

(Excerpt translation)

May 9, 2013

**BRIEF ANNOUNCEMENT OF SETTLEMENT OF ACCOUNTS FOR
THE FISCAL YEAR ENDED MARCH 31, 2013**

(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 25, 2013
Scheduled date of filing of securities report:	June 26, 2013
Scheduled date of payment of dividends:	-
Preparation of supplementary information on statement of accounts:	Yes
Holding of results briefing:	Yes (results briefing for analysts and institutional investors)

1. Consolidated business results for the fiscal year ended March 31, 2013 (April 1, 2012 through March 31, 2013):

(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.)

	Net sales		Operating income		Recurring income		Net income	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Year ended March 31, 2013	152,098	(9.0)	(4,382)	-	(3,274)	-	(11,545)	-
Year ended March 31, 2012	167,207	(10.8)	(8,357)	-	(8,234)	-	(28,335)	-

(Note) Comprehensive income:

Year ended March 31, 2013: (¥7,566 million) (-%)
Year ended March 31, 2012: (¥28,822 million) (-%)

	Net income per share (basic)	Fully diluted earnings per share	Percentage of net income to net worth	Percentage of recurring income to total assets	Percentage of operating income to net sales
	(yen)	(yen)	(%)	(%)	(%)
Year ended March 31, 2013	(132.02)	-	(11.0)	(2.2)	(2.9)
Year ended March 31, 2012	(324.01)	-	(22.8)	(4.8)	(5.0)

(For reference) Gain on equity method investments:

Year ended March 31, 2013: ¥4 million
Year ended March 31, 2012: ¥7 million

(2) Consolidated financial condition:

	Total assets	Net assets	Net worth ratio	Net assets per share
	(million yen)	(million yen)	(%)	(yen)
Year ended March 31, 2013	140,611	101,521	72.2	1,160.88
Year ended March 31, 2012	152,660	109,087	71.5	1,247.40

(For reference) Net worth

Year ended March 31, 2013: ¥101,521 million
Year ended March 31, 2012: ¥109,087 million

(3) State of consolidated cash flows:

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
	(million yen)	(million yen)	(million yen)	(million yen)
Year ended March 31, 2013	(5,824)	(7,782)	(4)	45,364
Year ended March 31, 2012	22,488	(7,062)	(1,752)	56,959

2. State of dividends:

	Annual dividend per share (yen)					Total dividends (annual) (million yen)	Dividend propensity (consolidated) (%)	Ratio of dividends to shareholders' equity (consolidated) (%)
	First quarter -end	Second quarter -end	Third quarter -end	Year-end	Total			
Year ended March 31, 2012	—	—	—	0.00	0.00	-	-	-
Year ended March 31, 2013	—	—	—	0.00	0.00	-	-	-
Year ending March 31, 2014 (forecast)	—	—	—	5.00	5.00		29.2	

3. Forecast of consolidated operating results for the fiscal year ending March 31, 2014 (April 1, 2013 through March 31, 2014):

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

	Net sales		Operating income		Recurring income		Net income		Net income per share
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(yen)
Second-quarter cumulative period	75,000	9.8	(500)	-	(1,000)	-	(2,000)	-	(22.87)
Whole-year period	170,000	11.8	3,000	-	2,000	-	1,500	-	17.15

* Notes:

- (1) Changes in important subsidiaries (changes in specific subsidiaries associated with changes in the scope of consolidation) during the year: None
- (2) Changes in accounting policies, changes in accounting estimates and modifications and restatements:
 - (i) Changes in accounting policies associated with changes in accounting standards: Yes

- (ii) Other changes in accounting policies: None
- (iii) Changes in accounting estimates: Yes
- (iv) Modifications and restatements: None

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

- (i) Number of issued shares (including shares of treasury stock) as of the end of the fiscal year:

Year ended March 31, 2013: 87,498,119 shares

Year ended March 31, 2012: 87,498,119 shares

- (ii) Number of shares of treasury stock as of the end of the fiscal year:

Year ended March 31, 2013: 46,036 shares

Year ended March 31, 2012: 45,652 shares

- (iii) Average number of shares during the fiscal year:

Year ended March 31, 2013: 87,452,333 shares

Year ended March 31, 2012: 87,452,869 shares

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

Non-consolidated operating results for the year ended March 31, 2013 (April 1, 2012 through March 31, 2013):

(1) Non-consolidated operating results:

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

	Net sales		Operating income		Recurring income		Net income	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Year ended March 31, 2013	140,134	(11.3%)	(6,072)	-	(5,231)	-	(11,455)	-
Year ended March 31, 2012	158,063	(11.1%)	(10,424)	-	(10,415)	-	(28,238)	-

	Net income per share (basic)	Fully diluted earnings per share
	(yen)	(yen)
Year ended March 31, 2013	(130.99)	-
Year ended March 31, 2012	(322.90)	-

(2) Non-consolidated financial condition:

	Total assets	Net assets	Net worth ratio	Net assets per share
	(million yen)	(million yen)	(%)	(yen)
Year ended March 31, 2013	133,649	98,440	73.7	1,125.65
Year ended March 31, 2012	149,536	109,873	73.5	1,256.38

(For reference) Net worth

Year ended March 31, 2013: ¥98,440 million

Year ended March 31, 2012: ¥109,873 million

* Statement on the state of performance of audit procedures:

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

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

The description of the future in this material, including the forecast of business results, is based on the information currently available to the Company and certain assumptions currently considered reasonable by the Company. The actual results may change depending on various factors. As for the conditions precedent to the forecasts of business results and the instructions on the use of the forecasts of business results, please refer to "1. OPERATING RESULTS: (1) Analysis of Operating Results" on page 7 hereof.

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Qualitative Information, Financial Statements, Etc.

1. ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITIONS

(1) Analysis of Operating Results

1) Operating results for the year ended March 31, 2013

To overview the global economic situations during the fiscal year under review, in the United States, personal consumption showed a sign of recovery, though slow, but in Europe, real GDP continued to register negative growth due to the implementation of austere fiscal policies in the course of the recurrence of the debt problem. Additionally, due to the deceleration of economic growth in the emerging countries, the global economy generally has slowed down.

In Japan, in the first half of the fiscal year under review, with the global economy decelerating and the appreciation of the yen continuing, exports declined and the economy remained stagnant. However, with demand for recovery from the Great East Japan Earthquake shifting into full swing and the abrupt depreciation of the yen and rising stock prices in the second half of the fiscal year under review, the economy has begun to show an upturn.

In our electronic parts industry, while the market for products related to growth products, including smart phones and tablet devices, and car-mounted devices has continued to expand, the market for products related to flat-panel TVs and PCs has flagged. In addition, due to declines in selling prices of set products, prices of parts have continued to drop.

The Group has been affected by decreases in orders received for amusement- and flat-panel TV-related products while orders received for products related to smart phones and other information communications terminals and car-mounted devices increased.

As a result, for the fiscal year under review, on a consolidated basis, net sales amounted to ¥152,098 million (91.0% in comparison with the previous fiscal year). With regard to profits and losses, due to a decrease in net sales, as well as a decrease in turnout arising from a temporary suspension of operations at the manufacturing subsidiaries of the Company in China in the course of anti-Japan demonstrations in China that took place in September 2012, among others, the Company registered an operating loss of ¥4,382 million (operating loss of ¥8,357 million for the previous fiscal year) and a recurring loss of ¥3,274 million (recurring loss of ¥8,234 million for the previous fiscal year). Net loss amounted to ¥11,545 million (net loss of ¥28,335 million for the previous fiscal year) as the Company recorded the amount of damage from the anti-Japan demonstrations in China and business restructuring expenses as special losses, as well as the reversal of deferred tax assets as interperiod tax allocation adjustment.

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 secondary cell-related ICs increased but orders received for other products decreased. As a result, consolidated net sales of semiconductor devices amounted to ¥25,379 million (80.3% in comparison with the previous fiscal year).

(ii) Optical Devices:

Orders received by the Group for camera modules increased. As a result, consolidated net sales of optical devices amounted to ¥13,045 million (117.7% in comparison with the previous fiscal year).

(iii) System Parts:

Orders received by the Group for smart phone-related products, such as actuators for camera modules increased but orders received for amusement-related products decreased. As a result, consolidated net sales of system parts amounted to ¥72,185 million (89.9% in comparison with the previous fiscal year).

(iv) High-Frequency Parts:

Orders received by the Group for parts for use in car-mounted products increased, while orders received for other products decreased. As a result, consolidated net sales of high-frequency parts amounted to ¥16,646 million (69.5% in comparison with previous fiscal year).

(v) Power-Unit Parts:

Orders received by the Group for power-unit parts related to mobile devices increased. As a result, consolidated net sales of power-unit parts amounted to ¥22,826 million (128.9% 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 ¥2,015 million (77.1% in comparison with the previous fiscal year).

2) Prospect for the fiscal year ending March 31, 2014

To foresee the global economy, in Europe, the economy is anticipated to remain weak due to the continued austere fiscal policies, while the U.S. economy is expected to remain in

the phase of recovery due to the improvement in the employment situation and economies in the emerging countries are expected to expand slowly though the growth rate may decline. The Japanese economy is expected to get on a path toward recovery due to export-led recovery with the appreciation of the yen corrected, new economic policies and the effect of the financial policies.

In our parts industry, smart phones and tablet devices, among others, are expected to carry the market and the market for car-mounted products and products related to environments and energy is expected to continue to grow. Under these business circumstances, the Group will implement strategies for growth to expand its scale of operations and improve profitability.

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

Earnings outlook on a consolidated basis:

Net sales:	¥170,000 million	(111.8% in comparison with the fiscal year under review)
Operating income:	¥3,000 million	(-)
Recurring income:	¥2,000 million	(-)
Net income:	¥1,500 million	(-)

As to exchange rates for the fiscal year ending March 31, 2014, the rate is estimated at \$1 = ¥95. The above earnings outlook on a consolidated basis is calculated based on the information available to management and the certain assumptions considered by management to be the most rational at the time of publication hereof. The actual results may materially differ from the above forecast.

(2) Analysis of Financial Conditions

1) Assets, liabilities and net assets

(i) Assets

Current assets decreased by 8.1% in comparison with the previous fiscal year, accounting for ¥111,962 million, principally due to a decrease of ¥12,271 million in cash and deposits and a decrease of ¥6,304 million in trade notes and accounts receivable in spite of an increase of ¥8,400 million in inventories. (For more information on cash and deposits, please refer to the consolidated statements of cash flows on pages 26 and 27.)

Fixed assets decreased by 6.9% in comparison with the previous fiscal year, accounting for ¥28,649 million, principally due to an impairment loss of ¥610 million on fixed assets, a decrease of ¥932 million in prepaid pension cost and a decrease of ¥2,125 million in deferred tax assets.

As a result, total assets decreased by 7.9% in comparison with the previous fiscal year, accounting for ¥140,611 million.

(ii) Liabilities

Current liabilities decreased by ¥12.4% in comparison with the previous fiscal year, accounting for ¥36,653 million, principally due to a decrease of ¥3,008 million in trade notes and trade accounts payable and a decrease of ¥4,762 million in other current liabilities as a result of payment of special retirement benefits.

Long-term liabilities increased by 42.3% in comparison with the previous fiscal year, accounting for ¥2,437 million, principally due to an increase of ¥629 million in deferred tax liabilities.

As a result, total liabilities decreased by 10.3% in comparison with the previous fiscal year, accounting for ¥39,090 million.

(iii) Net assets

Net assets decreased by 6.9% in comparison with the previous fiscal year, accounting for ¥101,521 million, principally due to a decrease of ¥11,545 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 ¥11,594 million in comparison with the previous fiscal year, accounting for ¥45,364 million.

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

(i) Cash flows from operating activities

Cash flows from operating activities resulted in payments of ¥5,824 million (receipts of ¥22,488 million for the previous fiscal year) principally due to a payment of ¥5,595 million for special retirement benefits, an increase in inventories and a decrease in trade accounts payable in addition to a loss of ¥8,105 million before income taxes and others.

(ii) Cash flows from investing activities

Cash flows from investing activities resulted in payments of ¥7,782 million (payments of ¥7,062 million for the previous fiscal year) principally due to payments for the acquisition of tangible fixed assets.

(iii) Cash flows from financing activities

Cash flows from financing activities resulted in payments of ¥4 million (payments of ¥1,752 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, 2010	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2013
Net worth ratio (%)	73.4	72.8	71.5	72.2
Net worth ratio on a market value basis (%)	88.3	50.5	40.8	32.1
Ratio of interest-bearing debt to cash flows (%)	18.4	92.9	22.3	-
Interest coverage ratio	364.9	116.3	569.8	-

(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

- Each of the indices is calculated based on financial data on a consolidated basis.
- 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).
- 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.
- For the fiscal year ended March 31, 2013, the ratio of interest-bearing debt to cash flows and interest coverage ratio were not calculated as cash provided by operating activities was negative.

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

The Company believes that increasing its enterprise value matches interests of its shareholders and expected interests of other stakeholders. The Company follows a fundamental policy of distributing profits based on operating results and intends to maintain the constant payment of dividends to its shareholders. While aiming to maintain the dividend payout ratio at 30% or more based on consolidated operating results for the time being, the

Company will endeavor to gradually increase dividends per share. Furthermore, the Company will, with due considerations to environmental issues, invest internal reserves efficiently in the development of new products by applying foreseeable technological innovations ahead of the competition, as well as measures to reduce cost, in an effort to improve performance.

By taking into consideration the operating results for the fiscal year under review and the future business development, the Company will pay no dividend for the fiscal year under review. The Company plans to pay a dividend of ¥5 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 are 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.

For future development, the Group will focus on battery-related semiconductor devices and analog semiconductor devices in which the Company has an edge to increase its market share.

Major consolidated subsidiary: CEBU MITSUMI, INC.

(ii) Optical Devices

The Group has endeavored to expand the business of camera modules, sensors and others in the market of cellular phones, web cameras and automobile-related equipment, by utilizing its nurtured optical technologies and mechatronics technologies.

For future development, the Group plans to expand business by extending the scope of application of its technologies by further sophisticating its ultra-precision fabrication and assembly techniques, and creating new markets and new categories of products.

Major consolidated subsidiary: CEBU MITSUMI, INC.

(iii) System Parts

This business division consists of key parts, including micro actuators, 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 GPS and satellite broadcasting antennas, wireless modules and digital network equipment.

Specifically, as demand for wireless module products is expected to increase widely in the market for automobile-related equipment and mobile 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

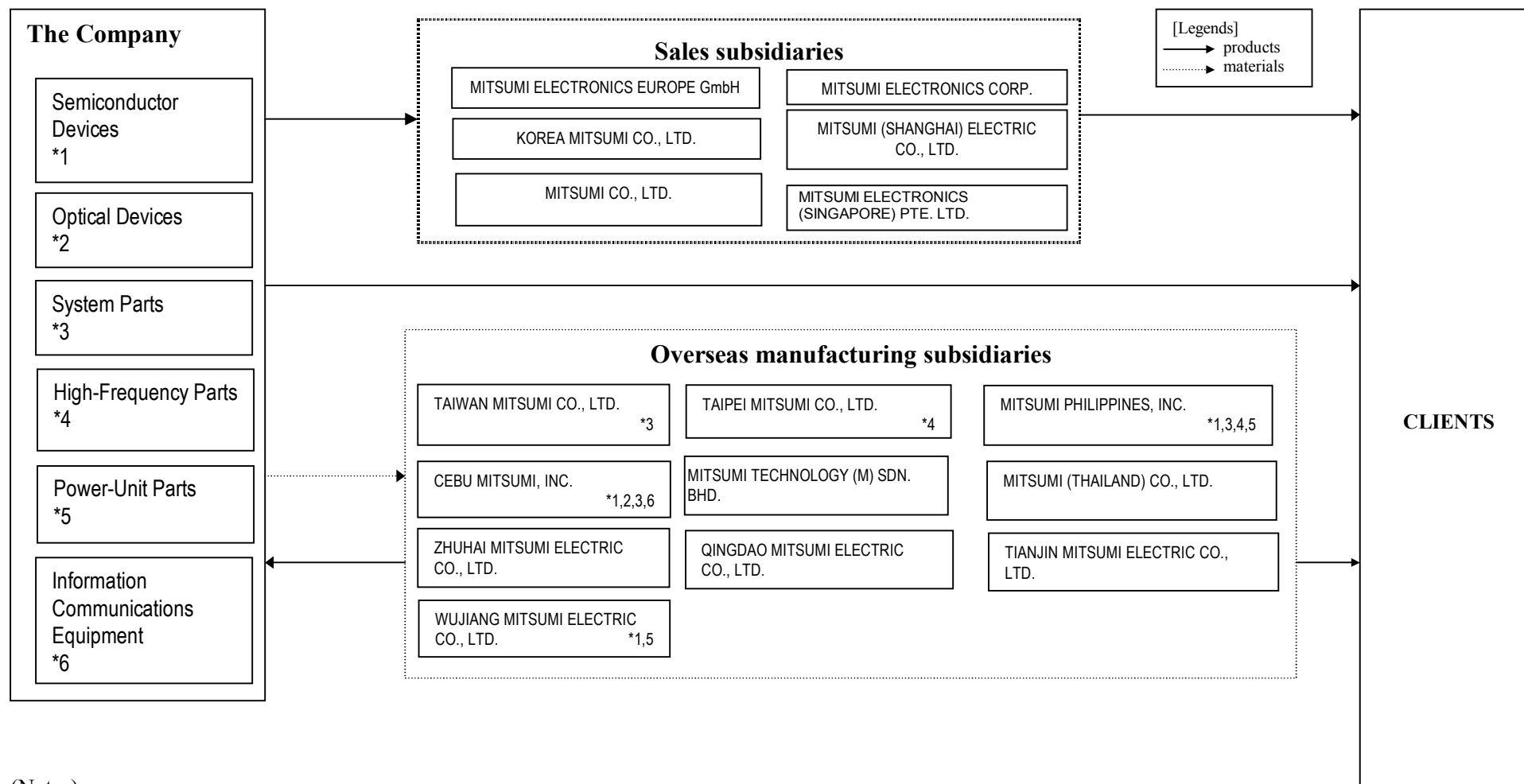
This business division covers the production and sale of tape storage devices for computer-related data back-ups, among others. The Group will implement stoppage in production of unprofitable products and review the operations of this division

comprehensively.

Major consolidated subsidiary:

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

To sustain its growth in the future, the Group aims to promote "greater selectivity and focus" on its business lines and business sites and will redefine the growth areas that will allow the Company to create values, and focus its management resources, including human resources, on such areas, all in an effort to increase net sales and improve profitability. The growth areas will be three markets for (i) amusement, our current major market, (ii) new portable devices, such as smart phones and tablet PCs and (iii) car-mounted products and energy-related products with the advancement of computerization and information networking, as well as the market for individual products in which the Company now retains a large share.

To enhance competitiveness of its products, the Group will further strengthen its "product 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. In addition, by transferring its production controlling functions and transplanting technologies from its sites in Japan to the counterparts overseas, the Group will construct in stages organizational structures in which all operations are completed overseas.

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

(4) Issues to be Addressed by the Company

In our electronic parts industry, while prices of products are continuing to be reduced and the commoditization of products is advancing, the market share of EMS (electronic manufacturing service) companies and other companies of emerging countries is increasing and the status of Japanese-affiliated companies are comparatively declining.

To respond to such market transformation, the Group will expand business in a new market for car-mounted products and energy-related products. Simultaneously, in the existing market, the Group will develop products unique to it that may not possibly be supplied by companies of emerging countries, based on its own core competence and construct structures in which engineers will directly engage in sales promotional activities in the overseas market, whereby supplying high valued added products to the market on a timely manner. With regard to rising operating cost in China, to minimize the effects thereof and enhance price competitiveness, the Group will expand its manufacturing sites in the Philippines and transfer production there from the manufacturing sites in China, and also make optimal allocation of products within China.

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

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Balance Sheets

(million yen)

	Year ended March 31, 2012 (as of March 31, 2012)	Year ended March 31, 2013 (as of March 31, 2013)
ASSETS:		
Current assets:		
Cash and deposits	58,178	45,907
Trade notes and trade accounts receivable	40,753	34,449
Finished products	1,885	2,452
Work in process	4,546	6,512
Raw materials and storage	14,303	20,171
Deferred tax assets	533	94
Other assets	1,722	2,423
Allowance for doubtful receivables	(33)	(47)
Total current assets	121,889	111,962
Fixed assets:		
Tangible fixed assets:		
Buildings and structures	26,711	27,499
Accumulated depreciation	(19,390)	(20,762)
Buildings and structures (net)	7,320	6,736
Machinery and equipment and motor vehicles	78,074	77,616
Accumulated depreciation	(70,532)	(70,212)
Machinery and equipment and motor vehicles (net)	7,541	7,404
Tools, furniture and fixtures	38,694	39,944
Accumulated depreciation	(35,618)	(36,667)
Tools, furniture and fixtures (net)	3,076	3,276
Lands	5,637	5,684
Construction in progress	867	1,904
Total tangible fixed assets	24,444	25,006
Intangible fixed assets	913	1,152
Investments and other assets:		
Investment securities	591	783
Prepaid pension cost	1,808	875
Deferred tax assets	2,445	319
Other investments and other assets	692	755
Allowance for doubtful receivables	(123)	(244)
Total investments and other assets	5,413	2,490
Total fixed assets	30,771	28,649
TOTAL ASSETS	152,660	140,611

(million yen)

	Year ended March 31, 2012 (as of March 31, 2012)	Year ended March 31, 2013 (as of March 31, 2013)
<u>LIABILITIES:</u>		
Current liabilities:		
Trade notes and trade accounts payable	23,532	20,524
Short-term borrowings	5,013	5,737
Accrued expenses	3,040	4,870
Accrued corporate taxes, etc.	183	317
Allowance for bonuses	1,416	1,291
Other current liabilities	8,673	3,911
Total current liabilities	41,859	36,653
Long-term liabilities:		
Deferred tax liabilities	786	1,416
Reserve for employee retirement benefits	707	810
Other long-term liabilities	218	210
Total long-term liabilities	1,712	2,437
TOTAL LIABILITIES	43,572	39,090
<u>NET ASSETS:</u>		
Shareholders' equity:		
Capital	39,890	39,890
Additional paid-in capital	43,252	43,252
Retained earnings	42,077	30,532
Treasury stock	(91)	(91)
Total shareholders' equity	125,128	113,583
Accumulated other comprehensive income:		
Valuation difference of other securities	6	29
Foreign exchange translation adjustment	(16,047)	(12,090)
Total accumulated other comprehensive income	(16,041)	(12,061)
TOTAL NET ASSETS	109,087	101,521
TOTAL LIABILITIES AND NET ASSETS	152,660	140,611

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

Consolidated Statements of Income

(million yen)

	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)	Year ended March 31, 2013 (April 1, 2012 through March 31, 2013)
Net sales	167,207	152,098
Cost of sales	164,244	145,947
Gross profit on sales	2,963	6,151
Selling, general and administrative expenses	11,320	10,533
Operating loss	(8,357)	(4,382)
Non-operating income		
Interest income	112	124
Royalties earned	88	151
Foreign exchange gain	389	1,919
Other income	446	469
Total non-operating income	1,037	2,664
Non-operating expenses		
Interest expense	39	42
Loss from disposition of fixed assets	273	252
Payment compensation	332	839
Patent-related expenses	103	-
Other expenses	165	421
Total non-operating expenses	914	1,556
Recurring loss	(8,234)	(3,274)
Special income:		
Governmental subsidies	50	37
Gain on sales of fixed assets	161	82
Settlement payment received	96	-
Gain on sales of investment securities	2	-
Total special income	310	119
Special loss:		
Impairment loss on fixed assets	12,685	610
Special retirement benefits	5,209	556
Business restructuring expenses	-	1,576
Loss from disaster	-	2,206
Total special loss	17,894	4,950
Loss before income taxes and others	(25,818)	(8,105)
Corporate, inhabitant and enterprise taxes	644	215
Interperiod tax allocation adjustment	1,872	3,223
Total corporate taxes, etc.	2,517	3,439
Net loss	(28,335)	(11,545)

Consolidated Statements of Comprehensive Income

(million yen)

	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)	Year ended March 31, 2013 (April 1, 2012 through March 31, 2013)
Net loss	(28,335)	(11,545)
Other comprehensive income:		
Valuation difference of other securities	0	22
Foreign exchange translation adjustment	(486)	3,956
Total other comprehensive income	(486)	3,979
Comprehensive income	(28,822)	(7,566)
(Items)		
Comprehensive income related to the shareholders of the parent company	(28,822)	(7,566)
Comprehensive income related to the minority shareholders	-	-

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

(million yen)

	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)	Year ended March 31, 2013 (April 1, 2012 through March 31, 2013)
Shareholders' equity		
Capital		
Balance as of the beginning of the 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 beginning of the 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 beginning of the year	72,162	42,077
Changes during the year		
Distribution of retained earnings	(1,749)	-
Net loss	(28,335)	(11,545)
Total changes during the year	(30,084)	(11,545)
Balance as of the end of the year	42,077	30,532
Treasury stock		
Balance as of the beginning of the year	(90)	(91)
Changes during the year		
Acquisition of treasury stock	(0)	(0)
Total changes during the year	(0)	(0)
Balance as of the end of the year	(91)	(91)
Total shareholders' equity		
Balance as of the beginning of the year	155,214	125,128
Changes during the year		
Distribution of retained earnings	(1,749)	-
Net loss	(28,335)	(11,545)
Acquisition of treasury stock	(0)	(0)
Total changes during the year	(30,085)	(11,545)
Balance as of the end of the year	125,128	113,583

(million yen)

	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)	Year ended March 31, 2013 (April 1, 2012 through March 31, 2013)
Accumulated other comprehensive income		
Valuation difference of other marketable securities		
Balance as of the beginning of the year	6	6
Changes during the year		
Changes in items other than shareholders' equity during the year – net	0	22
Total changes during the year	0	22
Balance as of the end of the year	6	29
Foreign exchange translation adjustment		
Balance as of the beginning of the year	(15,560)	(16,047)
Changes during the year		
Changes in items other than shareholders' equity during the year – net	(486)	3,956
Total changes during the year	(486)	3,956
Balance as of the end of the year	(16,047)	(12,090)
Total accumulated other comprehensive income		
Balance as of the beginning of the year	(15,554)	(16,041)
Changes during the year		
Changes in items other than shareholders' equity during the year – net	(486)	3,979
Total changes during the year	(486)	3,979
Balance as of the end of the year	(16,041)	(12,061)
Total net assets		
Balance as of the beginning of the year	139,659	109,087
Changes during the year		
Distribution of retained earnings	(1,749)	-
Net loss	(28,335)	(11,545)
Acquisition of treasury stock	(0)	(0)
Changes in items other than shareholders' equity during the year – net	(486)	3,979
Total changes during the year	(30,571)	(7,566)
Balance as of the end of the year	109,087	101,521

(4) Consolidated Statements of Cash Flows

(million yen)

	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)	Year ended March 31, 2013 (April 1, 2012 through March 31, 2013)
Cash flows from operating activities:		
Loss before income taxes and others	(25,818)	(8,105)
Depreciation	10,299	6,852
Impairment loss on fixed assets	12,685	610
Business restructuring expenses	-	1,576
Loss from disaster	-	2,206
Increase (decrease) in allowance for doubtful receivables	(139)	132
Increase (decrease) in reserve for employee retirement benefits	93	(9)
(Increase) decrease in prepaid pension cost	1,052	935
Special retirement benefits	5,209	556
Interest and dividend income	(113)	(125)
Interest expenses	39	42
Foreign exchange (income) loss	(20)	768
(Gain) loss on sale of fixed assets	(212)	(115)
Loss from write-off and retirement of fixed assets	273	252
Governmental subsidies	(50)	(37)
Settlement payment received	(96)	-
(Gain) loss on sales of investment securities	(2)	-
(Increase) decrease in trade accounts receivable	23,001	7,733
(Increase) decrease in inventories	9,559	(8,872)
Increase (decrease) in trade accounts payable	(12,770)	(4,338)
(Increase) decrease in uncollected consumption taxes	147	1
Increase (decrease) in accrued consumption taxes	196	86
(Increase) decrease in other assets	(153)	27
Increase (decrease) in other liabilities	(248)	(16)
Subtotal	22,931	161
Interest and dividends received	115	114
Interest paid	(39)	(43)
Special retirement benefits paid	(176)	(5,595)
Governmental subsidies received	50	458
Settlement payment received	200	-
Insurance received	-	48
Business restructuring expenses paid	-	(437)
Loss from disaster paid	-	(308)
Corporate taxes paid	(934)	(227)
Corporate taxes refunded	341	3
Net cash (used in) provided by operating activities	22,488	(5,824)

(million yen)

	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)	Year ended March 31, 2013 (April 1, 2012 through March 31, 2013)
Cash flows from investing activities:		
Placing of time deposits	(435)	(10,368)
Withdrawal of time deposits	856	11,114
Acquisition of tangible fixed assets	(7,737)	(8,267)
Sale of tangible fixed assets	538	239
Acquisition of intangible fixed assets	(217)	(343)
Acquisition of investment securities	(299)	(156)
Sale of investment securities	180	-
Others	52	(0)
Net cash (used in) provided by investing activities	(7,062)	(7,782)
Cash flows from financing activities:		
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(1,752)	(4)
Net cash (used in) provided by financing activities	(1,752)	(4)
Translation gain (loss) related to cash and cash equivalents	(131)	2,017
Net increase (decrease) in cash and cash equivalents	13,541	(11,594)
Cash and cash equivalents at beginning of the year	43,417	56,959
Cash and cash equivalents at end of the year	56,959	45,364

(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, 2012 (as of March 31, 2012)	Year ended March 31, 2013 (as of March 31, 2013)
ASSETS:		
Current assets:		
Cash and deposits	37,478	26,107
Trade notes receivable	793	727
Trade accounts receivable	40,759	32,254
Trade receivables on supply of raw materials	1,627	1,658
Merchandise and finished products	188	203
Work in process	3,905	5,706
Raw materials and storage	10,972	16,477
Prepaid expenses	74	32
Deferred tax assets	369	-
Other accounts receivable	281	708
Other current assets	259	322
Allowance for doubtful receivables	(652)	(1,090)
Total current assets	96,058	83,109
Fixed assets:		
Tangible fixed assets:		
Buildings	15,348	15,346
Accumulated depreciation	(11,107)	(11,477)
Buildings (net)	4,241	3,868
Structures	1,025	1,025
Accumulated depreciation	(865)	(886)
Structures (net)	160	139
Machinery and equipment	60,966	59,115
Accumulated depreciation	(55,751)	(54,067)
Machinery and equipment (net)	5,215	5,048
Motor vehicles	480	475
Accumulated depreciation	(451)	(460)
Motor vehicles (net)	28	14
Tools, furniture and fixtures	26,749	27,911
Accumulated depreciation	(25,483)	(26,233)
Tools, furniture and fixtures (net)	1,265	1,678
Lands	5,432	5,432
Construction in progress	283	40
Total tangible fixed assets	16,628	16,223

(million yen)

	Year ended March 31, 2012 (as of March 31, 2012)	Year ended March 31, 2013 (as of March 31, 2013)
Intangible fixed assets:		
Patents	4	-
Software	143	320
Utility rights	9	7
Telephone rights	30	30
Total intangible fixed assets	188	358
Investments and other assets:		
Investment securities	542	734
Investment in related companies' stock	17,037	17,037
Investment capital in related companies' stock	15,195	15,195
Prepaid pension cost	1,799	851
Deferred tax assets	1,977	-
Other investments and other assets	231	384
Allowance for doubtful receivables	(123)	(244)
Total investments and other assets	36,660	33,958
Total fixed assets	53,477	50,540
TOTAL ASSETS	149,536	133,649
LIABILITIES:		
Current liabilities:		
Trade notes payable	1,237	1,482
Trade accounts payable	22,472	18,894
Short-term loans payable	5,013	5,737
Other accounts payable	5,326	1,314
Accrued expenses	2,491	4,203
Accrued corporate taxes, etc.	146	137
Allowance for bonuses	1,268	1,170
Notes payable relating to facilities	297	143
Other current liabilities	850	933
Total current liabilities	39,104	34,018
Long-term liabilities:		
Deferred tax liabilities	-	532
Allowance for operating loss	339	547
Other long-term liabilities	218	110
Total long-term liabilities	558	1,190
TOTAL LIABILITIES	39,663	35,209

(million yen)

	Year ended March 31, 2012 (as of March 31, 2012)	Year ended March 31, 2013 (as of March 31, 2013)
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	178	166
Retained earnings brought forward from the previous year	26,133	14,690
Total retained earnings	27,818	16,362
Treasury stock	(91)	(91)
Total shareholders' equity	109,867	98,411
Revaluation and exchange differences, etc.		
Valuation difference of other securities:	6	29
Total revaluation and exchange differences, etc.	6	29
TOTAL NET ASSETS	109,873	98,440
TOTAL LIABILITIES AND NET ASSETS	149,536	133,649

(2) Statements of Income

(million yen)

	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)	Year ended March 31, 2013 (April 1, 2012 through March 31, 2013)
Net sales	158,063	140,134
Cost of sales	157,302	136,881
Gross profit on sales	760	3,252
Selling, general and administrative expenses	11,185	9,325
Operating loss	(10,424)	(6,072)
Non-operating income		
Interest income	4	15
Dividend income	1	0
Royalties earned	88	151
Foreign exchange income	415	1,641
Miscellaneous	173	363
Total non-operating income	683	2,172
Non-operating expenses		
Interest expense	38	41
Loss from disposition of fixed assets	137	161
Compensation expenses	346	821
Patent-related expenses	103	-
Transfer to allowance for operating loss	-	208
Miscellaneous	48	98
Total non-operating expenses	674	1,330
Recurring loss	(10,415)	(5,231)
Special income		
Governmental subsidies	50	37
Settlement payment received	96	-
Gain on sales of investment securities	2	-
Total special income	148	37
Special loss		
Impairment loss on fixed assets	8,361	563
Special retirement benefits	3,890	-
Business restructuring expenses	-	1,540
Loss from disaster	-	1,320
Valuation loss of investment in related companies' stock	1,494	-
Valuation loss of investment capital in related companies' stock	1,468	-
Transfer to allowance for operating loss	339	-
Total special loss	15,553	3,423
Loss before income taxes and others	(25,820)	(8,617)
Corporate, inhabitant and enterprise taxes	216	(30)
Interperiod tax allocation adjustment	2,202	2,867
Total corporate taxes, etc.	2,418	2,837
Net loss	(28,238)	(11,455)

(3) Statements of Shareholders' Equity, Etc.

(million yen)

	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)	Year ended March 31, 2013 (April 1, 2012 through March 31, 2013)
Shareholders' equity		
Capital		
Balance as of the beginning of the 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 beginning of the 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 beginning of the 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 beginning of the year	358	178
Changes during the year		
Reversal of reserve for deferred income tax on fixed assets	(179)	(12)
Total changes during the year	(179)	(12)
Balance as of the end of the year	178	166
Retained earnings brought forward from the previous year		
Balance as of the beginning of the year	55,941	26,133
Changes during the year		
Distribution of retained earnings	(1,749)	-
Reversal of reserve for deferred income tax on fixed assets	179	12
Net loss	(28,238)	(11,455)
Total changes during the year	(29,807)	(11,442)
Balance as of the end of the year	26,133	14,690
Total retained earnings		
Balance as of the beginning of the year	57,805	27,818
Changes during the year		
Distribution of retained earnings	(1,749)	-
Reversal of reserve for deferred income tax on fixed assets	-	-
Net loss	(28,238)	(11,455)
Total changes during the year	(29,987)	(11,455)
Balance as of the end of the year	27,818	16,362

(million yen)

	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)	Year ended March 31, 2013 (April 1, 2012 through March 31, 2013)
Treasury stock		
Balance as of the beginning of the year	(90)	(91)
Changes during the year		
Acquisition of treasury stock	(0)	(0)
Total changes during the year	(0)	(0)
Balance as of the end of the year	(91)	(91)
Total shareholders' equity		
Balance as of the beginning of the year	139,855	109,867
Changes during the year		
Distribution of retained earnings	(1,749)	-
Net loss	(28,238)	(11,455)
Acquisition of treasury stock	(0)	(0)
Total changes during the year	(29,988)	(11,455)
Balance as of the end of the year	109,867	98,411
Revaluation and exchange differences, etc.		
Valuation difference of other marketable securities		
Balance as of the beginning of the year	6	6
Changes during the year		
Changes in items other than shareholders' equity during the year – net	0	22
Total changes during the year	0	22
Balance as of the end of the year	6	29
Total net assets		
Balance as of the beginning of the year	139,861	109,873
Changes during the year		
Distribution of retained earnings	(1,749)	-
Net loss	(28,238)	(11,455)
Acquisition of treasury stock	(0)	(0)
Changes in items other than shareholders' equity during the year – net	0	22
Total changes during the year	(29,988)	(11,432)
Balance as of the end of the year	109,873	98,440

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

Not applicable

6. OTHERS

(3) Change of Officers

(i) Change of representative

Not applicable

(ii) Change of other officers (scheduled for June 25, 2013)

1. Candidate for new Director

Part-time Director	Tetsuya Sekimoto	(currently, attorney at law, Del Sole Sakura Law Office)
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(Note) Candidate for new Director Mr. Tetsuya Sekimoto is a candidate for outside Director.

2. Candidate for new Statutory Auditor

Part-time Statutory Auditor	Tateru Sugio	(currently, certified tax accountant, Tateru Sugio Tax Office)
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(Note) Candidate for new Statutory Auditor Mr. Tateru Sugio is a candidate for outside Statutory Auditor.

3. Retiring Statutory Auditor

Part-time Statutory Auditor	Miyuki Hara
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