

(Excerpt translation)

February 2, 2012

**BRIEF ANNOUNCEMENT OF SETTLEMENT OF ACCOUNTS FOR  
THE THIRD QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2012**

(Based on Japanese GAAP) (Consolidated)

Name of listed company: MITSUMI ELECTRIC CO., LTD.

Listing exchange: Tokyo Stock Exchange and  
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.

Scheduled date of submission of  
quarterly report: February 9, 2012

Scheduled date of payment of  
dividends: —

Quarterly supplemental  
explanatory material prepared: None

Quarterly results briefing held: None

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

1. Consolidated business results for the third quarter of the fiscal year ending March 31, 2012  
(April 1, 2011 through December 31, 2011):

(1) Consolidated operating results (cumulative):

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

	Net sales		Operating income		Recurring income		Net income	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Third quarter of the year ending March 31, 2012	131,621	(-) 7.1	(5,599)	-	(6,159)	-	(21,707)	-
Third quarter of the year ended March 31, 2011	141,671	(-) 13.0	(3,927)	-	(5,013)	-	(3,064)	-

(Notes) Comprehensive income: Third quarter of the year ending March 31, 2012: (23,660) million yen  
Third quarter of the year ended March 31, 2011: (6,228) million yen

	Net income per share (basic)	Net income per share (diluted)
	(yen)	(yen)
Third quarter of the year ending March 31, 2012	(248.22)	-
Third quarter of the year ended March 31, 2011	(35.04)	-

(2) Consolidated financial condition:

	Total assets	Net assets	Net worth ratio
	(million yen)	(million yen)	(%)
Third quarter of the year ending March 31, 2012	165,645	114,250	69.0
Year ended March 31, 2011	191,827	139,659	72.8

(For reference) Net worth: Third quarter of the year ending March 31, 2012: 114,250 million yen  
 Year ended March 31, 2011: 139,659 million yen

2. State of dividends:

	Annual dividend (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended March 31, 2011	—	—	—	20.00	20.00
Year ending March 31, 2012	—	—	—		
Year ending March 31, 2012 (forecast)				0.00	0.00

(Note) Adjustment to the most recently publicized forecast of dividends: None

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

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

	Net sales		Operating income		Recurring income		Net income		Net income per share
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(yen)
Whole-year period	167,000	(-) 10.9	(9,000)	-	(10,000)	-	(31,500)	-	(360.19)

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

4. Others:

- (1) Changes in important subsidiaries (changes in specific subsidiaries involving a change in the scope of consolidation) during the period under review: None
- (2) Application of accounting treatments special to the preparation of the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and modifications and restatements:
- 1) Changes in accounting policies associated with changes in accounting standards: None
  - 2) Other changes in accounting policies: None
  - 3) Changes in accounting estimates: None
  - 4) Modifications and restatements: None
- (4) Number of issued shares (shares of common stock):
- 1) Number of issued shares (including shares of treasury stock) as of the end of the period:
 

Third quarter of the year ending March 31, 2012:	87,498,119 shares
Year ended March 31, 2011:	87,498,119 shares
  - 2) Number of shares of treasury stock as of the end of the period:
 

Third quarter of the year ending March 31, 2012:	45,451 shares
Year ended March 31, 2011:	44,839 shares
  - 3) Average number of shares during the period (quarterly cumulative period):
 

Third quarter of the year ending March 31, 2012:	87,452,974 shares
Third quarter of the year ended March 31, 2011:	87,454,219 shares

\* Statement on the state of performance of quarterly review procedures:

This brief announcement of settlement of accounts for the period under review is not subject to quarterly review procedures under the Financial Instruments and Exchange Law of Japan. The review of this brief announcement of settlement of accounts for the period 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 "Qualitative information on the forecasts of consolidated business results" on page 7 hereof.

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## 1 Qualitative Information on the Settlement of Accounts for the Quarter of the Fiscal Year under Review

### (1) Qualitative information on the consolidated operating results

To overview the global economic situations during the consolidated third-quarter cumulative period of the fiscal year under review, emerging countries have continued to remain on the phase of expansion but their growth has shown a sign of slowing. With regard to developed countries, in the United States, exports have increased and year-end sales were strong. However, in Europe, debt problems have worsened and the economy has been slowing down.

In Japan, in spite of demand for recovery from the Great East Japan Earthquake, the speed of recovery has been reduced due to higher prices of resources and the ongoing appreciation of the yen.

In our electronic parts industry, while the market for growth products, including smart phones and tablet devices, and car-mounted devices have increased substantially, demand in the market for its major products, products related to flat-panel TVs and PCs, has decreased due to the decelerating global economy. Due to the economic slump since last summer and the impacts of the floods in Thailand, the market has become increasingly uncertain.

The Group has received increased orders for amusement-related products for year-end sales, while sales of semiconductor devices and high-frequency parts for other uses, among others, have decreased. Due to the ongoing appreciation of the yen and higher prices of resources, the Group has experienced a decline in profit. As a result, for the third-quarter cumulative period of the fiscal year under review, on a consolidated basis, net sales amounted to ¥131,621 million (92.9% in comparison with the corresponding period of the previous fiscal year). With regard to profits and losses, in spite of its improvement strategies, including the reduction of fixed cost, the Company has registered an operating loss of ¥5,599 million (an operating loss of ¥3,927 million for the corresponding period of the previous fiscal year) and a recurring loss of ¥6,159 million (a recurring loss of ¥5,013 million for the corresponding period of the previous fiscal year). The Company has reduced the book value of fixed assets of the Company and its consolidated subsidiaries to the recoverable value to record an impairment loss of ¥12,566 million on fixed assets and reviewed the recoverability of deferred tax assets to record an adjustment of ¥2,540 million to income taxes and others. As a result, net loss amounted to ¥21,707 million (a net loss of ¥3,064 million for the corresponding period of the previous fiscal year).

### (2) Qualitative information on the consolidated financial position

As of the end of the third quarter of the fiscal year under review, on a consolidated basis, total assets accounted for ¥165,645 million, down ¥26,181 million from the end of the previous fiscal year, principally due to a decrease of ¥1,281 million in cash and deposits, a decrease of ¥4,525 million in trade notes and trade accounts receivable and a decrease of ¥15,530 million in tangible fixed assets.

Total liabilities accounted for ¥51,395 million, down ¥772 million from the end of the previous fiscal year, principally due to a decrease of ¥481 million in trade notes and trade

accounts payable and a decrease of ¥822 million in allowance for bonuses.

Total net assets accounted for ¥114,250 million, down ¥25,409 million from the end of the previous fiscal year, principally due to the payment of dividends during the first quarter of the fiscal year under review, a decrease of ¥23,457 million of retained earnings as a result of a net loss and a change of ¥1,946 million in foreign exchange translation adjustment as a result of the appreciation of the yen.

As a result, the net worth ratio as of the end of the third quarter of the fiscal year under review decreased by 3.8 points from the end of the previous fiscal year to 69.0%.

(3) Qualitative information on the forecasts of consolidated business results

Adjustment has herein been made to the forecast of consolidated business results for the fiscal year ending March 31, 2012, which was publicized on November 4, 2011.

For details, please refer to the "Notice on the Adjustment to the Forecast of Consolidated Business Results for the Fiscal Year Ending March 31, 2012, the Recording of a Special Loss and the Reversal of Deferred Tax Assets" publicized today (on February 2, 2012).

2. Matters Concerning Summary Information (Others)

(Translation omitted)

### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated quarterly balance sheets

(million yen)

	Year ended March 31, 2011 (as of March 31, 2011)	Third quarter of the year ending March 31, 2012 (as of December 31, 2011)
<b><u>ASSETS:</u></b>		
Current assets:		
Cash and deposits	45,115	43,834
Trade notes and trade accounts receivable	63,624	59,098
Finished products	2,572	2,843
Work in process	4,137	4,615
Raw materials and storage	23,596	21,884
Other assets	4,812	2,442
Allowance for doubtful receivables	(56)	(51)
Total current assets	143,800	134,667
Fixed assets:		
Tangible fixed assets	39,814	24,283
Intangible fixed assets	1,883	892
Investments and other assets	6,328	5,802
Total fixed assets	48,026	30,978
<b>TOTAL ASSETS</b>	<b>191,827</b>	<b>165,645</b>
<b><u>LIABILITIES:</u></b>		
Current liabilities:		
Trade notes and trade accounts payable	36,113	35,632
Short-term borrowings	5,072	4,742
Accrued corporate taxes, etc.	477	425
Allowance for bonuses	1,437	615
Other current liabilities	7,142	7,800
Total current liabilities	50,243	49,216
Long-term liabilities:		
Reserve for employee retirement benefits	607	677
Other long-term liabilities	1,316	1,501
Total long-term liabilities	1,924	2,179
<b>TOTAL LIABILITIES</b>	<b>52,167</b>	<b>51,395</b>
<b><u>NET ASSETS:</u></b>		
Shareholders' equity:		
Capital	39,890	39,890
Additional paid-in capital	43,252	43,252
Retained earnings	72,162	48,705
Treasury stock	(90)	(91)
Total shareholders' equity	155,214	131,756
Accumulated other comprehensive income:		
Valuation difference of other securities	6	0
Foreign exchange translation adjustment	(15,560)	(17,506)
Total accumulated other comprehensive income	(15,554)	(17,506)
<b>TOTAL NET ASSETS</b>	<b>139,659</b>	<b>114,250</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>191,827</b>	<b>165,645</b>



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

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

(million yen)

	Third-quarter cumulative period of the year ended March 31, 2011 (April 1, 2010 through December 31, 2010)	Third-quarter cumulative period of the year ending March 31, 2012 (April 1, 2011 through December 31, 2011)
Net sales	141,671	131,621
Cost of sales	136,043	128,589
Gross profit on sales	5,628	3,031
Selling, general and administrative expenses	9,556	8,630
Operating loss	(3,927)	(5,599)
Non-operating income		
Interest income	71	82
Royalty received	62	69
Returned patent fees	198	-
Other income	212	178
Total non-operating income	545	330
Non-operating expenses	37	27
Interest expense	227	200
Loss on disposition of fixed assets	1,145	458
Foreign exchange loss	220	203
Other expenses	1,631	890
Total non-operating expenses	(5,013)	(6,159)
Recurring loss		
Special income		
Gain on sales of fixed assets	-	164
Gain on sales of investment securities	-	2
Gain on insurance claims	63	-
Amount received in settlement	-	96
Total special income	63	263
Special loss		
Impairment loss on fixed assets	-	12,566
Special retirement benefits	-	87
Total special loss	-	12,653
Loss before income taxes and others	(4,950)	(18,549)
Corporate, inhabitant and enterprise taxes	(1,885)	3,158
Net loss	(3,064)	(21,707)

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

(million yen)

	Third-quarter cumulative period of the year ended March 31, 2011 (April 1, 2010 through December 31, 2010)	Third-quarter cumulative period of the year ending March 31, 2012 (April 1, 2011 through December 31, 2011)
Net loss	(3,064)	(21,707)
Other comprehensive income		
Valuation difference of other securities	(4)	(5)
Foreign exchange translation adjustment	(3,158)	(1,946)
Total other comprehensive income	(3,163)	(1,952)
Quarterly comprehensive income	(6,228)	(23,660)
(Items)		
Quarterly comprehensive income related to the shareholders of the parent company	(6,228)	(23,660)
Quarterly comprehensive income related to the minority shareholders	-	-

(3) Note on assumptions for going concern

Not applicable.

(4) Segment information

The business of the Group is comprised of a single segment of production and sale of parts of electronic and communications devices and equipment. Hence, the descriptions of segment information are omitted.

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

Not applicable.

(6) Significant subsequent events

The Company, at the meeting of its Board of Directors held on February 2, 2012, adopted a resolution on emergency measures and strategies for growth to improve profitability and recoup its potential for growth in and after the fiscal year ending March 31, 2013. For the purpose of the revision of its employee retirement benefit plan as one of such measures, which has been discussed by management, the Company is negotiating with its labor union for a transition measure under which additional retirement payments shall be made to the rank and file as well as some management-level employees, to reduce fixed cost in and after the next fiscal year. By implementing the measure, some 10% of 2,836 employees in Japan at the end of the third quarter of the fiscal year under review will be reduced and a special loss of approximately ¥5.0 billion is expected to be recorded in the

fiscal year under review; in the next fiscal year, fixed cost is expected to be reduced by more than ¥2.0 billion.

4. Supplementary Information

(1) Production, orders received and sales

(i) Production

Production by product division for the consolidated third-quarter cumulative period of the fiscal year ending March 31, 2012:

Division	Production	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)
Semiconductor Devices	24,134	86.4
Optical Devices	8,909	90.6
System Parts	63,836	106.5
High-Frequency Parts	19,637	80.6
Power-Unit Parts	13,494	89.1
Information Communications Equipment	1,910	49.6
Total	131,921	93.5

(ii) Orders received

Orders received by product division for the consolidated third-quarter cumulative period of the fiscal year ending March 31, 2012:

Division	Orders received	Comparison with the corresponding period of the previous fiscal year	Balance of orders received	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)	(million yen)	(%)
Semiconductor Devices	23,817	85.3	3,076	91.2
Optical Devices	8,293	85.0	490	30.8
System Parts	63,792	101.7	5,675	95.4
High-Frequency Parts	14,969	59.4	2,880	43.9
Power-Unit Parts	13,981	90.9	2,132	123.3
Information Communications Equipment	2,012	52.7	133	55.3
Total	126,867	87.6	14,388	74.0

(iii) Sales

Sales by product division for the consolidated third-quarter cumulative period of the fiscal year ending March 31, 2012:

Division	Sales	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)
Semiconductor Devices	24,212	86.9
Optical Devices	8,903	90.2
System Parts	63,765	105.2
High-Frequency Parts	19,358	79.8
Power-Unit Parts	13,376	88.2
Information Communications Equipment	2,003	51.1
Total	131,621	92.9

(2) Overseas net sales

For the consolidated third-quarter cumulative period of the fiscal year ending March 31, 2012 (April 1, 2011 through December 31, 2011):

(million yen)				
	Asia	Europe	North America	Total
I. Overseas net sales	48,584	3,185	694	52,464
II. Consolidated net sales				131,621
III. Ratio of overseas net sales to consolidated net sales (%)	36.9	2.4	0.6	39.9

- END -