the end of the previous year	90	-
Changes during the year		
Reversal of reserve for special accounts of deferred income tax on fixed assets	(90)	-
Total changes during the year	(90)	-
Balance as of the end of the year	-	-
Retained earnings brought forward from the previous year		
Balance as of the end of the previous year	60,674	59,661
Changes during the year		
Distribution of retained earnings	(3,060)	(3,060)
Reversal of reserve for deferred income tax on fixed assets	35	29
Reversal of reserve for special accounts of deferred income tax on fixed assets	90	-
Net income (loss)	1,922	(687)
Total changes during the year	(1,013)	(3,719)
Balance as of the end of the year	59,661	55,941

(million yen)

	Year ended March 31, 2010 (April 1, 2009 through March 31, 2010)	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)
Total retained earnings		
Balance as of the end of the previous year	62,693	61,554
Changes during the year		
Distribution of retained earnings	(3,060)	(3,060)
Reversal of reserve for deferred income tax on fixed assets	-	-
Reversal of reserve for special accounts of deferred income tax on fixed assets	-	-
Net income (loss)	1,922	(687)
Total changes during the year	(1,138)	(3,748)
Balance as of the end of the year	61,554	57,805
Treasury stock		
Balance as of the end of the previous year	(86)	(88)
Changes during the year		
Acquisition of treasury stock	(2)	(2)
Total changes during the year	(2)	(2)
Balance as of the end of the year	(88)	(90)
Total shareholders' equity		
Balance as of the end of the previous year	144,747	143,606
Changes during the year		
Distribution of retained earnings	(3,060)	(3,060)
Net income (loss)	1,922	(687)
Acquisition of treasury stock	(2)	(2)
Total changes during the year	(1,141)	(3,750)
Balance as of the end of the year	143,606	139,855
Revaluation and exchange differences, etc.		
Valuation difference of other marketable securities		
Balance as of the end of the previous year	(2)	10
Changes during the year		
Changes in items other than shareholders' equity during the year – net	12	(4)
Total changes during the year	12	(4)
Balance as of the end of the year	10	6
Total net assets		
Balance as of the end of the previous year	144,745	143,606
Changes during the year		
Distribution of retained earnings	(3,060)	(3,060)
Net income (loss)	1,922	(687)
Acquisition of treasury stock	(2)	(2)
Changes in items other than shareholders' equity during the year – net	12	(4)
Total changes during the year	(1,128)	(3,755)
Balance as of the end of the year	143,616	139,861

(4) Notes on the Premises of a Going Concern:

Not applicable

6. OTHERS

(4) Change of Officers

(i) Change of representative

Not applicable

(ii) Change of other officers (scheduled for June 24, 2011)

1. Candidates for new Director

Director General Manager, Network Devices Business Headquarters	Keishou Fujiwara	(current General Manager, AVC Business Division, Network Devices Business Headquarters)

2. Retiring Director

Director	Jun Onosaka