



The Whole Financial Year ending in March 2016

Materials for Financial Results Briefing

Friday, May 13, 2016

Mitsumi Electric Co., Ltd.



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the whole financial year ending in March 2016 P 2

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[Disclaimer]

These materials have been prepared for the purpose of providing information to you, investors, and making you understand the present situation of Mitsumi Electric Co., Ltd. (hereinafter referred to as the Company).

Facts and details described in these materials are on the basis of economic and social conditions generally recognized as of May 13, 2016 and certain assumption that the Company judges reasonable as of that date, however, they may be changed without notice due to change in management environment and the like.

We would like you, investors, not to entirely rely on these materials when you make a decision about investment but to make your own decisions.



Summary of settlement of accounts in
the whole financial year ending in March 2016

Motomu Saito

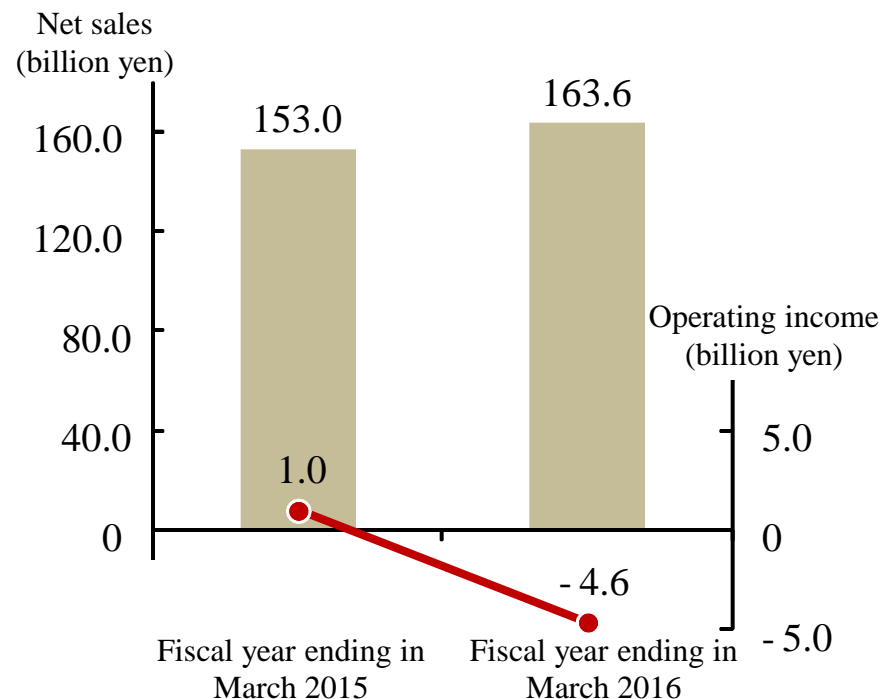
Director and Senior Operating Officer in charge of
Corporate Administration

Earnings in the whole financial year ending in March 2016 (compared with the previous year) (billion yen)

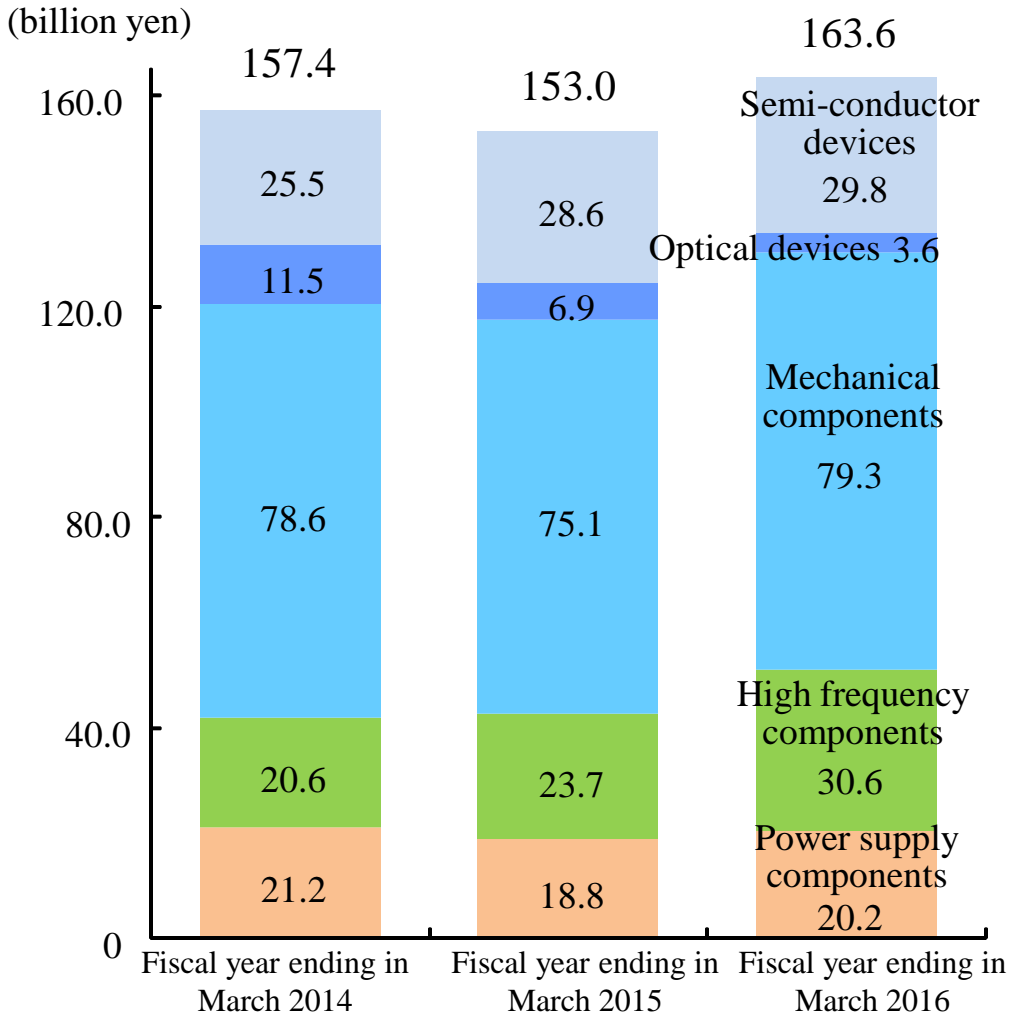
	Whole financial year ending in March 2015	Whole financial year ending in March 2016	Increase/decrease
Net sales	153.0	163.6	+10.5
Operating income	1.0 0.7%	-4.6 -2.8%	△5.6 -3.5%
Ordinary income	4.0 2.6%	-8.9 -5.4%	△12.9 -8.0%
*Net income of the current term	3.8 2.5%	-9.7 -5.9%	△13.5 -8.4%
Exchange rate (against US dollar)	109.19 yen	120.78 yen	11.59 yen depreciation against US dollar

Rounded off the figure less than 100 million yen

*Net income of the current term belonging to stockholders of the parent company



1. Net sales slightly decreased in the market for information communication terminals, but increased in other markets in comparison with those of the previous year.
2. Operating income decreased because the increase in material cost and overseas labor cost exceed the increase in net sales.
3. Loss from changes in exchange rates worth 2.2 billion yen and payment compensation worth 2.5 billion yen as non-operating costs were generated.



Semi-conductor devices (plus 1.1 billion yen in comparison with the previous year, 104%)

Net sales of semi-conductor products for lithium-ion secondary batteries and module products increased

Optical devices (minus 3.3 billion yen in comparison with the previous year, 53%)

Net sales of products for information communication terminals in camera modules decreased

Mechanical components (plus 4.2 billion yen in comparison with the previous year, 106%)

Net sales of amusement-related products and healthcare products increased but net sales of information communication terminal products decreased

High frequency components (plus 7.0 billion yen in comparison with the previous year, 130%)

Net sales of in-vehicle-related products increased

Power supply components (plus 1.5 billion yen in comparison with the previous year, 108%)

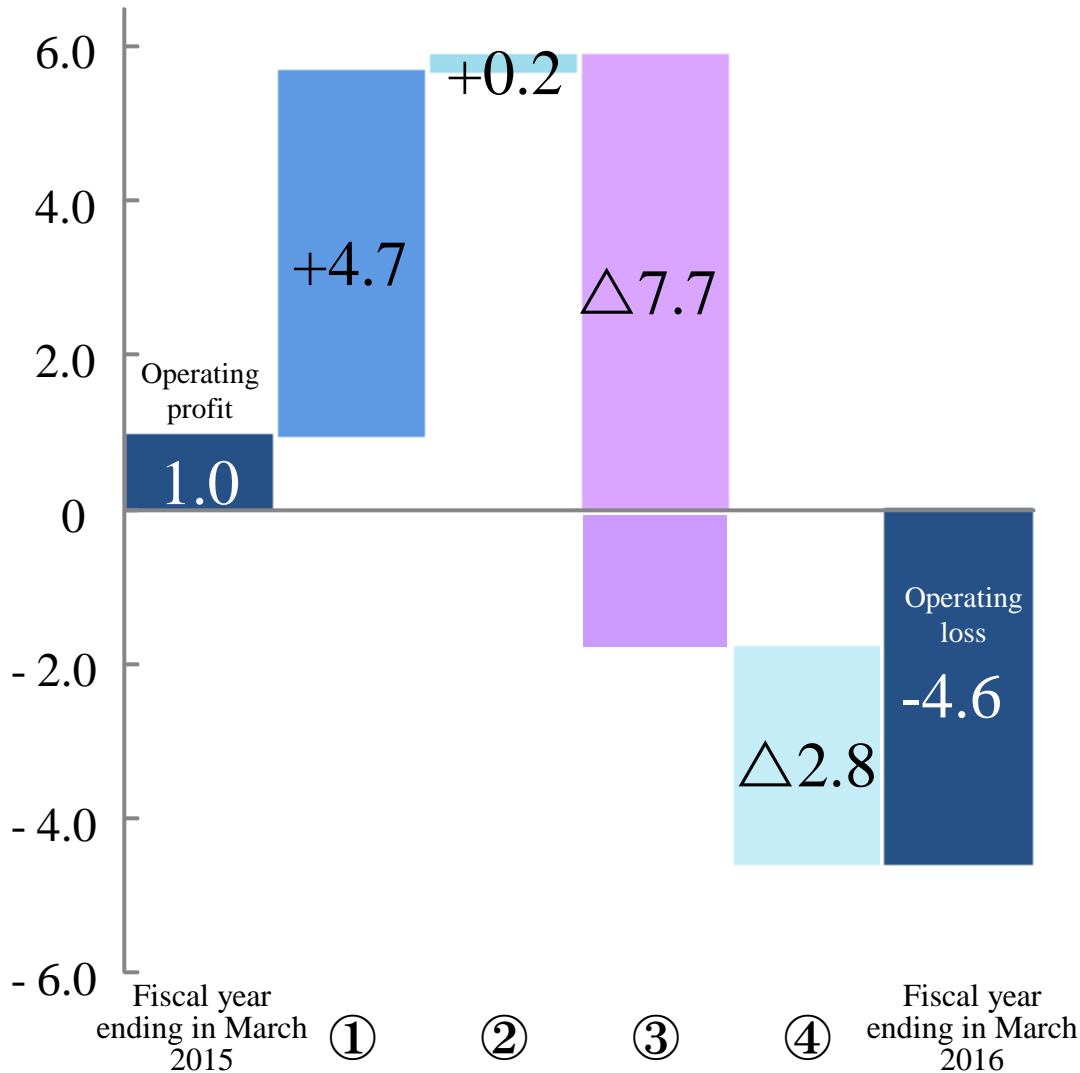
Net sales of built-in type power supply products increased

*Rounded off the figure less than 100 million yen

Analysis of increase and decrease in operating income

Summary of settlement of accounts in the whole financial year ending in March 2016

(billion yen)



- ① Added value increased owing to the increase in net sales by 10.5 billion yen plus 4.7 billion yen
- ② Depreciation cost decreased plus 0.2 billion yen
- ③ Marginal profit ratio fell due to the change in composition of products and inventory evaluation decrease, including changes in exchange rates minus 7.7 billion yen
- ④ Foreign business operating cost increased due to the reinforcement of productive capacity and depreciation of yen minus 2.8 billion yen

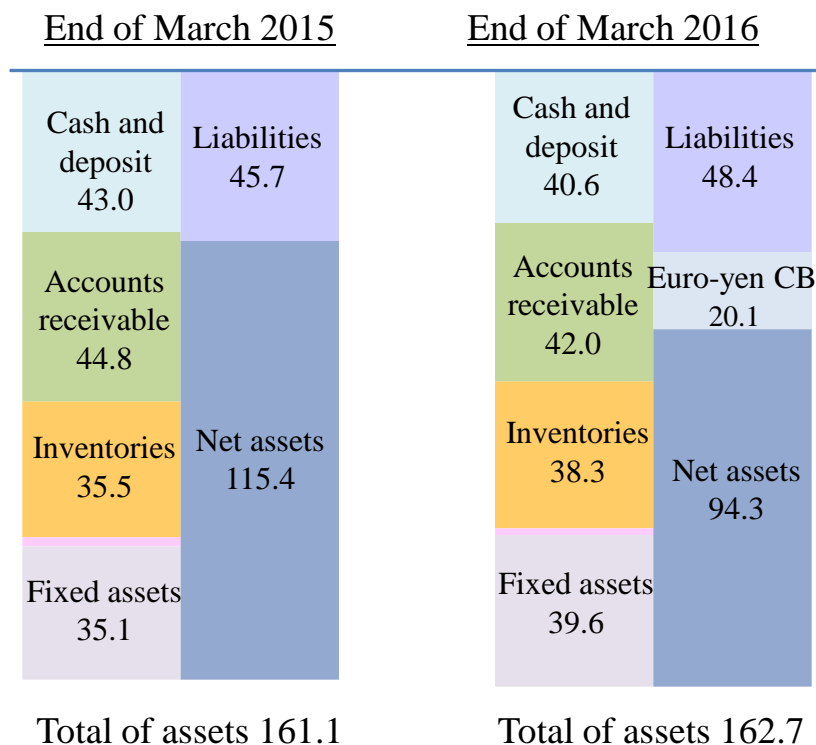
Summary of consolidated balance sheet

Summary of settlement of accounts in the whole financial year ending in March 2016

MITSUMI

(billion yen)

	End of March 2015		End of March 2016		Increase/ decrease
	Amount	Composi- tion rate	Amount	Composi- tion rate	
Cash and deposit	43.0	26.7%	40.6	24.9%	△2.4
Bills receivable/ accounts receivable	44.8	27.8%	42.0	25.8%	△2.8
Inventories	35.5	22.0%	38.3	23.5%	+2.8
Others	2.7	1.7%	2.2	1.4%	△0.4
Current assets	126.0	78.2%	123.2	75.7%	△2.9
Fixed assets	35.1	21.8%	39.6	24.3%	+4.5
Mechanical devices and transportation equipment (net amount)	10.3	6.4%	15.9	9.8%	+5.6
Total of assets	161.1	100.0%	162.7	100.0%	+1.6
Bills payable/ accounts payable	21.3	13.2%	20.4	12.5%	△0.9
Loan	10.3	6.4%	7.1	4.4%	△3.2
Others	9.6	6.0%	15.3	9.4%	+5.8
Current liabilities	41.1	25.5%	42.8	26.3%	+1.7
Fixed liabilities	4.5	2.8%	25.6	15.8%	+21.1
Total of liabilities	45.7	28.3%	68.4	42.1%	+22.8
Stockholders' equity	122.6	76.1%	106.7	65.6%	△15.9
Aggregated other comprehensive profit	△7.2	-4.5%	△12.4	-7.6%	△5.3
Total of net assets	115.4	71.7%	94.3	57.9%	△21.2
Total of liabilities and net assets	161.1	100.0%	162.7	100.0%	+1.6
Capital adequacy ratio	71.7%		57.9%		-13.7%



Major factors of increase and decrease at the end of March 2016

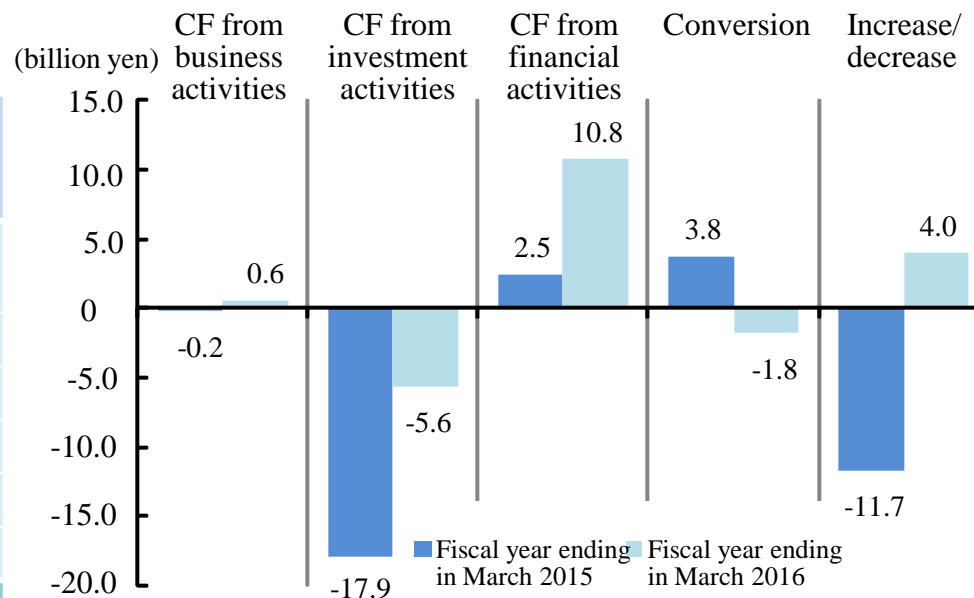
1. Fixed liabilities increased by 21.1 billion yen due to issuance of bonds with subscription rights worth 20 billion yen.
2. Stockholders' equity decreased by 15.9 billion yen due to calculation of the current net loss worth 9.7 billion yen and purchase of the treasury stocks worth 5 billion yen.

Summary of consolidated statement of cash flows

Summary of settlement of accounts in the whole financial year ending in March 2016

	(billion yen)		
	Fiscal year ending in March 2015	Fiscal year ending in March 2016	Increase/ decrease
Net profits of the current term before tax adjustment	4.8	△8.8	△13.6
Depreciation cost	7.1	6.9	△0.2
Accounts receivable	△5.7	△1.4	+7.1
Inventories	△6.7	△3.6	+3.0
Buy-in debts	0.7	0.4	△0.2
Others	△0.5	4.3	4.7
CF from business activities	△0.2	△0.6	+0.7
Acquisition of tangible fixed assets	△12.0	△12.0	△0
Others	△5.9	6.4	+12.3
CF from investment activities	△17.9	△5.6	+12.3
Free CF	△18.0	△5.0	+13.0
CF from financial activities	△2.5	10.8	+8.3
Balance of conversion	3.8	△1.8	△5.6
Increase/decrease in cash and cash equivalent	△11.7	4.0	+15.7
Balance of the term end	33.7	37.7	+4.0

*CF means cash flows



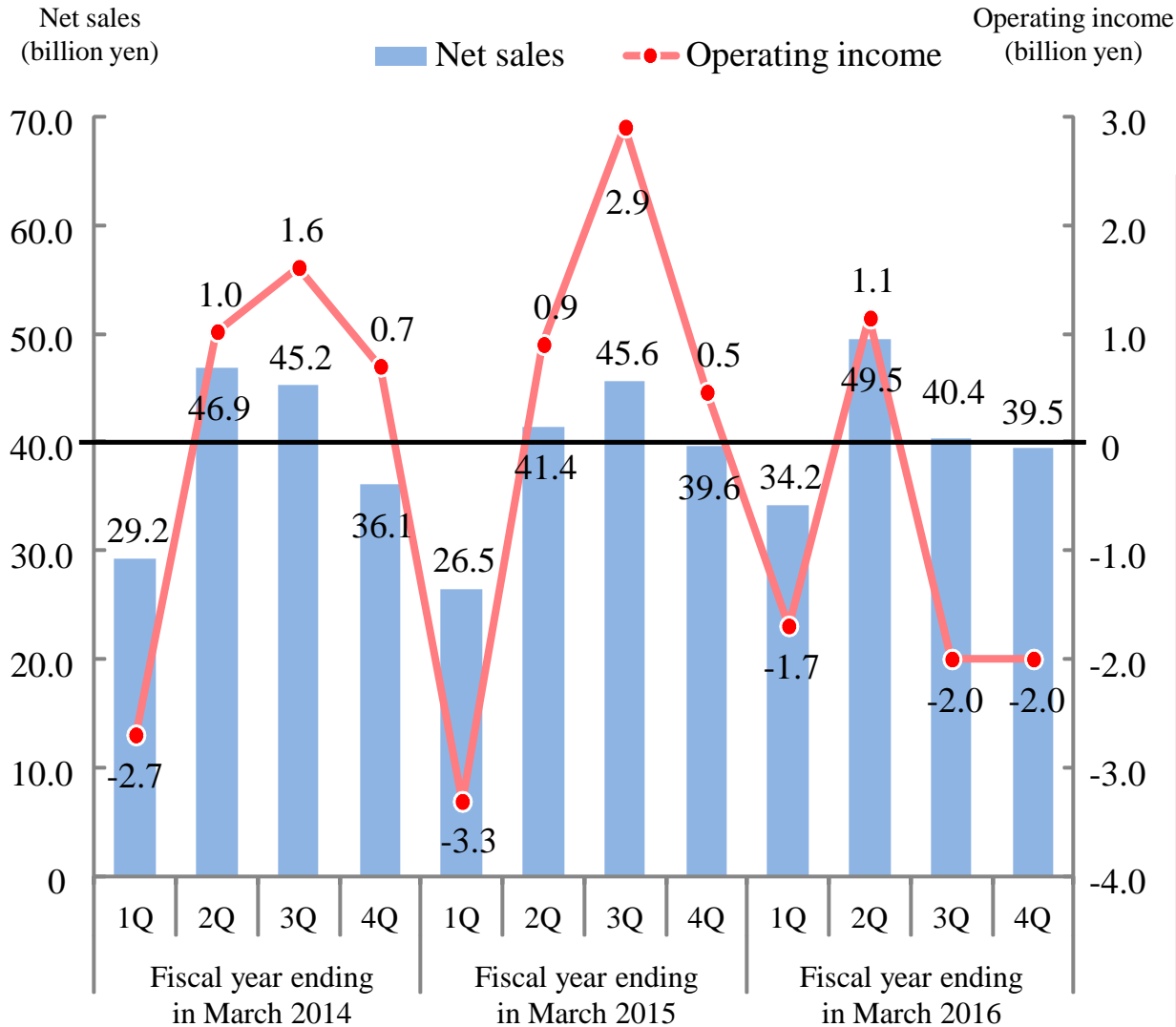
Major factors of increase and decrease in the fiscal year ending in March 2016

1. Cash flows from business activities roughly equal those of the previous year as a result of accelerated collection of bills although net loss of the current term before tax adjustment was worth 8.8 billion yen.
2. Change in cash flows from investment activities comes from the difference between deposit of fixed term deposit and withdrawal thereof. Expansion of capital investment was conducted worth 12 billion yen, nearly the same as that of the previous year.

Change in net sales and operating income per quarter

Summary of settlement of accounts in the whole financial year ending in March 2016

Net sales and operating income per quarter



- 1. Net sales**
 Orders received for information communication terminals rapidly fell in the third quarter of the fiscal year ending in March 2016 and they did not recover in the fourth quarter.
- 2. Operating income**
 In addition to the fact that marginal profit amount fell due to rapid decrease in net sales of products for smart phones in the third quarter and selling prices converted into yen fell due to a strong yen rate in the fourth quarter, an operating loss was calculated as a result of business integration cost in the second half.

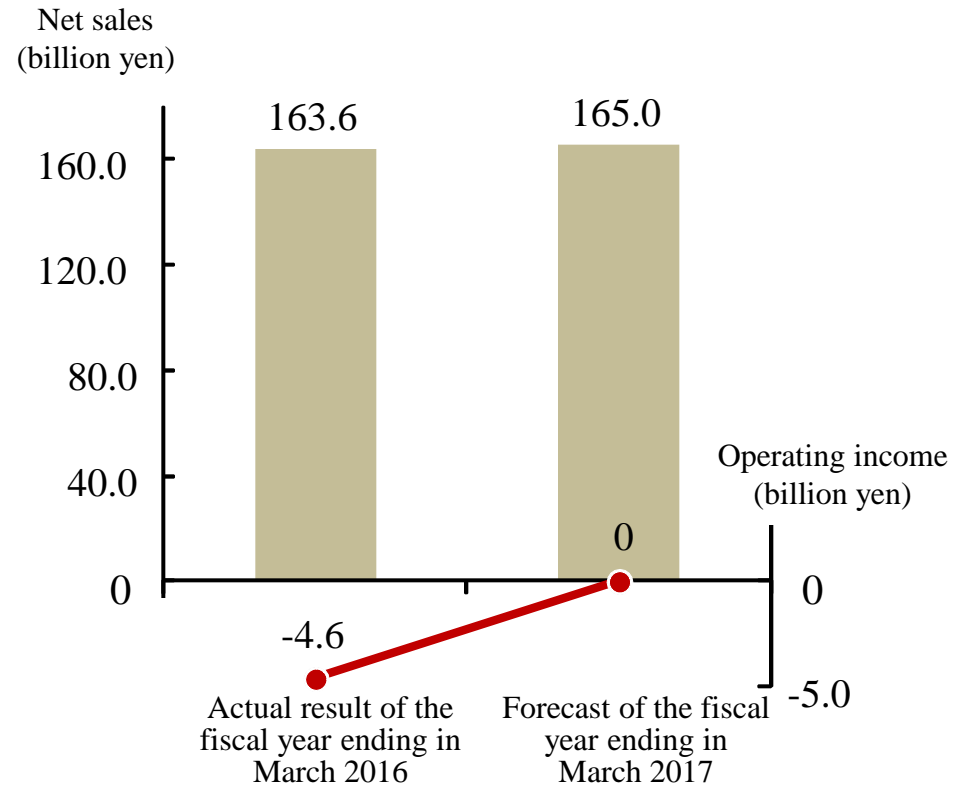
*Rounded off the figure less than 100 million yen



Earnings forecast in
the whole financial year ending in March 2016

Forecast in the whole financial year ending in March 2017

	(billion yen)		
	Actual result of the whole financial year ending in March 2016	Forecast of the whole financial year ending in March 2017	Increase/decrease
Net sales	163.6	165.0	+1.4
Operating income	-4.6 -2.8%	0 0.0%	+4.6 2.8%
Ordinary income	-8.9 -5.4%	-1.2 -0.7%	7.7 4.7%
*Net income of current term	-9.7 -5.9%	-2.5 -1.5%	+7.2 4.4%
Exchange rate (against US dollar)	120.78 yen	110.00 yen	10.78 yen increase against US dollar



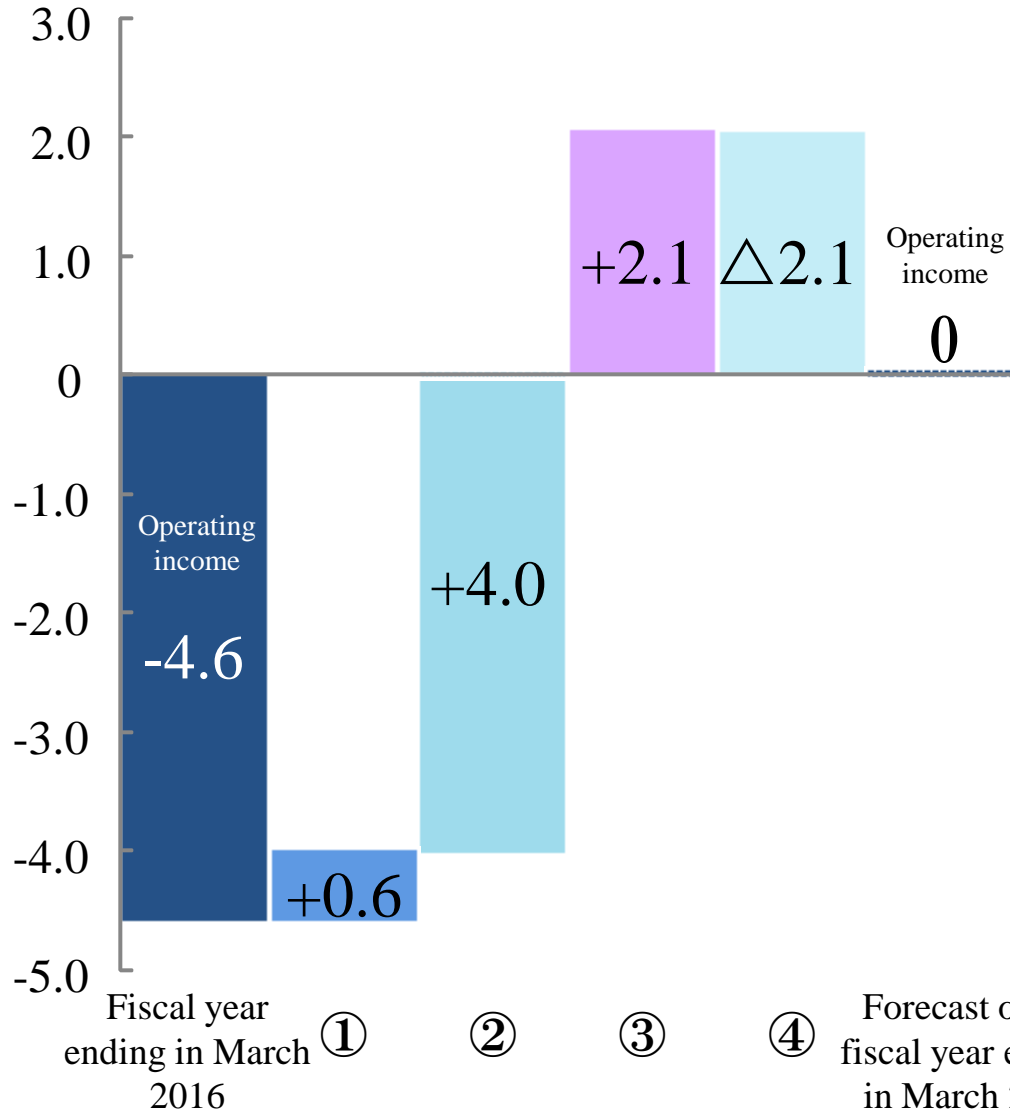
1. It is expected that net sales of products for information communication terminals increase but net sales of amusement-related products decrease.
2. It is expected that operating income increases worth 4.6 billion yen as a result of increase in marginal profit ratio thanks to increase in operating income and change in composition of products.

Rounded off the figure less than 100 million yen

Analysis of increase and decrease in operating income (compared with the previous year)

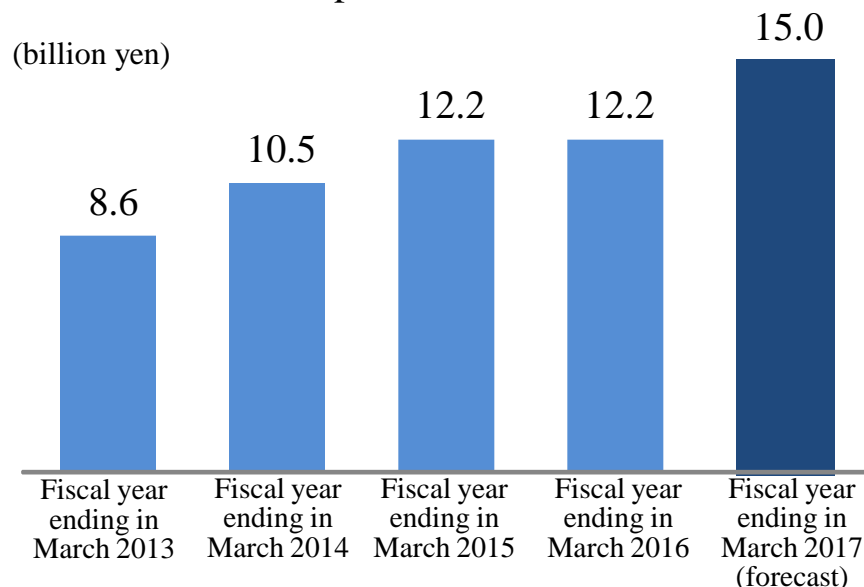
Earnings forecast in the whole financial year ending in March 2017

(billion yen)

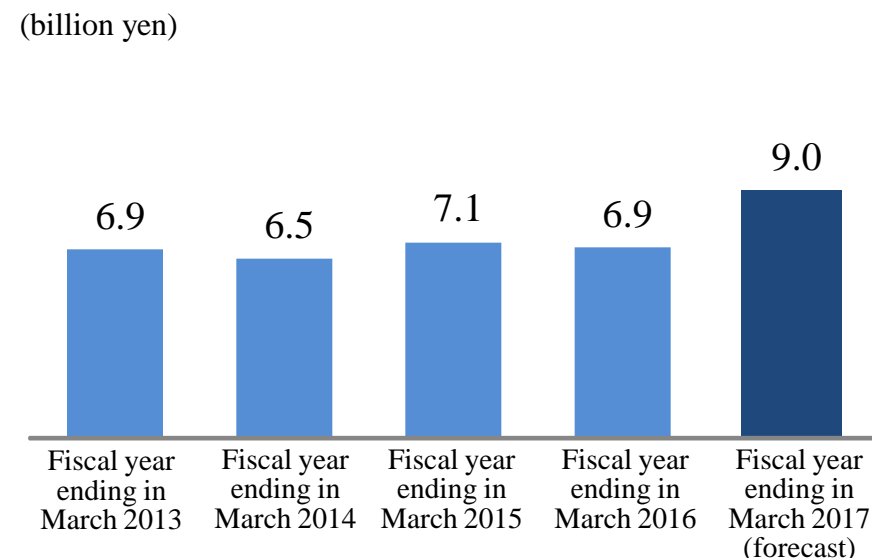


- ① Added value amount increased thanks to the increase in net sales by 1.4 billion yen plus 0.6 billion yen
- ② Marginal profit ratio was improved thanks to the change in composition of products plus 4.0 billion yen
- ③ Labor cost was compressed thanks to automation and improved productivity and overseas business operating cost decreased thanks to a strong yen rate plus 2.1 billion yen
- ④ Depreciation cost increased as a result of heavy investments minus 2.1 billion yen

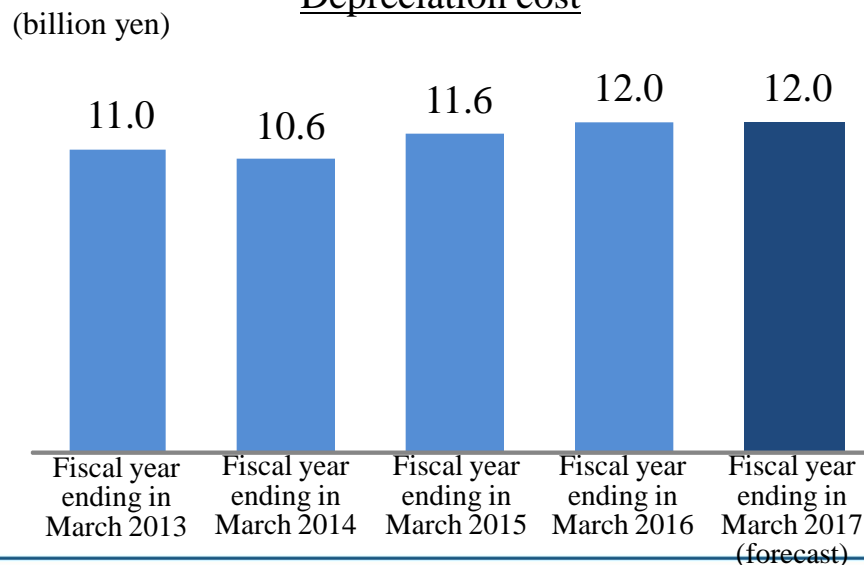
Capital investment



Research and development expense

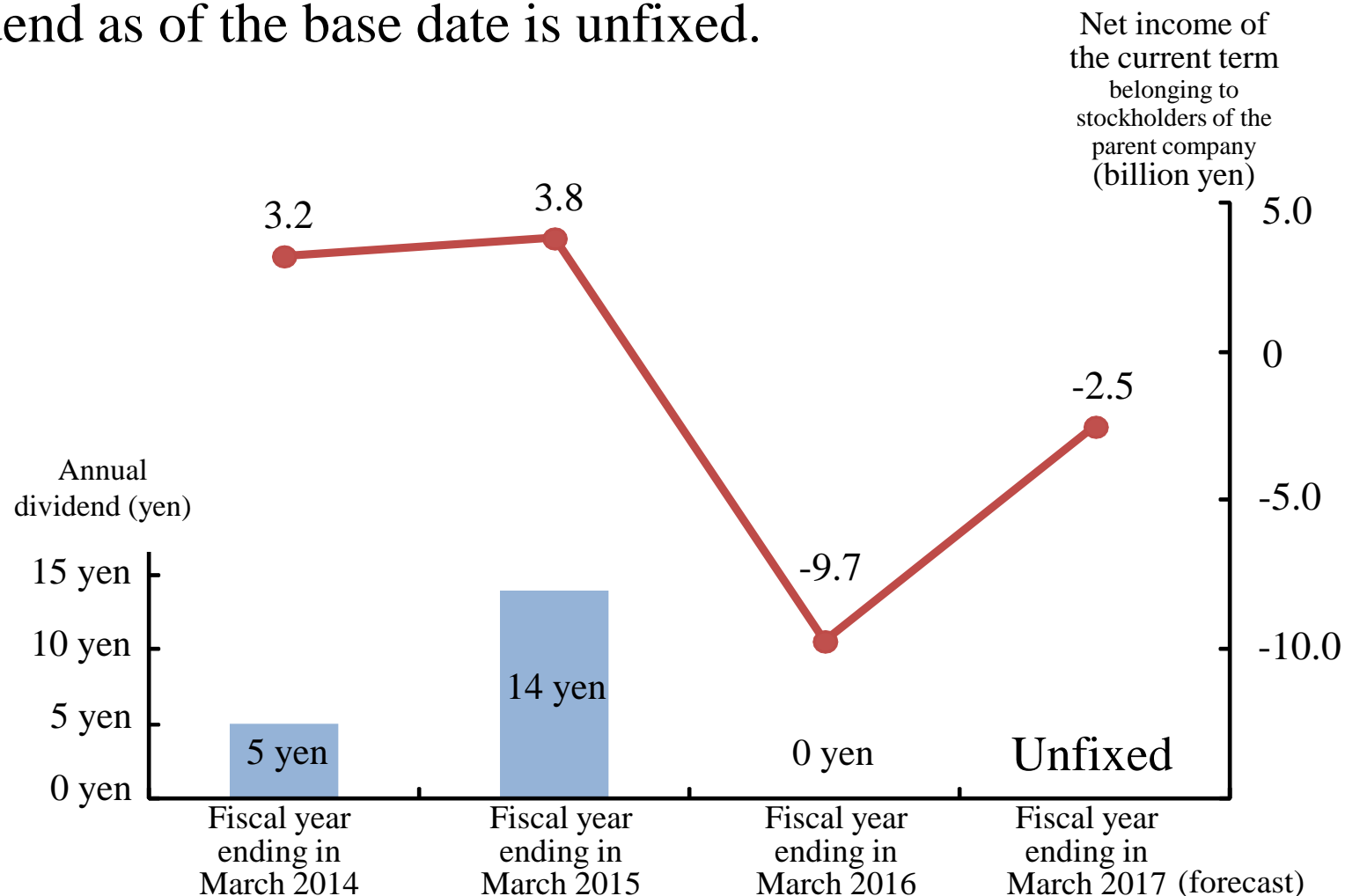


Depreciation cost



1. Capital investment increased for the purpose of coping with increased production of actuators, semi-conductors, etc.
2. Research and development expense remains nearly the same as that of the previous year, worth 12 billion yen.

We fix the last day of the term as the base date of dividend payment. As we plan to integrate business with Minebea Co., Ltd. in the middle of the term, we declare, at present, that an estimated amount of dividend as of the base date is unfixed.



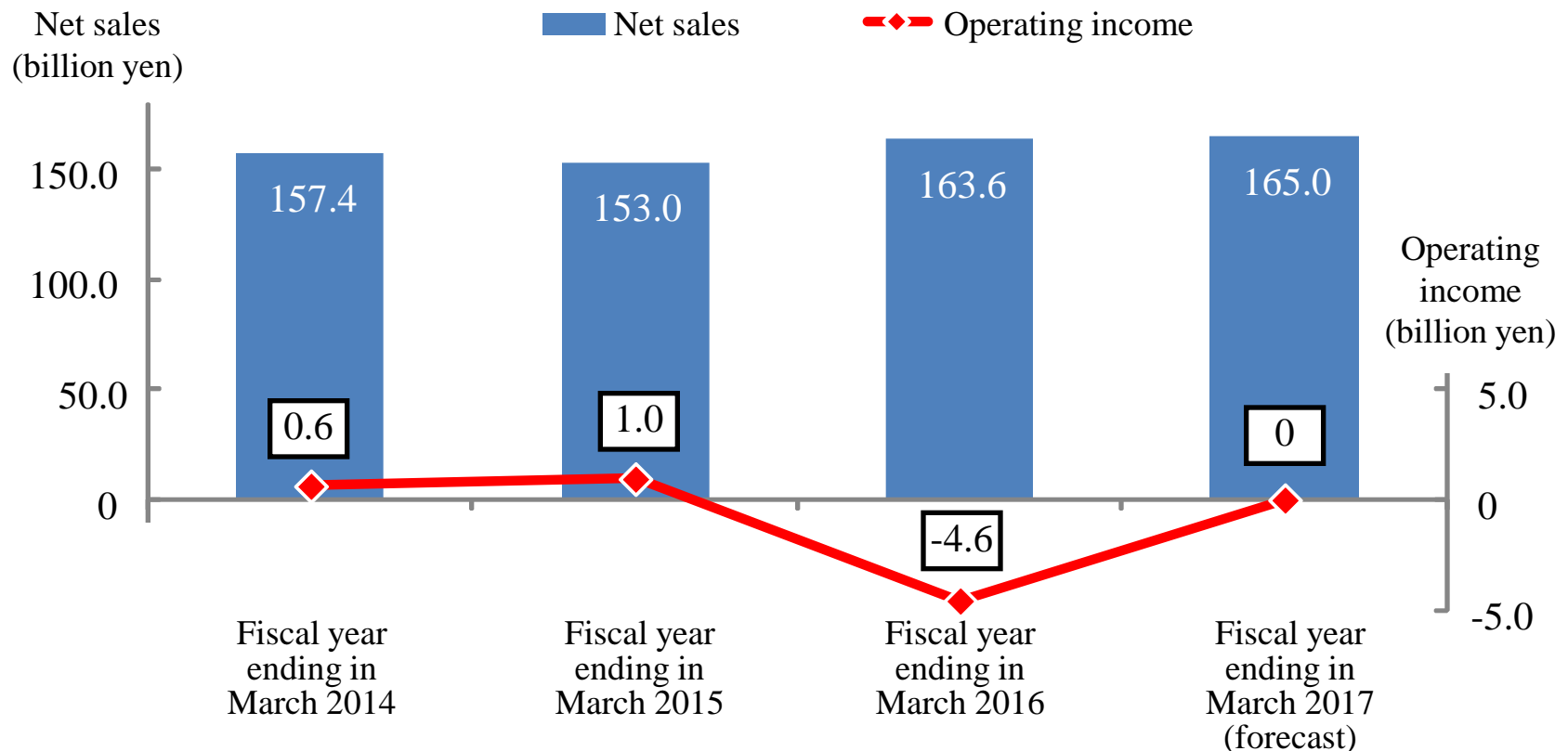


Future management strategy

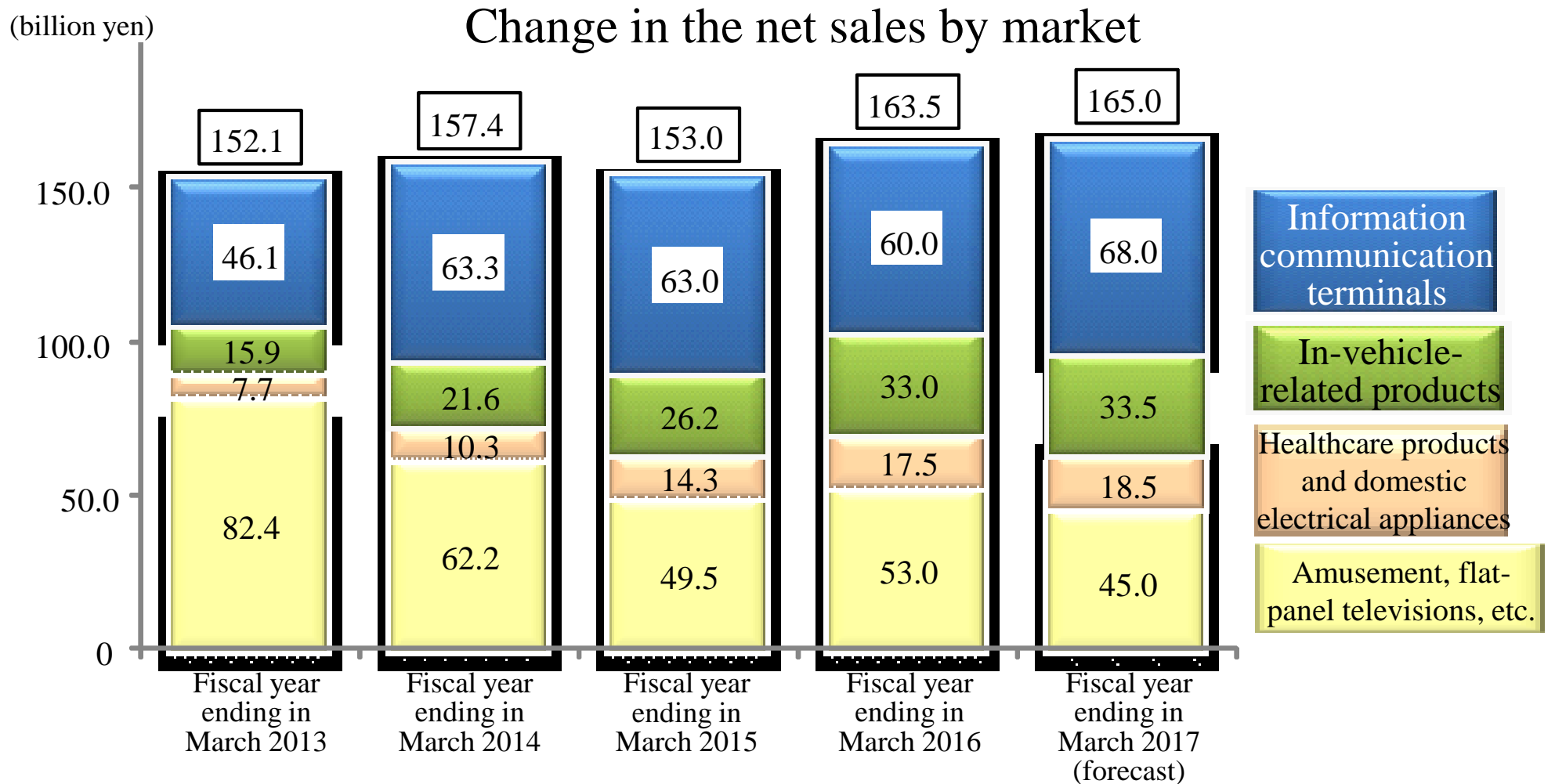
Shigeru Moribe
President and CEO

Policy in the fiscal year ending in March 2017

We will reconsider the policy in the fiscal year ending in March 2016, “gaining profit from scale”, return our character to muscularity and recover the standard of equilibrium between income and expenditure.



Breakdown of the net sales by market in the fiscal year ending in March 2017

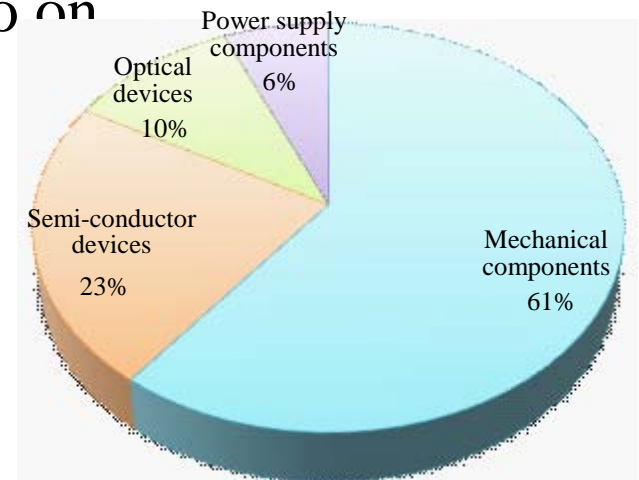


1. Market of information communication terminals

In connection with the market of information communication terminals, we ensure increased income by focusing our target on manufacturers which sell out highly functional products and by providing them with highly value-added products.

We improve income by expanding net sales of, among others, highly functional and highly value-added products such as actuators, switches, semi conductors and so on

We intensively emphasize actuators as key products in relation to craftsmanship.

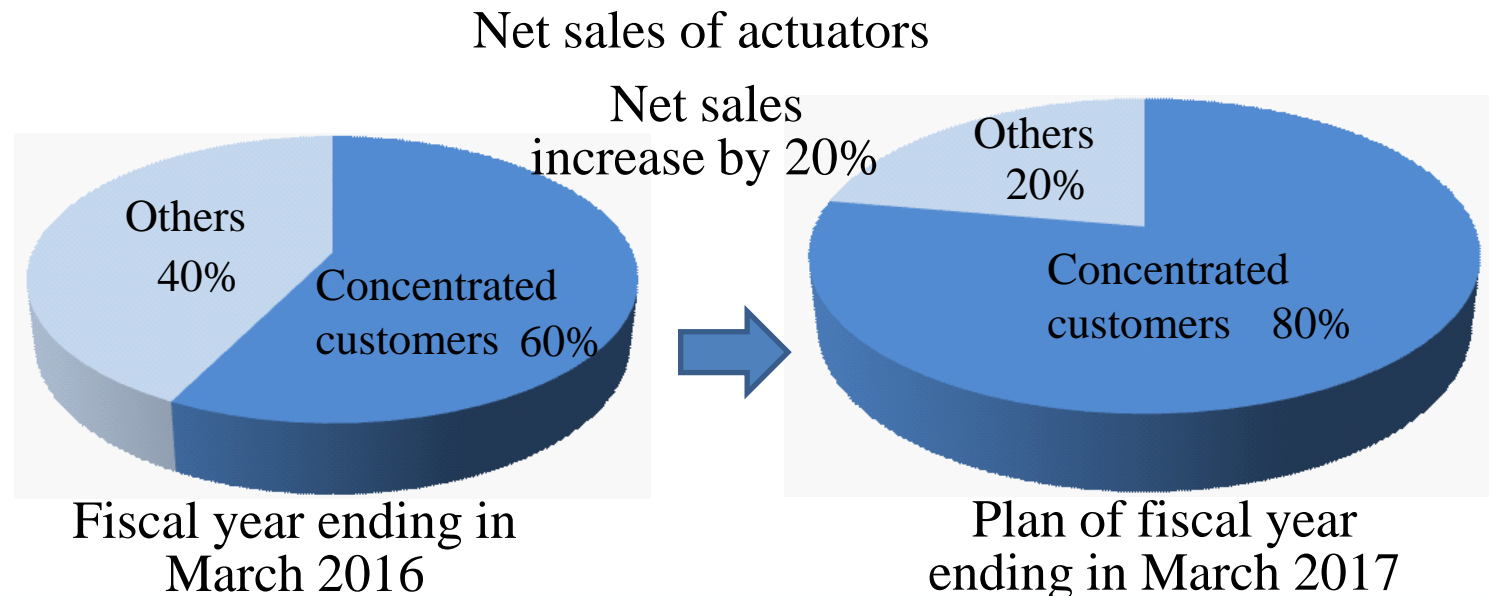


Comparison of the net sales composition in the fiscal year ending in March 2017 (plan)

2. Actuators

Although expansion of the smart phone market significantly slows down, we concentrate on information communication terminal customers having highly functional and highly value-added products which are predominant in the market, increase the net sales and improve earnings.

We especially put dual camera-enabled VCM and OIS in advance.



(Background information) Market prospect of our actuators

(billion)

	2015	2016	2017	2018
Number of smart phones marketed	1.40	1.50	1.59	1.67
Number of actuators marketed	1.50	1.65	1.75	1.90
OIS	0.13	0.27	0.35	0.41
Highly functional AF	0.56	0.53	0.50	0.48

3. Reinforcing Cebu Mitsumi's craftsmanship

A new factory of Cebu Mitsumi, whose whole building is down blow, will be run all-out in July.

Size of the new down blow factory of Cebu Mitsumi:

12,250 square meters

Investment in automated OIS assembly line has been nearly completed. Line in the new factory only requires half the workers who are required by the previous line.

Additional new and more efficient line will be operated in the second half.



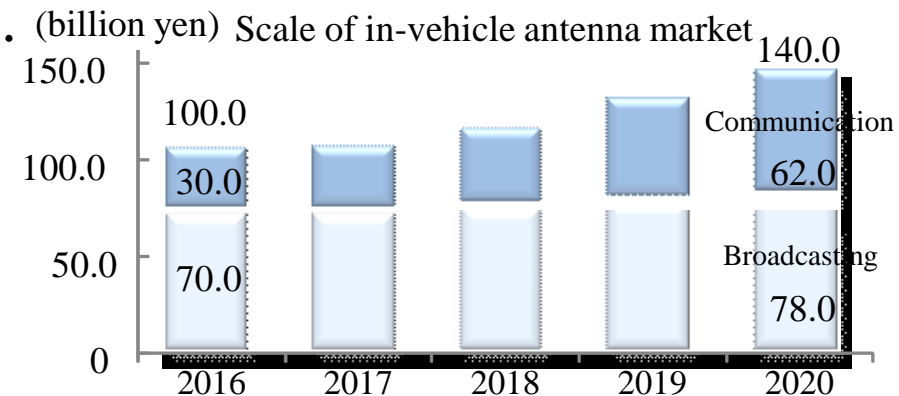
Market of in-vehicle-related products

We aim at the highest share in the markets of antennas and tuners for satellite digital radios in North America. We also open up new categories in the field of communication modules, battery modules and rigging products and expand our business.

① Antennas

We expand various lineups in the market which is growing bigger because more and more communication devices are mounted on cars and boost our share of composite products incorporating LTE and GPS, which grow most in the market by using our downsizing technology built up over many years.

We further aim at differentiation from others through evaluated technology connected to receivers and our solution proposal.



② Tuners for satellite digital radios in North America

We increase our worldwide share to 50% or more.

③ Modules for in-vehicle batteries

We expect that 5% of cars will be electrically-driven in 2020. We complete development within the current term and put them in the market in 2017. We aim at differentiation from others through voltage monitoring software controlling technology.

④ High-speed transmission connectors

We develop highly characteristic and highly reliable connectors for advanced driver assistant system (ADAS) and in-vehicle infotainment (IVI) in advance and increase sales by developing them in serial form.

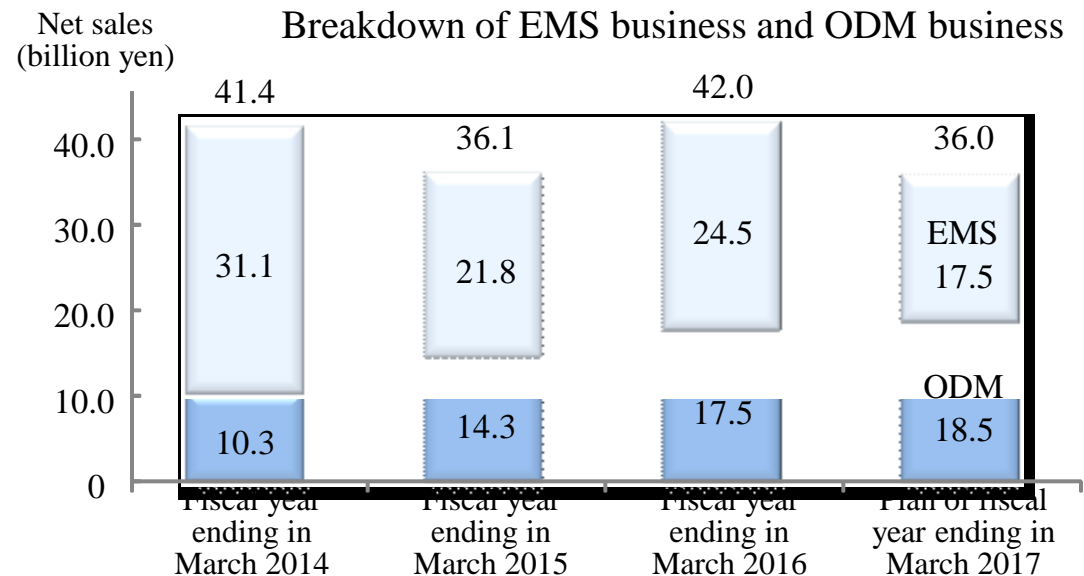
High-speed transmission connectors following FAKRA, HSD and USCAR

1. Mechanical components (EMS and ODM products)

We proceed with a conversion from EMS business to ODM business of set products and module products.

We have expanded ODM business, including blood sugar level gauge, beautification equipment, health aids and electric toothbrushes, though designing and developing capabilities such as in-house production and simulation technology of dedicated components.

We continue to expand ODM business of set products and module products.



2. Semi conductor devices

① Semi conductor as a single item

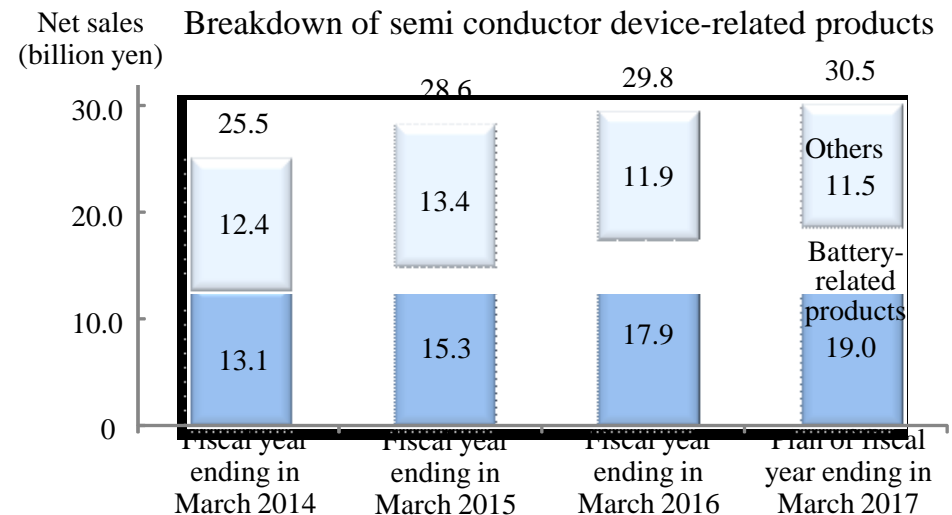
We narrow our target down to highly competitive secondary batteries, power supply products and sensors.

We satisfactorily put new products which use high-speed charging-enabled two protective ICs in the market. We further sell highly efficient and highly value-added products for high-end smart phones.

We maintain growth of 20% or more annually in the field of secondary batteries in the future as well.

② Semi conductor modules

We specialize in the field of secondary batteries and expand in-vehicle-related products, industrial machines and infrastructure-related products.



3. Power supply components



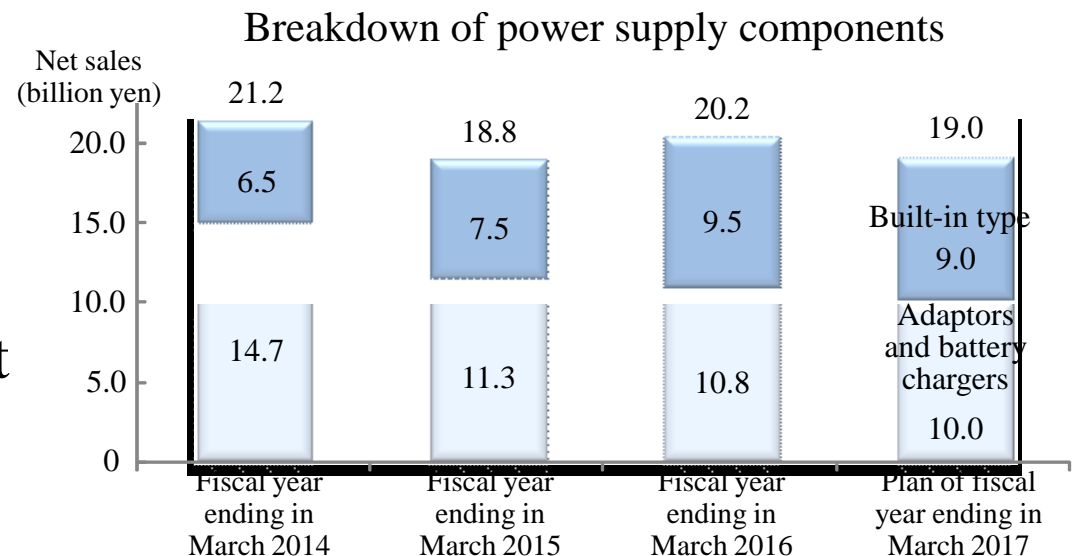
Power supply for
LED lighting apparatus

We proceed with a conversion of business portfolios and increase profits.

We expand business of built-in power supply components for LED lighting apparatus, domestic electrical appliances and office equipment.

We have minimized the decrease in the net sales of adaptors (for domestic mobile phones, digital cameras and game machines) by increasing our market share.

In the future, we return to the growth track again by putting mass storage USB type C/PD in the market in advance.



4. MEMs mirrors and related components and modules

① Laser eye wear (LEW) for eyesight support

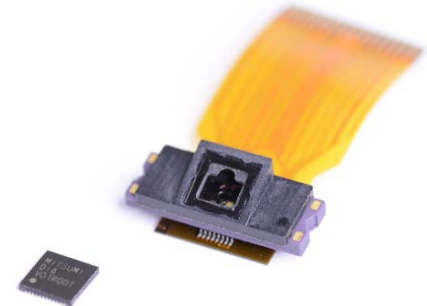
We start a clinical trial in Japan and Europe in or after this summer.
We plan to start mass production within 2017.

We are developing devices which serve in some small way to help the weak-sighted (about 5 million people in the advanced nations) so that we can supply them soon.



② PGU and MEMs mirrors, controlling IC and driving IC for augment reality-head up displays (AR-HUD)

We proceed with inspection of AR-HUD by using MEMs mirrors, controlling IC and driving IC jointly with some Tier 1 manufacturers which are active in advanced driver assistant system (ADAS).



Conclusion of basic agreement	December 21, 2015	Completed
Board of Directors held for conclusion of business integration agreement and share exchange agreement	March 30, 2016	Completed
Conclusion of business integration agreement and share exchange agreement	March 30, 2016	Completed
Clearance under the Competition Laws acquired	April to August, 2016	Completed in three countries and pending in two countries
FORM F-4 becoming effective	November, 2016	As initially scheduled
Extraordinary general meeting of shareholders held for approval of share exchange agreement	December 27, 2016	As initially scheduled
Share exchange agreement becoming effective and business integration completed	March 17, 2017	As initially scheduled



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