(Excerpt translation)

May 10, 2012

BRIEF ANNOUNCEMENT OF SETTLEMENT OF ACCOUNTS FOR THE FISCAL YEAR ENDED MARCH 31, 2012

(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 26, 2012
Scheduled date of filing of securities report:	June 27, 2011
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, 2012 (April 1, 2011 through March 31, 2012):

(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, 2012	167,207	(10.8)	(8,357)	-	(8,234)	-	(28,335)	-
Year ended March 31, 2011	187,418	(9.7)	(5,020)	-	(6,387)	-	(3,541)	-

(Note) Comprehensive income:
Year ended March 31, 2012: (¥28,822 million) (-%)
Year ended March 31, 2011: (¥5,914 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, 2012	(324.01)	-	(22.8)	(4.8)	(5.0)
Year ended March 31, 2011	(40.49)	-	(2.5)	(3.2)	(2.7)

(For reference) Gain on equity method investments:
Year ended March 31, 2012: ¥7 million
Year ended March 31, 2011: ¥8 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, 2012	152,660	109,087	71.5	1,247.40
Year ended March 31, 2011	191,827	139,659	72.8	1,596.96

(For reference) Net worth
Year ended March 31, 2012: ¥109,087 million
Year ended March 31, 2011: ¥139,659 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, 2012	22,488	(7,062)	(1,752)	56,959
Year ended March 31, 2011	5,457	(13,963)	(3,062)	43,417

2. State of dividends:

	Annual dividend per share (yen)					Total dividends (annual)	Dividend propensity (consolidated)	Ratio of dividends to shareholders' equity (consolidated)
	First quarter -end	Second quarter -end	Third quarter -end	Year-end	Total	(million yen)	(%)	(%)
Year ended March 31, 2011	—	—	—	20.00	20.00	1,749	-	1.2
Year ended March 31, 2012	—	—	—	0.00	0.00	0	-	-
Year ending March 31, 2013 (forecast)	—	—	—	5.00	5.00		43.7	

3. Forecast of consolidated operating results for the fiscal year ending March 31, 2013 (April 1, 2012 through March 31, 2013):

(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	70,000	(13.7)	(3,000)	-	(3,000)	-	(3,500)	-	(40.02)
Whole-year period	180,000	7.7	2,000	-	1,500	-	1,000	-	11.43

4. Others

(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: None

(ii) Other changes in accounting policies: None

(iii) Changes in accounting estimates: None

(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, 2012: 87,498,119 shares

Year ended March 31, 2011: 87,498,119 shares

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

Year ended March 31, 2012: 45,652 shares

Year ended March 31, 2011: 44,839 shares:

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

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

Year ended March 31, 2011: 87,454,007 shares

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

1. Non-consolidated operating results for the year ended March 31, 2012 (April 1, 2011 through March 31, 2012):

(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, 2012	158,063	(11.1%)	(10,424)	-	(10,415)	-	(28,238)	-
Year ended March 31, 2011	177,889	(10.3%)	(7,770)	-	(3,752)	-	(687)	-

	Net income per share (basic)	Fully diluted earnings per share
	(yen)	(yen)
Year ended March 31, 2012	(322.90)	-
Year ended March 31, 2011	(7.87)	-

(2) Non-consolidated financial condition

	Total assets	Net assets	Net worth ratio	Nt assets per share
	(million yen)	(million yen)	(%)	(yen)
Year ended March 31, 2012	149,536	109,873	73.5	1,256.38
Year ended March 31, 2011	189,623	139,861	73.8	1,599.27

(For reference) Net worth
Year ended March 31, 2012: ¥109,873 million
Year ended March 31, 2011: ¥139,861 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 7 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, 2012

To overview the global economic situations during the fiscal year under review, the U.S. economy has been on the phase of slow recovery due to the buoyant state of the auto industry, among others. However, in emerging countries, their economic growth has been decelerating. In Europe, where a financial crisis has erupted, the employment conditions have worsened due to austere fiscal policies. Consequently, the global economy has grown stagnant in general.

In Japan, in spite of the effect of demand for recovery from the Great East Japan Earthquake to boost the economy, it has remained stagnant due to a slump of exporting companies affected by the downturn of the global economy, ongoing appreciation of the yen during the period and the impacts of the floods in Thailand. In our electronic parts industry, while the market for growth products, including smart phones and tablet devices, and car-mounted devices have increased substantially, the market for products related to flat-panel TVs and PCs has decreased. In addition, the component ratio of products for emerging countries in the market has increased and competition to lower prices of parts has further intensified.

The Mitsumi Group has received increased orders for amusement-related products for year-end sales, while, overall, price declines have not covered by an increased volume, resulting in a decrease in net sales. With regard to earnings, the effect of improvement in earnings has been diminished by the ongoing appreciation of the yen during the period and higher costs in its manufacturing sites in China, specifically and the Group has been placed in a difficult condition. As a result, for the fiscal year under review, on a consolidated basis, net sales amounted to ¥167,207 million (89.2% in comparison with the previous fiscal year). With regard to profits and losses, in spite of its various measures to reduce cost, the Company registered an operating loss of ¥8,357 million (operating loss of ¥5,020 million for the previous fiscal year) and a recurring loss of ¥8,234 million (recurring loss of ¥6,387 million for the previous fiscal year). Net loss amounted to ¥28,335 million (net loss of ¥3,541 million for the previous fiscal year) due to impairment loss on fixed assets and additional payments recorded as a special loss as a result of the revision of its employee retirement benefit plan.

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 module-related products, as well as element devices for use in flat-panel TVs and other products, decreased. As a result, consolidated net sales of semiconductor devices amounted to ¥31,599 million (90.4% in comparison with the previous fiscal year).

(ii) Optical Devices:

Orders received by the Group for camera modules for use in amusement-related products increased. However, The Group discontinued production of camera modules for use in PCs, which were unprofitable products. As a result, consolidated net sales of optical devices amounted to ¥11,081 million (80.5% in comparison with the previous fiscal year).

(iii) System Parts:

Orders received by the Group for its main products, such as actuators and switches for use in amusement-related products and cellular phones were little less than those for the previous fiscal year, while orders received for general-use products, such as connectors and motors decreased. As a result, consolidated net sales of system parts amounted to ¥80,256 million (96.1% in comparison with the previous fiscal year).

(iv) High-Frequency Parts:

Orders received by the Group for set products increased, while orders received for module products decreased. As a result, consolidated net sales of high-frequency parts amounted to ¥23,942 million (77.3% in comparison with previous fiscal year).

(v) Power-Unit Parts:

Orders received by the Group for power-unit parts related to flat-panel TVs and imaging decreased. As a result, consolidated net sales of power-unit parts amounted to ¥17,713 million (91.3% 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 ¥2,614 million (54.4% in comparison with the previous fiscal year).

2) Prospect for the fiscal year ending March 31, 2013

To foresee the global economy, while the U.S. economy remains in the phase of recovery, economic growth in emerging countries is decelerating. The global economy remains unforeseeable in general due to the economic crisis originating in the financial crisis in Europe. 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 Mitsumi Group will implement emergency measures and 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:	¥180,000 million	(107.7% in comparison with the fiscal year under review)
Operating income:	¥2,000 million	(-)
Recurring income:	¥1,500 million	(-)
Net income:	¥1,000 million	(-)

As to exchange rates for the fiscal year ending March 31, 2013, the rate is estimated at \$1 = ¥80. 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 15.2% in comparison with the previous fiscal year, accounting for ¥121,889 million, principally due to a decrease of ¥22,870 million in trade notes and accounts receivable and a decrease of ¥9,569 million in inventories in spite of an increase of ¥13,063 million in cash and deposits. (For more information on cash and deposits, please refer to the consolidated statements of cash flows on pages 25 and 26.)

Fixed assets deceased by 35.9% in comparison with the previous fiscal year, accounting for ¥30,771 million, principally due to an impairment loss of ¥12,685 million on fixed assets and a decrease of ¥139 million in deferred tax assets.

As a result, total assets decreased by 20.4% in comparison with the previous fiscal year, accounting for ¥152,660 million.

(ii) Liabilities

Current liabilities decreased by ¥16.7% in comparison with the previous fiscal year, accounting for ¥41,859 million, principally due to a decrease in trade notes and trade accounts payable.

Long-term liabilities decreased by 11.0% in comparison with the previous fiscal year, accounting for ¥1,712 million, principally due to a decrease of ¥310 million in deferred tax liabilities.

As a result, total liabilities decreased by 16.5% in comparison with the previous fiscal year, accounting for ¥43,572 million.

(iii) Net assets

Net assets decreased by 21.9% in comparison with the previous fiscal year, accounting for ¥109,087 million, principally due to a decrease of ¥30,084 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 increased by ¥13,541 million in comparison with the previous fiscal year, accounting for ¥56,959 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 receipts of ¥22,488 million (receipts of ¥5,457 million for the previous fiscal year) principally due to an increase in net cash by a decrease in trade accounts receivable, an impairment loss on fixed assets, depreciation and a decrease in inventories in spite of a loss of ¥25,818 million before income taxes and others and a decrease in trade accounts payable.

(ii) Cash flows from investing activities

Cash flows from investing activities resulted in payments of ¥7,062 million (payments of ¥13,963 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 ¥1,752 million (payments of ¥3,062 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, 2009	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2012
Net worth ratio (%)	75.0	73.4	72.8	71.5
Net worth ratio on a market value basis (%)	63.1	88.3	50.5	40.8
Ratio of interest-bearing debt to cash flows (%)	26.4	18.4	92.9	22.3
Interest coverage ratio	113.6	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

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 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 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 TV and radio tuners, 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.

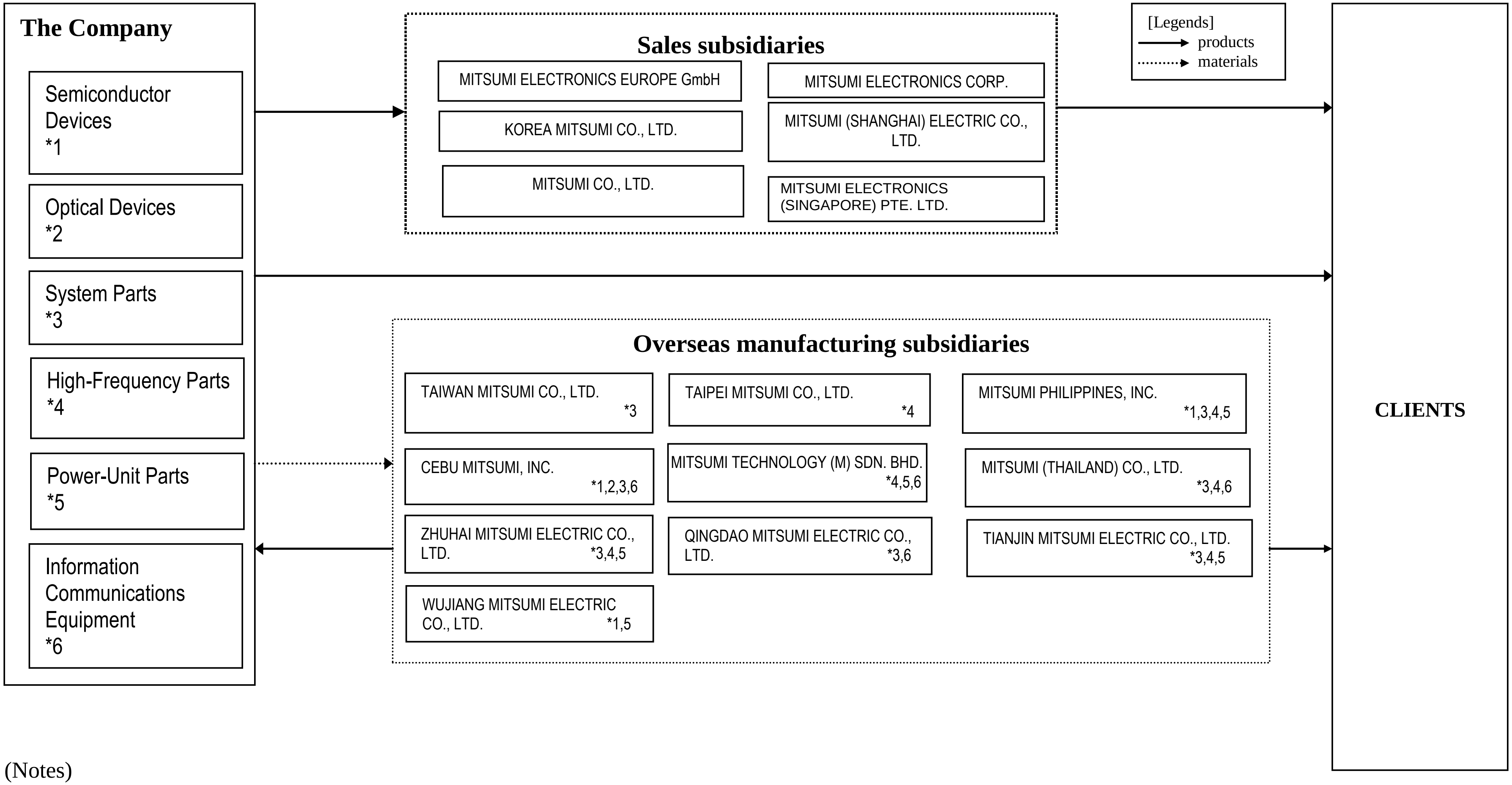
(vi) Information Communications Equipment

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 establishing a system to supply 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 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, 2011 (as of March 31, 2011)	Year ended March 31, 2012 (as of March 31, 2012)
ASSETS:		
Current assets:		
Cash and deposits	45,115	58,178
Trade notes and trade accounts receivable	63,624	40,753
Finished products	2,572	1,885
Work in process	4,137	4,546
Raw materials and storage	23,596	14,303
Deferred tax assets	2,583	533
Other assets	2,228	1,722
Allowance for doubtful receivables	(56)	(33)
Total current assets	143,800	121,889
Fixed assets:		
Tangible fixed assets:		
Buildings and structures	30,290	26,711
Accumulated depreciation	(18,952)	(19,390)
Buildings and structures (net)	11,337	7,320
Machinery and equipment and motor vehicles	82,521	78,074
Accumulated depreciation	(67,317)	(70,532)
Machinery and equipment and motor vehicles (net)	15,204	7,541
Tools, furniture and fixtures	41,034	38,694
Accumulated depreciation	(34,310)	(35,618)
Tools, furniture and fixtures (net)	6,724	3,076
Lands	5,889	5,637
Construction in progress	658	867
Total tangible fixed assets	39,814	24,444
Intangible fixed assets	1,883	913
Investments and other assets:		
Investment securities	472	591
Prepaid pension cost	2,860	1,808
Deferred tax assets	2,584	2,445
Other investments and other assets	652	692
Allowance for doubtful receivables	(241)	(123)
Total investments and other assets	6,328	5,413
Total fixed assets	48,026	30,771
TOTAL ASSETS	191,827	152,660

(million yen)

	Year ended March 31, 2011 (as of March 31, 2011)	Year ended March 31, 2012 (as of March 31, 2012)
LIABILITIES:		
Current liabilities:		
Trade notes and trade accounts payable	36,113	23,532
Short-term borrowings	5,072	5,013
Accrued expenses	3,285	3,040
Accrued corporate taxes, etc.	477	183
Allowance for bonuses	1,437	1,416
Other current liabilities	3,856	8,673
Total current liabilities	50,243	41,859
Long-term liabilities:		
Deferred tax liabilities	1,097	786
Reserve for employee retirement benefits	607	707
Other long-term liabilities	219	218
Total long-term liabilities	1,924	1,712
TOTAL LIABILITIES	52,167	43,572
NET ASSETS:		
Shareholders' equity:		
Capital	39,890	39,890
Additional paid-in capital	43,252	43,252
Retained earnings	72,162	42,077
Treasury stock	(90)	(91)
Total shareholders' equity	155,214	125,128
Accumulated other comprehensive income:		
Valuation difference of other securities	6	6
Foreign exchange translation adjustment	(15,560)	(16,047)
Total accumulated other comprehensive income	(15,554)	(16,041)
TOTAL NET ASSETS	139,659	109,087
TOTAL LIABILITIES AND NET ASSETS	191,827	152,660

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

Consolidated Statements of Income

(million yen)

	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)
Net sales	187,418	167,207
Cost of sales	179,976	164,244
Gross profit on sales	7,441	2,963
Selling, general and administrative expenses	12,461	11,320
Operating loss	(5,020)	(8,357)
Non-operating income		
Interest income	100	112
Royalties earned	67	88
Grants in aid	41	-
Returned patent fees	198	-
Foreign exchange gain	-	389
Other income	332	446
Total non-operating income	739	1,037
Non-operating expenses		
Interest expense	46	39
Loss from disposition of fixed assets	361	273
Payment compensation	292	332
Patent-related expenses	-	103
Foreign exchange loss	1,157	-
Other expenses	248	165
Total non-operating expenses	2,107	914
Recurring loss	(6,387)	(8,234)
Special income:		
Gain on insurance claims	63	-
Governmental subsidies	13	50
Transfer back of allowance for doubtful receivables	4	-
Gain on sales of fixed assets	-	161
Settlement payment received	-	96
Gain on sales of investment securities	-	2
Total special income	81	310
Special loss:		
Special retirement allowances	67	5,209
Loss from disaster	186	-
Impairment loss on fixed assets	-	12,685
Total special loss	254	17,894
Loss before income taxes and others	(6,559)	(25,818)
Corporate, inhabitant and enterprise taxes	1,414	644
Interperiod tax allocation adjustment	(4,433)	1,872
Total corporate taxes, etc.	(3,018)	2,517
Net loss	(3,541)	(28,335)

Consolidated Statements of Comprehensive Income

(million yen)

	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)
Net loss	(3,541)	(28,335)
Other comprehensive income:		
Valuation difference of other securities	(4)	0
Foreign exchange translation adjustment	(2,369)	(486)
Total other comprehensive income	(2,373)	(486)
Comprehensive income	(5,914)	(28,822)
(Items)		
Comprehensive income related to the shareholders of the parent company	(5,914)	(28,822)
Comprehensive income related to the minority shareholders	-	-

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

(million yen)

	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)
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	78,745	72,162
Changes during the year		
Distribution of retained earnings	(3,060)	(1,749)
Net loss	(3,541)	(28,335)
Change in the scope of consolidation	19	-
Total changes during the year	(6,582)	(30,084)
Balance as of the end of the year	72,162	42,077
Treasury stock		
Balance as of the beginning of the year	(88)	(90)
Changes during the year		
Acquisition of treasury stock	(2)	(0)
Total changes during the year	(2)	(0)
Balance as of the end of the year	(90)	(91)
Total shareholders' equity		
Balance as of the beginning of the year	161,798	155,214
Changes during the year		
Distribution of retained earnings	(3,060)	(1,749)
Net loss	(3,541)	(28,335)
Acquisition of treasury stock	(2)	(0)
Change in the scope of consolidation	19	-
Total changes during the year	(6,584)	(30,085)
Balance as of the end of the year	155,214	125,128

(million yen)

	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)
Accumulated other comprehensive income		
Valuation difference of other marketable securities		
Balance as of the beginning of the year	10	6
Changes during the year		
Changes in items other than shareholders' equity during the year – net	(4)	0
Total changes during the year	(4)	0
Balance as of the end of the year	6	6
Foreign exchange translation adjustment		
Balance as of the beginning of the year	(13,191)	(15,560)
Changes during the year		
Changes in items other than shareholders' equity during the year – net	(2,369)	(486)
Total changes during the year	(2,369)	(486)
Balance as of the end of the year	(15,560)	(16,047)
Total accumulated other comprehensive income		
Balance as of the beginning of the year	(13,181)	(15,554)
Changes during the year		
Changes in items other than shareholders' equity during the year – net	(2,373)	(486)
Total changes during the year	(2,373)	(486)
Balance as of the end of the year	(15,554)	(16,041)
Total net assets		
Balance as of the beginning of the year	148,617	139,659
Changes during the year		
Distribution of retained earnings	(3,060)	(1,749)
Net loss	(3,541)	(28,335)
Acquisition of treasury stock	(2)	(0)
Change in the scope of consolidation	19	-
Changes in items other than shareholders' equity during the year – net	(2,373)	(486)
Total changes during the year	(8,958)	(30,571)
Balance as of the end of the year	139,659	109,087

(4) Consolidated Statements of Cash Flows

(million yen)

	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)
Cash flows from operating activities:		
Loss before income taxes and others	(6,559)	(25,818)
Depreciation	11,443	10,299
Impairment loss on fixed assets	-	12,685
Increase (decrease) in allowance for doubtful receivables	(33)	(139)
Increase (decrease) in reserve for employee retirement benefits	15	93
(Increase) decrease in prepaid pension cost	744	1,052
Special retirement benefits	67	5,209
Interest and dividend income	(101)	(113)
Interest expenses	46	39
Foreign exchange (income) loss	(577)	(20)
(Gain) loss on sale of tangible fixed assets	25	(212)
Loss from write-off and retirement of fixed assets	361	273
Grants in aid	(41)	-
Governmental subsidies	(13)	(50)
Settlement payment received	-	(96)
(Gain) loss on sales of investment securities	-	(2)
Gain on insurance claims	(63)	-
Loss on disaster	186	-
(Increase) decrease in trade accounts receivable	5,463	23,001
(Increase) decrease in inventories	(6,160)	9,559
Increase (decrease) in trade accounts payable	1,860	(12,770)
(Increase) decrease in uncollected consumption taxes	172	147
Increase (decrease) in accrued consumption taxes	(10)	196
(Increase) decrease in other assets	243	(153)
Increase (decrease) in other liabilities	(574)	(248)
Subtotal	6,496	22,931
Interest and dividends received	112	115
Interest paid	(46)	(39)
Special retirement benefits paid	-	(176)
Grants in aid received	41	-
Governmental subsidies received	13	50
Settlement payment received	-	200
Insurance claims received	285	-
Corporate taxes paid	(1,543)	(934)
Corporate taxes refunded	99	341
Net cash (used in) provided by operating activities	5,457	22,488

(million yen)

	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)
Cash flows from investing activities:		
Placing of time deposits	(675)	(435)
Withdrawal of time deposits	214	856
Acquisition of tangible fixed assets	(13,269)	(7,737)
Sale of tangible fixed assets	284	538
Acquisition of intangible fixed assets	(533)	(217)
Acquisition of investment securities	-	(299)
Sale of investment securities	-	180
Others	16	52
Net cash (used in) provided by investing activities	(13,963)	(7,062)
Cash flows from financing activities:		
Purchase of treasury stock	(2)	(0)
Cash dividends paid	(3,059)	(1,752)
Net cash (used in) provided by financing activities	(3,062)	(1,752)
Translation gain (loss) related to cash and cash equivalents	(953)	(131)
Net increase (decrease) in cash and cash equivalents	(12,521)	13,541
Cash and cash equivalents at beginning of the year	55,869	43,417
Increase in cash and cash equivalents due to new consolidation	69	-
Cash and cash equivalents at end of the year	43,417	56,959

(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, 2011 (as of March 31, 2011)	Year ended March 31, 2012 (as of March 31, 2012)
ASSETS:		
Current assets:		
Cash and deposits	27,141	37,478
Trade notes receivable	158	793
Trade accounts receivable	62,051	40,759
Trade receivables on supply of raw materials	5,393	1,627
Merchandise and finished products	1,063	188
Work in process	3,359	3,905
Raw materials and storage	17,428	10,972
Prepaid expenses	132	74
Deferred tax assets	2,376	369
Other accounts receivable	1,271	281
Other current assets	14	259
Allowance for doubtful receivables	(44)	(652)
Total current assets	120,347	96,058
Fixed assets:		
Tangible fixed assets:		
Buildings	17,964	15,348
Accumulated depreciation	(11,002)	(11,107)
Buildings (net)	6,962	4,241
Structures	1,219	1,025
Accumulated depreciation	(858)	(865)
Structures (net)	361	160
Machinery and equipment	63,292	60,966
Accumulated depreciation	(53,166)	(55,751)
Machinery and equipment (net)	10,126	5,215
Motor vehicles	523	480
Accumulated depreciation	(465)	(451)
Motor vehicles (net)	58	28
Tools, furniture and fixtures	28,272	26,749
Accumulated depreciation	(24,843)	(25,483)
Tools, furniture and fixtures (net)	3,428	1,265
Lands	5,485	5,432
Construction in progress	137	283
Total tangible fixed assets	26,560	16,628

(million yen)

	Year ended March 31, 2011 (as of March 31, 2011)	Year ended March 31, 2012 (as of March 31, 2012)
Intangible fixed assets:		
Patents	4	4
Software	1,072	143
Utility rights	14	9
Telephone rights	30	30
Total intangible fixed assets	1,122	188
Investments and other assets:		
Investment securities	273	542
Investment in related companies' stock	19,458	17,037
Investment capital in related companies' stock	16,664	15,195
Long-term prepaid expenses	36	-
Prepaid pension cost	2,860	1,799
Deferred tax assets	2,172	1,977
Other investments and other assets	367	231
Allowance for doubtful receivables	(241)	(123)
Total investments and other assets	41,592	36,660
Total fixed assets	69,275	53,477
TOTAL ASSETS	189,623	149,536
LIABILITIES:		
Current liabilities:		
Trade notes payable	2,115	1,237
Trade accounts payable	35,450	22,472
Short-term loans payable	5,072	5,013
Other accounts payable	1,635	5,326
Accrued expenses	2,437	2,491
Accrued corporate taxes, etc.	201	146
Allowance for bonuses	1,302	1,268
Notes payable relating to facilities	737	297
Other current liabilities	588	850
Total current liabilities	49,542	39,104
Long-term liabilities:		
Allowance for operating loss	-	339
Other long-term liabilities	219	218
Total long-term liabilities	219	558
TOTAL LIABILITIES	49,761	39,663

(million yen)

	Year ended March 31, 2011 (as of March 31, 2011)	Year ended March 31, 2012 (as of March 31, 2012)
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	358	178
Retained earnings brought forward from the previous year	55,941	26,133
Total retained earnings	57,805	27,818
Treasury stock	(90)	(91)
Total shareholders' equity	139,855	109,867
Revaluation and exchange differences, etc.		
Valuation difference of other securities	6	6
Total revaluation and exchange differences, etc.	6	6
TOTAL NET ASSETS	139,861	109,873
TOTAL LIABILITIES AND NET ASSETS	189,623	149,536

(2) Statements of Income

(million yen)

	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)
Net sales	177,889	158,063
Cost of sales	173,674	157,302
Gross profit on sales	4,214	760
Selling, general and administrative expenses	11,984	11,185
Operating loss	(7,770)	(10,424)
Non-operating income		
Interest income	5	4
Dividend income	5,187	1
Royalties earned	67	88
Foreign exchange income	-	415
Other income	340	173
Total non-operating income	5,600	683
Non-operating expenses		
Interest expense	40	38
Loss from disposition of fixed assets	237	137
Compensation expenses	220	346
Patent-related expenses	-	103
Foreign exchange loss	985	-
Other expenses	98	48
Total non-operating expenses	1,581	674
Recurring loss	(3,752)	(10,415)
Special income		
Gain on insurance claims	62	-
Governmental subsidies	13	50
Transfer back of allowance for doubtful receivables	4	-
Settlement payment received	-	96
Gain on sales of investment securities	-	2
Total special income	80	148
Special loss		
Special retirement benefits	-	3,890
Loss from disaster	186	-
Impairment loss on fixed assets	-	8,361
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	186	15,553
Loss before income taxes and others	(3,858)	(25,820)
Corporate, inhabitant and enterprise taxes	710	216
Interperiod tax allocation adjustment	(3,880)	2,202
Total corporate taxes, etc.	(3,170)	2,418
Net loss	(687)	(28,238)

(3) Statements of Shareholders' Equity, Etc.

(million yen)

	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)
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	387	358
Changes during the year		
Reversal of reserve for deferred income tax on fixed assets	(29)	(179)
Total changes during the year	(29)	(179)
Balance as of the end of the year	358	178
Retained earnings brought forward from the previous year		
Balance as of the beginning of the year	59,661	55,941
Changes during the year		
Distribution of retained earnings	(3,060)	(1,749)
Reversal of reserve for deferred income tax on fixed assets	29	179
Net loss	(687)	(28,238)
Total changes during the year	(3,719)	(29,807)
Balance as of the end of the year	55,941	26,133
Total retained earnings		
Balance as of the beginning of the year	61,554	57,805
Changes during the year		
Distribution of retained earnings	(3,060)	(1,749)
Reversal of reserve for deferred income tax on fixed assets	-	-
Net loss	(687)	(28,238)
Total changes during the year	(3,748)	(29,987)
Balance as of the end of the year	57,805	27,818

(million yen)

	Year ended March 31, 2011 (April 1, 2010 through March 31, 2011)	Year ended March 31, 2012 (April 1, 2011 through March 31, 2012)
Treasury stock		
Balance as of the beginning of the year	(88)	(90)
Changes during the year		
Acquisition of treasury stock	(2)	(0)
Total changes during the year	(2)	(0)
Balance as of the end of the year	(90)	(91)
Total shareholders' equity		
Balance as of the beginning of the year	143,606	139,855
Changes during the year		
Distribution of retained earnings	(3,060)	(1,749)
Net loss	(687)	(28,238)
Acquisition of treasury stock	(2)	(0)
Total changes during the year	(3,750)	(29,988)
Balance as of the end of the year	139,855	109,867
Revaluation and exchange differences, etc.		
Valuation difference of other marketable securities		
Balance as of the beginning of the year	10	6
Changes during the year		
Changes in items other than shareholders' equity during the year – net	(4)	0
Total changes during the year	(4)	0
Balance as of the end of the year	6	6
Total net assets		
Balance as of the beginning of the year	143,616	139,861
Changes during the year		
Distribution of retained earnings	(3,060)	(1,749)
Net loss	(687)	(28,238)
Acquisition of treasury stock	(2)	(0)
Changes in items other than shareholders' equity during the year – net	(4)	0
Total changes during the year	(3,755)	(29,988)
Balance as of the end of the year	139,861	109,873

(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 26, 2012)

1. Candidates for new Directors

Director	General Manager, Component Devices Business Headquarters	Koichi Seno	(current General Manager, Component Devices Business Headquarters)
Director	Deputy General Manager, Electronic Equipment Business Headquarters	Hidetoshi Hamai	(current Deputy General Manager, Electronic Equipment Business Headquarters)

2. Candidate for new Statutory Auditor

Full-time Statutory Auditor	Makoto Yamada	(current General Manager, Education, Planning and Research Department, The Securities Analysts Association of Japan)

(Note) Candidate for new Statutory Auditor Mr. Makoto Yamada will be an external auditor as provided for in Article 2, item 16 of the Corporation Law of Japan.

3. Director to be promoted

Managing Director	General Manager, R&D Division; and General Manager, Electronic Equipment Business Headquarters	Fujio Furukawa	(current Director; General Manager, R&D Division; and General Manager, Electronic Equipment Business Headquarters)

4. Retiring Directors

Senior Managing Director	Kazuie Hirose	(expected to assume the office of Adviser of the Company)
Senior Managing Director	Shozo Watanabe	(expected to assume the office of Adviser of the Company)
Managing Director	Kazuo Osawa	
Director	Fumio Hoki	
Director	Toshikazu Nagaoka	

5. Retiring Statutory Auditor

Full-time Statutory Auditor	Nobushige Sakurai