(Translation)

71st Ordinary General Meeting of Shareholders
Information to be Posted on the Website

For the fiscal year ended March 31, 2016
(from April 1, 2015 to March 31, 2016)

1. **Notes to Consolidated Financial Statements**

2. **Notes to Non-Consolidated Financial Statements**

Mitsumi Electric Co., Ltd.

Of the documents to be provided upon giving notice of the 71st Ordinary General Meeting of Shareholders, the "consolidated notes" to the consolidated financial statements and the "non-consolidated notes" to the non-consolidated financial statements are provided to the shareholders by the Company by posting them on our Internet website (http://www.mitsumi.co.jp) in accordance with the applicable laws and ordinances and the Articles of Incorporation of the Company.

Notes to Consolidated Financial Statements

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

(1) Matters concerning the scope of consolidation:

(i) Consolidated subsidiaries:

- Number of consolidated subsidiaries: 18 companies

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

(ii) Non-consolidated subsidiaries:

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

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

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

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

- Number of equity method affiliate: 1 company
- Name of the equity method affiliate: MITSUMI REALTY INC.

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

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

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

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

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

(4) Matters concerning accounting standards:

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

a. Securities:

Other securities:

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

b. Inventories:

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

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

(ii) Method of depreciation of important depreciable assets:

a. Tangible fixed assets (excluding lease assets):

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

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

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

b. Intangible fixed assets (excluding lease assets):

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

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

Software installed in products for sale:	3 years
Software for use by the Company:	5 years
Goodwill:	5 years

c. Lease assets:

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

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

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

(iv) Basis for providing for important reserves:

a. Allowance for doubtful receivables:

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

b. Allowance for bonuses:

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

(v) Method of important hedge accounting:

a. Method of hedge accounting:

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

b. Hedging instruments and hedged items:

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

c. Hedging policy:

To hedge risks of currency fluctuations in foreign currency transactions.

d. Method of evaluating the effectiveness of a hedge:

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

(vi) Method of accounting for retirement benefits:

To meet the payment of retirement benefits to employees, the Company provides an amount obtained by deducting the amount of plan assets from retirement benefit obligations, based on their respective estimated amounts as of the end of the fiscal year under review, as a net defined benefit liability.

To calculate retirement benefit obligations, the Company employs a benefit formula standard as the method of attributing expected retirement benefits to periods up to the close of the fiscal year under review.

Prior service cost is amortized by the straight-line method for a specific period of years (10 years) not exceeding the average remaining years of service of employees when such cost occurs.

Actuarial differences are principally amortized based on a pro rata basis by the straight-line method over a specific period of years (10 years) not exceeding the average remaining years of service of employees when such differences occur in each fiscal year, from the subsequent fiscal year.

The unappropriated amount of unrecognized actuarial differences and unrecognized prior service cost, after adjusting for taxes, is recognized as remeasurements of defined benefit plans under accumulated other comprehensive income in the net assets section.

(vii) Accounting treatment of consumption taxes:

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

(5) Change in the important matters forming the basis of preparation of consolidated financial statements:

(Change in the accounting policy)

Effective from the consolidated fiscal year under review, the Company has adopted the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013, the "Business Combinations Standard"), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013, the "Consolidated Financial Statements Standard"), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013, the "Business Divestitures Standard") and other pronouncements. Accordingly, the accounting methods have been changed such that the difference arising from a change in the Company's ownership interest in a subsidiary over which the Company continues to have control is recorded as additional paid-in capital and that acquisition-related costs are recorded as expenses for the consolidated fiscal year in which they are incurred. Furthermore, for business combinations to be carried out at and after the beginning of the consolidated fiscal year under review, the method has been changed to reflect an adjustment to the allocated amount of acquisition cost determined by tentative accounting treatment in the consolidated financial statements for the consolidated fiscal year in which the date of business combination falls. In addition, the Company has changed the presentation of net income and other related items, and the presentation of "minority interests" to "non-controlling interests."

The Business Combinations Standard and others are applicable in accordance with the transitional treatments stipulated in Paragraph 58-2 (4) of the Business Combinations Standard, Paragraph 44-5 (4) of the Consolidated Financial Statements Standard and Paragraph 57-4 (4) of the Business Divestitures Standard, prospectively from the beginning of the consolidated fiscal year under review.

Those changes had no effect on the consolidated financial statements for the consolidated fiscal year under review.

2. Notes to change in presentation methods:

"Provision of allowance for doubtful receivables" (¥1 million for the consolidated fiscal year under review), which was independently presented in the previous fiscal year, is included in the item of "Other" under the non-operating expenses as from the fiscal year under review, due to its decreased significance in monetary terms.

3. Notes to consolidated balance sheet

Accumulated depreciation of tangible fixed assets: ¥115,005 million

4. Notes to consolidated statement of income

(1) Gain on sales of fixed assets:

¥267 million of gain on sales of fixed assets comprises a gain of ¥21 million on sales of lands for business use in Japan and a gain of ¥245 million on sales of a factory of a subsidiary in Malaysia.

(2) Impairment loss on fixed assets:

(i) Summary of the assets or assets groups with regard to which impairment losses were recognized:

Usage	Item	Location
Business-use asset	Machinery and equipment and motor vehicles	Japan and the Philippines
Business-use asset	Tools, furniture and fixtures	Japan, the Philippines and China
Business-use asset	Construction in progress	Japan

(ii) Background of the recognition of impairment loss on fixed assets:

With regard to business-use assets, as a result of the investigation of their future recoverability, cash flow proved unlikely to be better than initially estimated. Accordingly, the book values of the fixed assets of the Company and some of its consolidated subsidiaries were reduced to the recoverable values.

(iii) Amount of impairment losses:

Machinery and equipment and motor vehicles	¥16 million
Tools, furniture and fixtures	¥112 million
Construction in progress	¥0 million
Total	¥129 million

(iv) Method of the grouping of assets:

The Group groups its business-use assets by consolidated business, for which profits and losses are monitored on an ongoing basis, as a basic unit. The Group groups idle assets in an individual asset unit.

(v) Method of the calculation of recoverable values:

The recoverable values are calculated based on the use values or net sale values.

The use values, the expected future cash flows before discount of which have proved negative at present, and the net sales values, which are difficult to be calculated rationally by asset, are valued at zero.

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

(1) Total number of issued shares:

Class	Number of shares as of April 1, 2015	Increase in the number of shares during the year	Decrease in the number of shares during the year	Number of shares as of March 31, 2016
Shares of common stock	87,498 thousand shares	-	-	87,498 thousand shares

(2) Matters concerning the distribution of retained earnings:

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

Resolution	Class	Aggregate amount of dividends	Amount of dividend per share	Record date	Effective date
Ordinary general meeting of shareholders dated June 24, 2015	Shares of common stock	1,224 million yen	14 yen	March 31, 2015	June 25, 2015

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

Not applicable

6. Notes on financial instruments

(1) Matters relating to the status of financial instruments:

The Group invests funds only by short-term deposits and raises funds by loans from banks and financial institutions and the issuance of bonds with stock acquisition rights.

With regard to risks relating to the collection of trade notes and trade accounts receivable, the Group has stipulated its sales administrative task rules, credit management rules and related bylaws thereof to reduce risks.

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

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

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

The following chart shows amounts for items recorded in the consolidated balance sheet as of March 31, 2016, along with their fair values and the variances; however, the chart does not include any item the fair value of which is recognized as being extremely difficult to determine:

(million yen)

	Balance sheet amount*	Fair value*	Variance
(1) Cash and deposits	40,585	40,585	-
(2) Trade notes and trade accounts receivable	42,030	42,030	-
(3) Investment securities:			
Other marketable securities	46	46	-
(4) Trade notes and trade accounts payable	(20,351)	(20,351)	-
(5) Short-term borrowings	(7,109)	(7,109)	-
(6) Bonds with stock acquisition rights	(20,090)	(19,650)	(440)

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

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

(1) Cash and deposits and (2) Trade notes and trade accounts receivable:
The book value is used for these items, as the fair value is nearly equal to the book value as a result of their short settlement periods.

(3) Investment securities:
The fair value of stocks is determined by the prices of the stocks traded on an exchange.

(4) Trade notes and trade accounts payable and (5) Short-term borrowings:
The book value is used for these items, as the fair value is nearly equal to the book value as a result of their short settlement periods.

(6) Bonds with stock acquisition rights
The fair value of bonds with stock acquisition rights is determined by the prices of the bonds traded on an exchange.

2. Unlisted shares (¥288 million on the balance sheet) have no market price and it is impossible to estimate their future cash flow. As determining the market value thereof is recognized as being extremely difficult, they are not included in "(3) Investment securities – Other marketable securities".

7. Notes on information per share

(1) Net assets per share: ¥1,160.94

(2) Net income (loss) per share: (¥115.92)

8. Additional Information

Execution of Business Integration Agreement and Share Exchange Agreement in Connection with Business Integration

The Company, based on the resolution adopted at the meeting of its Board of Directors held on March 30, 2016, entered into a business integration agreement (the "Business Integration Agreement") and a share exchange agreement (the "Share Exchange Agreement") with Minebea Co., Ltd. ("Minebea") on the same day. The share exchange ("Share Exchange") is scheduled to be conducted with the effective date of March 17, 2017 subject to obtaining the approval of the Share Exchange Agreement at the extraordinary General Meeting of Shareholders of the Company to be held on December 27, 2016.

Pursuant to the main clause of Article 796, paragraph 2 of the Companies Act of Japan, Minebea is expected to conduct the Share Exchange following the procedures for a short-form share exchange that does not require obtaining the approval thereof at its general meeting of shareholders.

The shares of the Company are scheduled to be delisted on March 14, 2017 (the last trading day will be March 13, 2017) from the first section of Tokyo Stock Exchange, Inc. prior to the effective date of the Share Exchange (scheduled to be March 17, 2017).

(i) Purpose of the Business Integration

Through the Business Integration, the Company and Minebea (collectively, "both companies") will aim to become a genuine solutions company by realizing synergies of integration described below, and will further improve their corporate value as an electro mechanics solutions company:

1) Growth and evolution of business portfolio;

2) Enhancement of cost competitiveness and capacity to generate cash flow by optimizing manufacturing structures and bases; and

3) Enhancement of development capabilities and provision of solutions.

(ii) Method of the Share Exchange

Upon the Share Exchange, Minebea will become the wholly-owning parent company and MITSUMI will become the wholly-owned subsidiary. Pursuant to the main clause of Article 796, paragraph 2 of the Companies Act, Minebea is expected to conduct the Share Exchange following the procedures for a short-form share exchange that does not require obtaining the approval thereof at its general meeting of shareholders. The Company will conduct the Share Exchange subject to obtaining the approval of the Share Exchange Agreement at its extraordinary General Meeting of Shareholders to be held on December 27, 2016.

(iii) Schedule of the Share Exchange

Execution of the basic agreement (both companies)	December 21, 2015
Resolutions of the board of directors approving the execution of the Business Integration Agreement and the Share Exchange Agreement (both companies)	March 30, 2016
Execution of the Business Integration Agreement and the Share Exchange Agreement (both companies)	March 30, 2016
Public notice of the record date of the extraordinary General Meeting of Shareholders (the Company)	September 2016 (planned)
Record date of the extraordinary General Meeting of Shareholders (the Company)	September 2016 (planned)
Extraordinary General Meeting of Shareholders to approve the Share Exchange Agreement (the Company)	December 27, 2016 (planned)
Last trading day (the Company)	March 13, 2017 (planned)
Delisting (the Company)	March 14, 2017 (planned)
Effective date of the Share Exchange	March 17, 2017 (planned)

(iv) Details of allotment in the Share Exchange

	Minebea	The Company
Share exchange ratio for the Share Exchange	1	0.59
Number of shares to be delivered in the Share Exchange	Minebea's shares of common stock: 47,913,630 shares (planned)	

(v) Treatment of bonds with stock acquisition rights in connection with the Share Exchange

With respect to the stock acquisition rights attached to the Euro Yen Convertible-Bonds-Type Bonds with Stock Acquisition Rights (*tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) due 2022 issued by the Company, Minebea will allot and deliver to the holders of such stock acquisition rights the stock acquisition rights of Minebea to replace the stock acquisition rights of the Company according to the terms of the stock acquisition rights and the Share Exchange Ratio, and Minebea will assume and succeed to all of the Company's obligations under the bonds with stock acquisition rights.

(vi) Basis for the share exchange ratio

In order to ensure the fairness and validity in calculating the share exchange ratio (the "Share Exchange Ratio") in connection with the Share Exchange, Minebea appointed Nomura Securities Co., Ltd. ("Nomura Securities") as a third-party calculation institution and Mori, Hamada & Matsumoto as a legal advisor, and the Company appointed Daiwa Securities Co. Ltd. ("Daiwa Securities") as a third-party calculation institution and Anderson, Mōri & Tomotsune as a legal advisor, and commenced deliberations on a full scale.

Nomura Securities used an average market price analysis, a comparable company analysis and the discount cash flow analysis (the "DCF Analysis") for the calculation with regard to Minebea. With regard to the Company, Nomura Securities used an average market price analysis and the DCF Analysis.

Daiwa Securities used a market price analysis, a comparable company analysis and the DCF Analysis for the calculation with regard to both companies.

Minebea and the Company carefully negotiated and discussed the share exchange ratio, comprehensively taking into account factors such as the market prices of shares, financial position, and future prospects of each party, based on the due diligence conducted by each company concerning the other, with each company making reference to the results of calculation and analysis of its third-party calculation institution and the legal advice of its legal advisor. As a result of such negotiations and discussions, each company concluded that the Share Exchange Ratio was appropriate and executed the Share Exchange Agreement that set forth the Share Exchange Ratio.

Notes to Non-Consolidated Financial Statements

1. Notes to the matters concerning significant accounting policies:

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

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

(ii) Other securities:

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

(2) Basis and method of evaluation of inventories:

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

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

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

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

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

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

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

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

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

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

Software installed in products for sale:	3 years
Software for use by the Company:	5 years
Goodwill:	5 years

(iii) Lease assets:

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

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

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

(5) Basis for providing for reserves:

(i) Allowance for doubtful receivables:

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

(ii) Accrued bonuses:

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

(iii) Reserve for employee retirement benefits:

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

To calculate retirement benefit obligations, the Company employs a benefit formula standard as the method of attributing expected retirement benefits to periods up to the close of the fiscal year under review.

Past service cost is treated as expenses, based on a pro rata basis for a specific period of years (10 years) not exceeding the average remaining years of service of employees when such cost occurs.

Actuarial differences are principally amortized based on a pro rata basis by the straight-line method over a specific period of years (10 years) not exceeding the average remaining years of service of employees when such differences occur in each fiscal year, from the subsequent fiscal year.

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

(iv) Allowance for operating loss:

To meet losses from the operations of its related companies, the Company sets aside an estimated amount of loss to be incurred by the Company, in excess of the amounts of investment in and receivables from the related companies.

(6) Method of hedge accounting:

- Method of hedge accounting:

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

- Hedging instruments and hedged items:

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

- Hedging policy:

  To hedge risks of currency fluctuations in foreign currency transactions.

- Method of evaluating the effectiveness of a hedge:

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

(7) Accounting treatment of employee retirement benefits:

The treatment of the unappropriated amount of unrecognized actuarial differences and unrecognized prior service cost relating to employee retirement benefits differs from the treatment thereof in the consolidated financial statements.

(8) Accounting treatment of consumption taxes:

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

2. Notes to change in the accounting policy

Effective from the fiscal year under review, the Company has adopted the "Accounting Standard for Business Combinations" (Accounting Standards Board of

Japan (ASBJ) Statement No. 21, September 13, 2013, the "Business Combinations Standard"), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013, the "Business Divestitures Standard") and other pronouncements. Accordingly, the accounting methods have been changed such that acquisition-related costs are recorded as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations to be carried out at and after the beginning of the fiscal year under review, the method has been changed to reflect an adjustment to the allocated amount of acquisition cost determined by tentative accounting treatment in the non-consolidated financial statements for the fiscal year in which the date of business combination falls.

The Business Combinations Standard and others are applicable in accordance with the transitional treatments stipulated in Paragraph 58-2 (4) of the Business Combinations Standard and Paragraph 57-4 (4) of the Business Divestitures Standard, prospectively from the beginning of the fiscal year under review.

Those changes had no effect on the non-consolidated financial statements for the fiscal year under review.

3. Notes to non-consolidated balance sheet

(1) Accumulated depreciation of tangible fixed assets: ¥81,228 million

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

(i) Short-term money debts due from related companies: ¥13,155 million

(ii) Short-term money debts payable to related companies: ¥7,856 million

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

Long-term money debts payable to Directors and Statutory Auditors: ¥71 million

4. Notes to non-consolidated statement of income

(1) Transactions with related companies:

(i) Sales: ¥46,830 million

(ii) Purchases: ¥57,131 million

(iii) Provision for value: ¥3,435 million

(iv) Transactions other than ordinary business: ¥1,849 million

(2) Gain on sales of fixed assets:

¥21 million of gain on sales of fixed assets is a gain on sales of lands for business use in Japan.

(3) Impairment loss on fixed assets:

(i) Summary of the assets or assets groups with regard to which impairment losses were recognized:

Usage	Item	Location
Business-use asset	Machinery and equipment	Tama City, Tokyo
Business-use asset	Tools, furniture and fixtures	Tama City, Tokyo
Business-use asset	Construction in progress	Tama City, Tokyo

(ii) Background of the recognition of impairment loss on fixed assets:

With regard to business-use assets, as a result of the investigation of their future recoverability, cash flow proved unlikely to be better than initially estimated. Accordingly, the book values of the fixed assets of the Company were reduced to the recoverable values.

(iii) Amount of impairment losses:

Machinery and equipment	¥15 million
Tools, furniture and fixtures	¥35 million
Construction in progress	¥0 million
Total	¥52 million

(iv) Method of the grouping of assets:

The Company groups its business-use assets by business, for which profits and losses are monitored on an ongoing basis, as a basic unit. The Company groups idle assets in an individual asset unit.

(v) Method of the calculation of recoverable values:

The recoverable values are calculated based on the use values or net sale values.

The use values, the expected future cash flows before discount of which have proved negative at present, and the net sales values, which are difficult to be calculated rationally by asset, are valued at zero.

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

Matters concerning the number of shares of treasury stock:

Class	Number of shares as of April 1, 2015	Increase in the number of shares during the year	Decrease in the number of shares during the year	Number of shares as of March 31, 2016
Shares of common stock	47 thousand shares	6,241 thousand share	-	6,288 thousand shares

(Note) The number of shares of treasury stock increased as a result of the acquisition by the Company of its own shares, amounting to 6,240 thousand shares, in accordance with the resolution of its Board of Directors and the purchases of less-than-one-unit shares, amounting to 0 thousand shares.

6. Notes on tax effect accounting

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

(million yen)

Current assets and current liabilities:	
Deferred tax assets	
Non-admitted accrued bonuses	380
Non-admitted revaluation loss of inventories	821
Non-admitted accrued expenses	812
Foreign corporate taxes	16
Other	98
Sub-total	2,130
Valuation allowance	(2,123)
Balance of deferred tax assets	7
Offset against deferred tax liabilities	(7)
Net deferred tax assets	-
Deferred tax liabilities	
Reserve for deferred income tax on fixed assets	(7)
Total deferred tax liabilities	(7)
Offset against deferred tax assets	7
Net deferred tax liabilities	-
Fixed assets and long-term liabilities:	
Deferred tax assets	
Excess depreciation amount	506
Non-admitted impairment loss on fixed assets	929
Loss carry-forward	12,155
Valuation loss of investment in related companies' stock	646
Valuation loss of investment capital in related companies' stock	449
Reserve for employee retirement benefits	221
Other	1,158
Sub-total	16,067
Valuation allowance	(15,941)
Balance of deferred tax assets	126
Offset against deferred tax liabilities	(126)
Net deferred tax assets	-
Deferred tax liabilities	
Prepaid pension cost	(795)
Reserve for deferred income tax on fixed assets	(126)
Valuation loss of investment in related companies' stock	(183)
Other	(18)
Total deferred tax liabilities	(1,124)
Offset against deferred tax assets	126
Net deferred tax liabilities	(998)

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

No analysis is made because the Company recorded a loss before income taxes for the fiscal year under review.

(3) Revision of deferred tax assets and deferred tax liabilities as a result of the revision of the rate of corporate tax, etc.

The "Act for Partial Amendment of the Income Tax Act, etc." and the "Act for Partial Amendment of the Local Tax Act, etc." were enacted by the Diet on March 29, 2016. Consequently, the statutory effective tax rate used for the calculation of deferred tax assets and deferred tax liabilities for the fiscal year under review is reduced from 33.1% for the previous fiscal year to 30.9% for the period from April 1, 2016 to March 31, 2018 during which a recovery or payment is expected, and to 30.6% for the fiscal year commencing on April 1, 2018 and thereafter.

The tax rate revision has decreased the amount of deferred tax liabilities reported in the fiscal year under review by ¥55 million and the amount of interperiod tax allocation adjustment by ¥55 million, respectively and increased the amount of valuation difference of other securities by ¥0 million.

7. Notes on transactions with related parties

Subsidiaries, etc.

Attribute	Corporate name	Address	Capital stock or contribu-tion	Business	Ratio of voting rights held by (in) the Company	Relationship		Transaction	Transaction amount (million yen)	Account	Year-end balance (million yen)
						Number of interlocking officers	Business relationship				
Subsidiary	MITSUMI CO., LTD.	Hong Kong	HK$8,000 thousand	Sale of electronic and communica-tions equipment parts	Held by the Company Direct: 100%	None	Sale of products of the Company	Sales of products	30,588	Trade accounts receivable	7,431
Subsidiary	CEBU MITSUMI INC.	Danao City, Province of Cebu, Philippine	PHP 1,145,683 thousand	Manufacture of electronic and communications equipment parts	Held by the Company Direct: 100%	1	Manufacture of semiconductor devices, optical devices and system parts of the Company	Loan of funds	3,621	Long-term loans receivable from related companies	3,331
								Receipt of interest	24	Current assets, etc.	3
								Purchase of products	11,280	Trade accounts payable	1,581
Subsidiary	Zhuhai Mitsumi Electric Co., Ltd.	Zhuhai, Quangdong, The People's Republic of China	RMB 230,358 thousand	Manufacture of electronic and communications equipment parts	Held by the Company Direct: 100%	2	Manufacture of system parts, high-frequency parts and power-unit parts of the Company	Purchase of products	17,009	Trade accounts payable	1,958

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

1. Sales and purchases of products are determined by negotiations from time to time, in consideration of market prices and gross costs.
2. The rates of interest on above-listed long-term loans receivable from related companies are the interest rates on bank loans prevailing in the country of the related company, plus a certain margin.
3. The transaction amount and the year-end balance do not include consumption taxes.

8. Notes on information per share

(1) Net assets per share: ¥1,023.27

(2) Net income (loss) per share: (¥138.10)

9. Additional information

Execution of Business Integration Agreement and Share Exchange Agreement in Connection with Business Integration

The Company, based on the resolution adopted at the meeting of its Board of Directors held on March 30, 2016, entered into a business integration agreement and a share exchange agreement with Minebea Co., Ltd. on the same day.

The details thereof are as described in "Notes to Consolidated Financial Statements: 8. Additional information: Execution of Business Integration Agreement and Share Exchange Agreement in Connection with Business Integration".

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