



The Second Quarter of the Fiscal Year ending in March 2016

Materials for Financial Results Briefing

Tuesday, November 10, 2015

Mitsumi Electric Co., Ltd.



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the fiscal 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 November 10, 2015 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.



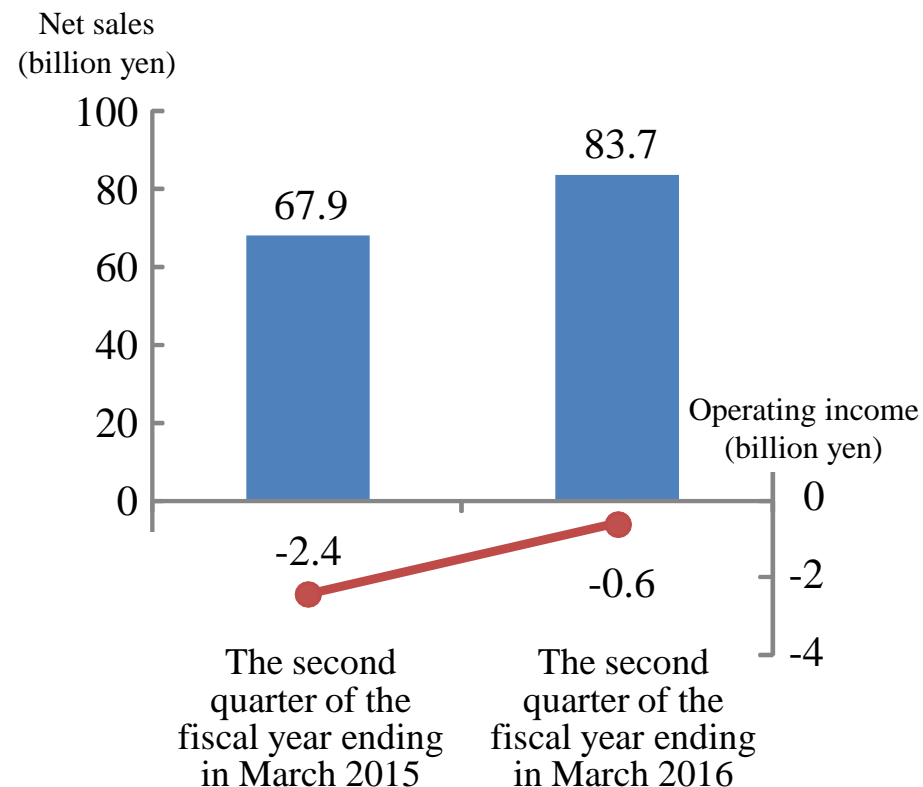
Summary of settlement of accounts in the second quarter of
the fiscal year ending in March 2016

Motomu Saito

Director and Senior Operating Officer in charge of
Corporate Administration

Earnings in the second quarter of the fiscal year ending in March 2016 (compared with the same term of the previous year)

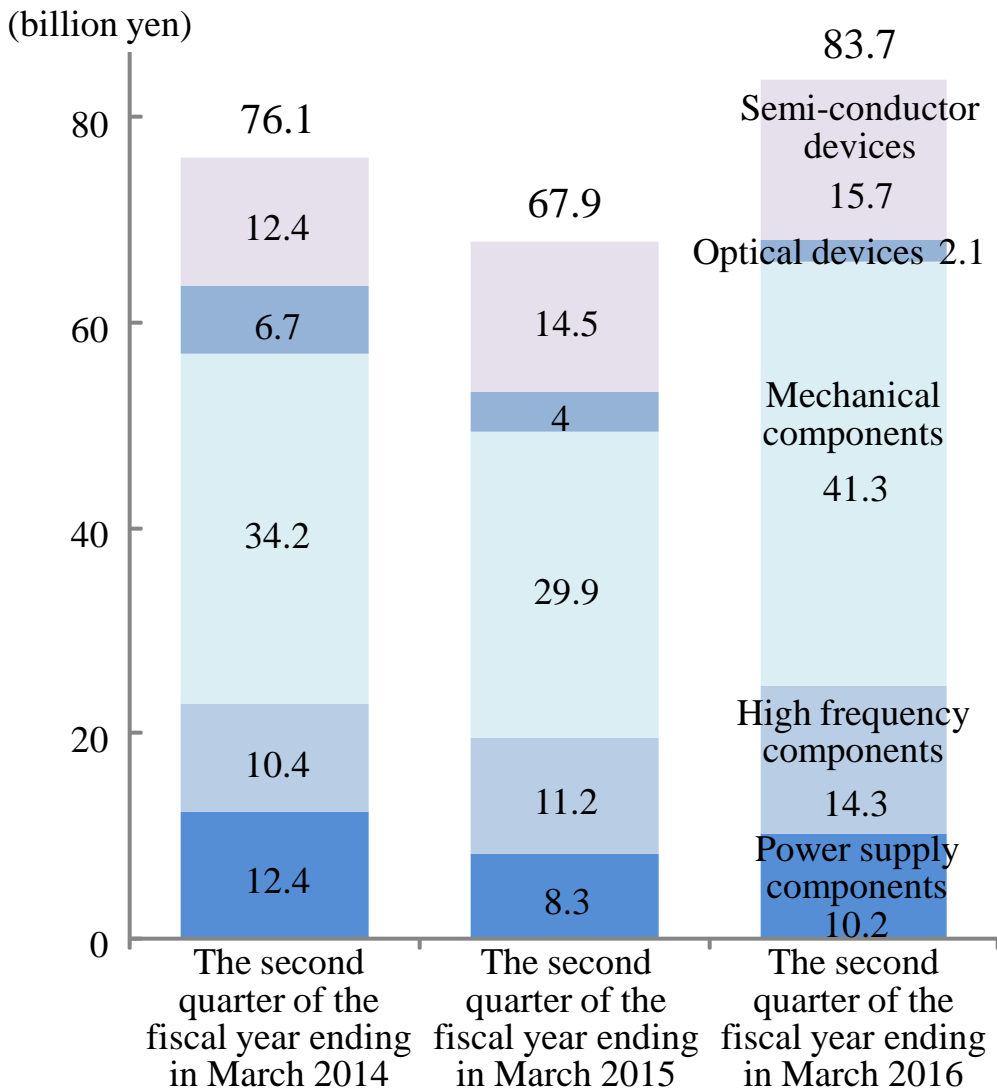
	The second quarter of the fiscal year ending in March 2015	The second quarter of the fiscal year ending in March 2016	(billion yen)
Net sales	67.9	83.7	+15.8
Operating income	-2.4	-0.6	+1.8
	-3.5%	-0.7%	2.8%
Ordinary income	-1.6	-0.7	+0.9
	-2.4%	-0.8%	1.5%
*Net income of the quarter	-1.9	-1.2	+0.7
	-2.8%	-1.4%	1.4%
Exchange rate (against US dollar)	102.52 yen	121.76 yen	19.24 yen depreciation against US dollar



1. Net sales increased in all of the markets (information communication terminals, in-vehicle-related products, healthcare products, domestic electrical appliances and others).
2. Profit growth corresponding to the increase in net sales could not be ensured due to the fall of added value rate caused by the change in composition of net sales in addition to the increase in foreign business operating cost caused by the reinforcement of productive capacity and depreciation of yen.

Rounded off the figure less than 100 million yen

*Net income of the quarter belonging to stockholders of the parent company



*Rounded off the figure less than 100 million yen

Semi-conductor devices (plus 1.2 billion yen in comparison with the previous year, 108%)

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

Optical devices (minus 1.9 billion yen in comparison with the previous year, 53%)

Net sales of products for information communication terminals in camera modules decreased but net sales of amusement-related products increased

Mechanical components (plus 11.4 billion yen in comparison with the previous year, 138%)

Net sales of products for information communication terminals and amusement-related products increased

High frequency components (plus 3.1 billion yen in comparison with the previous year, 129%)

Net sales of in-vehicle-related products increased

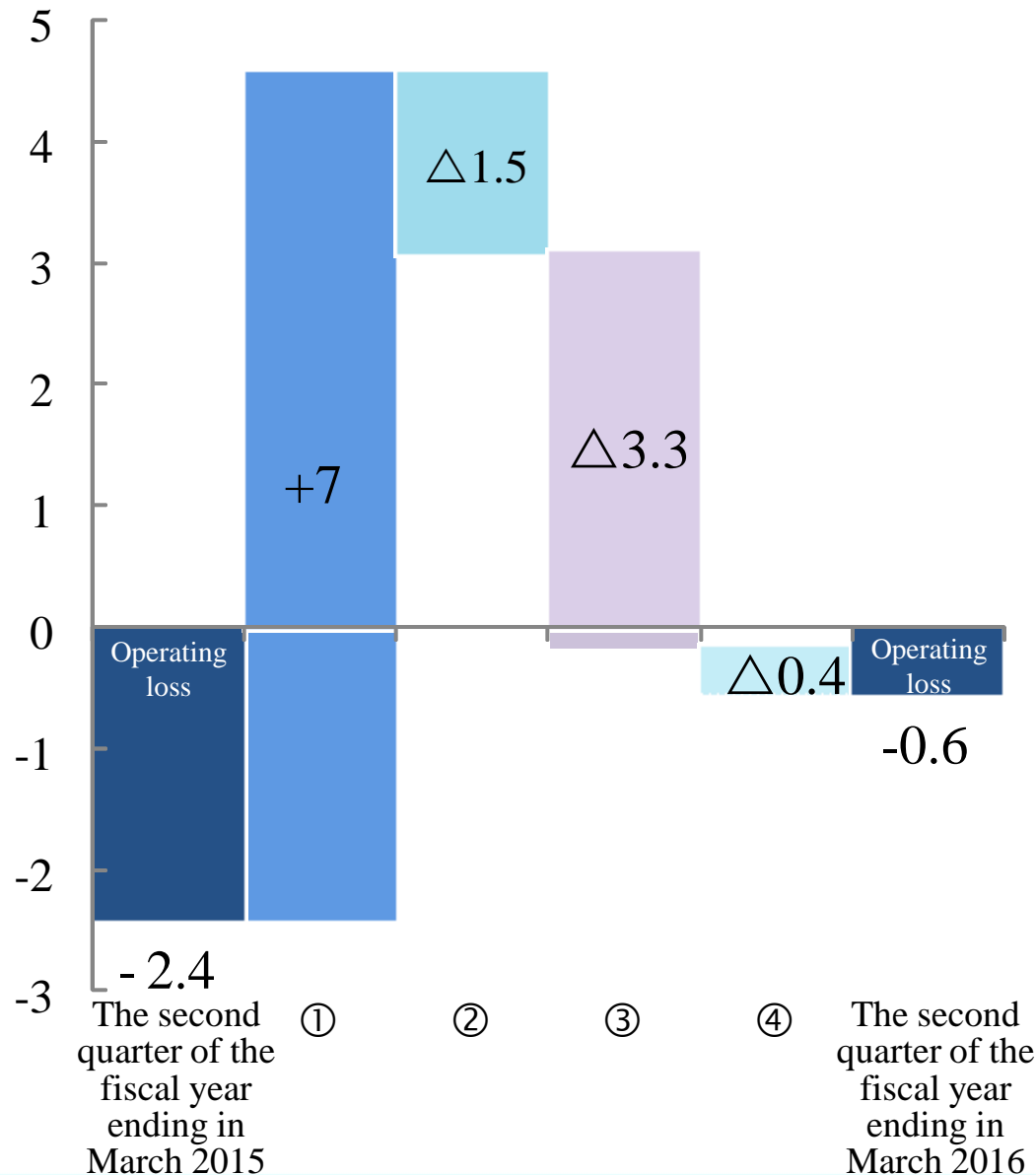
Power supply components (plus 1.9 billion yen in comparison with the previous year, 123%)

Net sales of adapter products and built-in type power supply products increased

Analysis of increase and decrease in operating income

Summary of settlement of accounts in the second quarter of the fiscal year ending in March 2016

(billion yen)



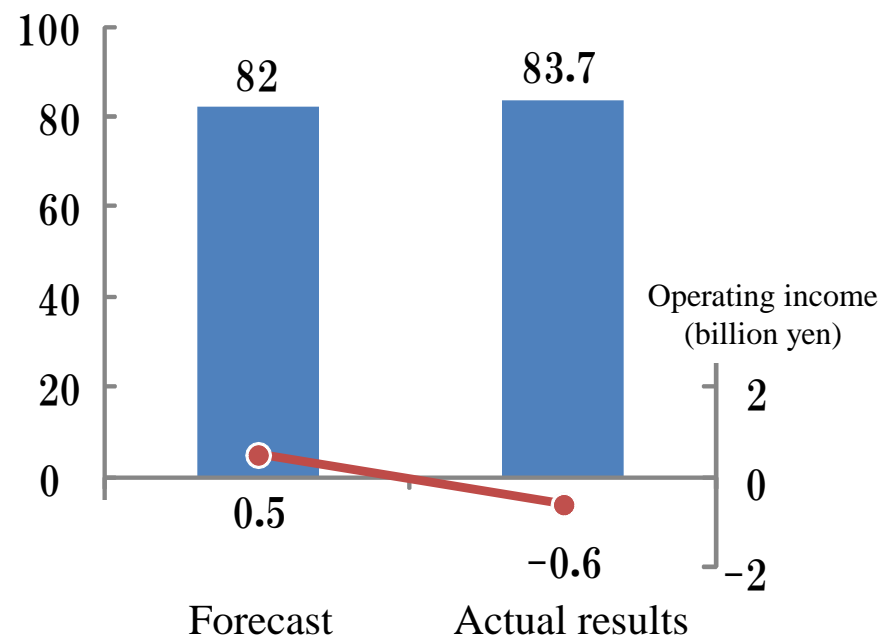
- ① Marginal profit amount increased owing to the increase in net sales by 15.8 billion yen plus 7 billion yen
- ② Marginal profit ratio fell due to the change in composition of net sales and the difference between the fall of selling price and improvement of variable cost minus 1.5 billion yen
- ③ Foreign business operating cost increased due to the reinforcement of productive capacity and depreciation of yen minus 3.3 billion yen
- ④ Depreciation cost increased due to investment expansion minus 0.4 billion yen

Earnings in the second quarter of the fiscal year ending in March 2016

(compared with the forecast) (billion yen)

	Aggregated forecast of the second quarter of the fiscal year ending in March 2016 (announced on May 12)	Aggregated actual results of the second quarter of the fiscal year ending in March 2016 (announced on November 5)	Increase/decrease
Net sales	82	83.7	+1.7
Operating income	0.5 0.6%	-0.6 -0.7%	△1.1 -1.3%
Ordinary income	0 0.0%	-0.7 -0.8%	△0.7 -0.8%
* Net income of the quarter	0 0.0%	-1.2 -1.4%	△1.2 -1.4%
Exchange rate (against US dollar)	115.00 yen	121.76 yen	6.76 yen depreciation against US dollar

Net sales (billion yen)



1. Aggregated net sales exceeded the forecast. Net sales of in-vehicle-related products and amusement-related products exceeded the beginning-of-term plan but net sales of high added value products, i.e., actuators, fell deeply below the beginning-of-term plan in Chinese area.
2. Operating income fell below the forecast by 1.1 billion yen due to the fall of added value rate and the increase in foreign business operating cost.

Rounded off the figure less than 100 million yen

*Net income of the quarter belonging to stockholders of the parent company

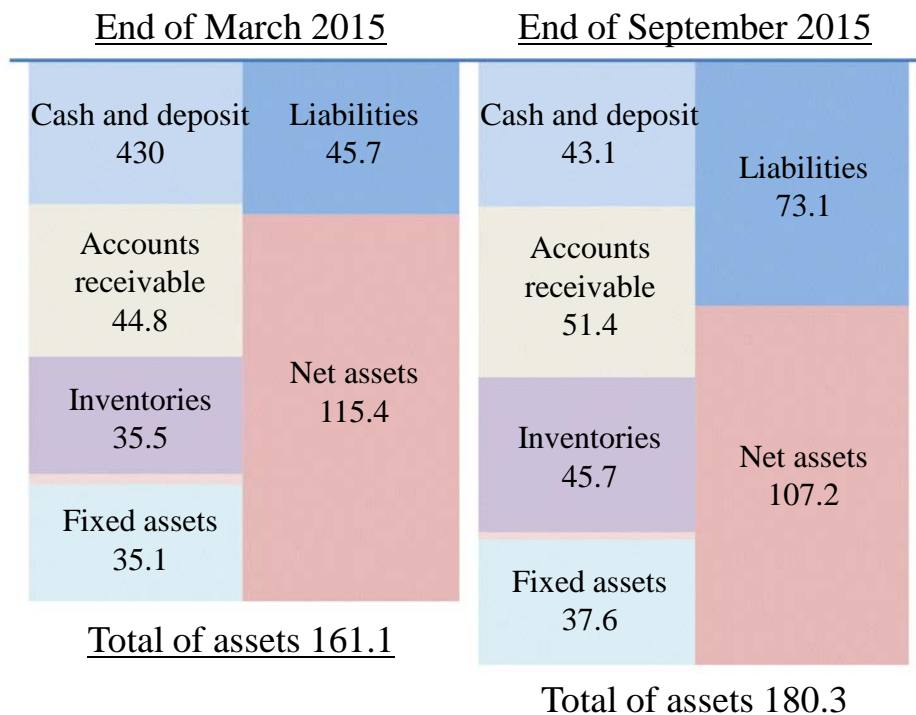
Summary of consolidated balance sheet

Summary of settlement of accounts in the second quarter of the fiscal year ending in March 2016

MITSUMI

(billion yen)

	End of March 2015		End of September 2015		Increase/ decrease
	Amount	Composi- tion rate	Amount	Composi- tion rate	
Cash and deposit	43.0	26.7%	43.1	23.9%	+0.1
Bills receivable/ accounts receivable	44.8	27.8%	51.4	28.5%	+6.6
Inventories	35.5	22.0%	45.7	25.4%	+10.2
Others	2.7	1.7%	2.5	1.4%	△0.2
Current assets	126.0	78.2%	142.7	79.2%	+16.7
Fixed assets	35.1	21.8%	37.6	20.8%	+2.5
Total of assets	161.1	100.0%	180.3	100.0%	+19.2
Bills payable/ accounts payable	21.3	13.2%	30.6	17.0%	+9.3
Loan	10.3	6.4%	7.3	4.0%	△3.0
Others	9.6	6.0%	10.5	5.8%	+0.9
Current liabilities	41.1	25.5%	48.3	26.8%	+7.2
Fixed liabilities	4.5	2.8%	24.7	13.7%	+20.2
Total of liabilities	45.7	28.3%	73.1	40.5%	+27.4
Stockholders' equity	122.6	76.1%	115.1	63.9%	△7.5
Aggregated other comprehensive profit	△7.2	-4.5%	△8.0	-4.4%	△0.8
Total of net assets	115.4	71.7%	107.2	59.5%	△8.3
Total of liabilities and net assets	161.1	100.0%	180.3	100.0%	+19.2
Capital adequacy ratio	71.7%		59.5%		12.2%



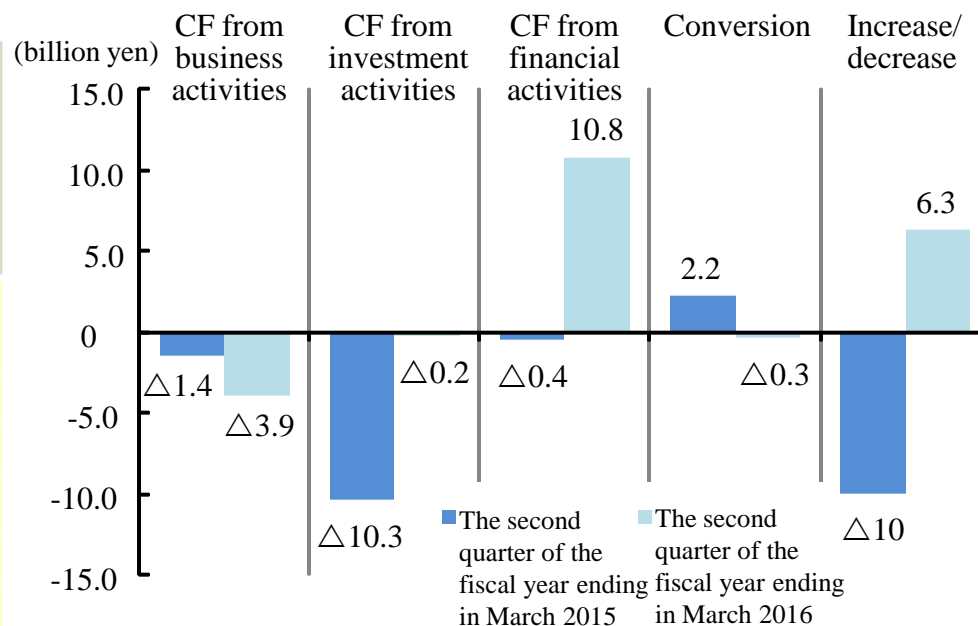
1. Accounts receivable, inventories and buy-in debts increased owing to the increase in net sales.
2. Capital adequacy ratio fell due to issuance of bonds with subscription rights worth 20 billion yen and purchase of treasury stocks worth 5 billion yen.

Summary of consolidated statement of cash flows

Summary of settlement of accounts in the second quarter of the fiscal year ending in March 2016

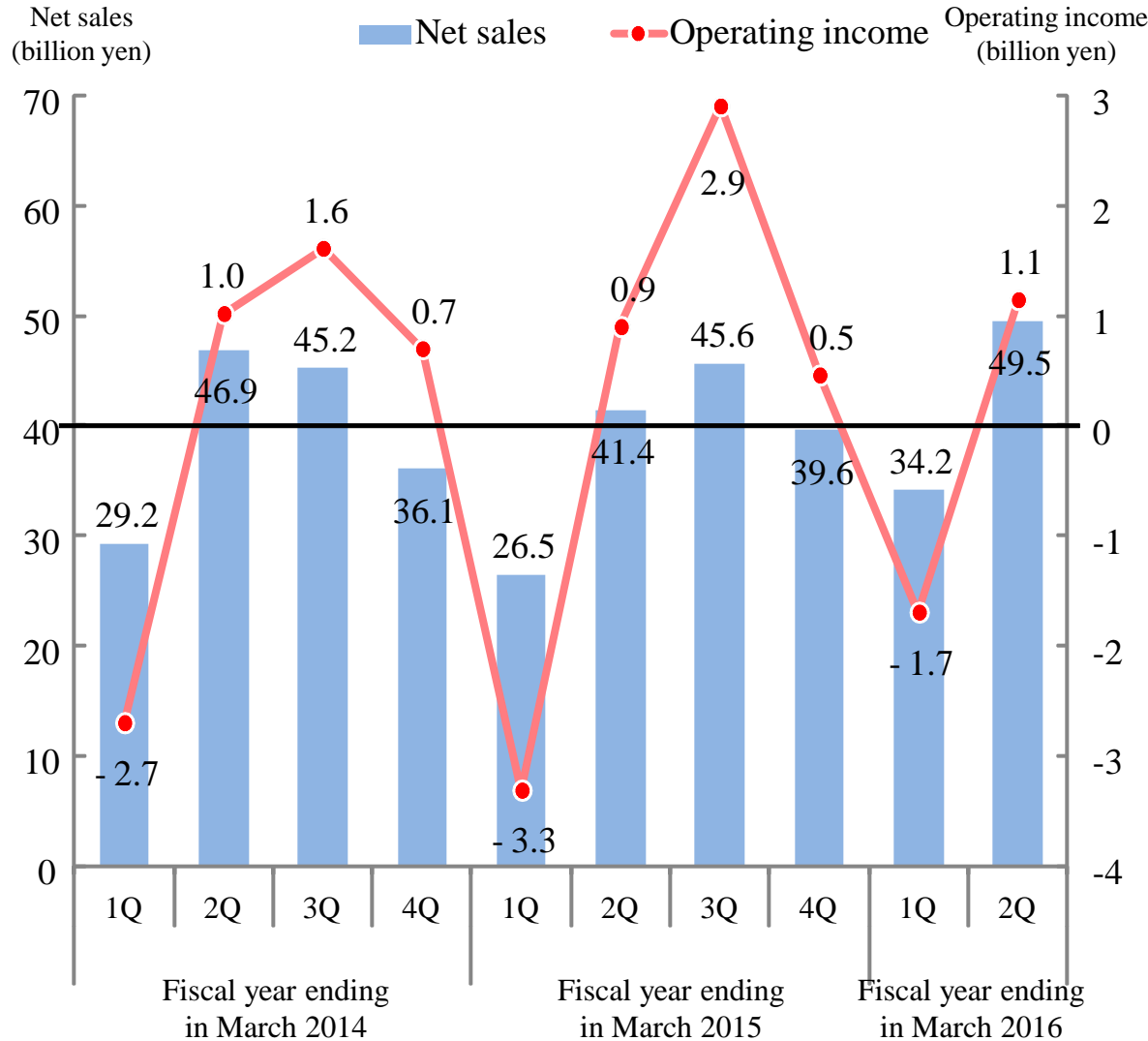
	(billion yen)		
	Second quarter of the fiscal year ending in March 2015	Second quarter of the fiscal year ending in March 2016	Increase/decrease
Net loss of the quarter before tax adjustment (Δ)	Δ 1.5	Δ 0.8	+0.7
Depreciation cost	3.0	3.5	+0.4
Accounts receivable	Δ 8.4	Δ 7.0	+1.4
Inventories	Δ 10.8	Δ 10.5	+0.3
Buy-in debts	16.6	9.6	Δ 7.0
Others	Δ 0.3	1.3	+1.6
CF from business activities	Δ1.4	Δ3.9	Δ2.5
Acquisition of tangible fixed assets	Δ 4.8	Δ 6.4	Δ 1.6
Others	Δ 5.5	6.2	+11.7
CF from investment activities	Δ10.3	Δ0.2	+10.0
Free CF	Δ 11.7	Δ 4.2	+7.5
CF from financial activities	Δ0.4	10.8	+11.2
Balance of conversion	2.2	Δ 0.3	Δ 2.4
Increase/decrease in cash and cash equivalent	Δ10.0	6.3	+16.3

*CF means cash flows



1. Cash flows from business activities fell by 2.5 billion yen owing to the increase in accounts receivable and buy-in debts caused by the increase in net sales.
2. Cash flows from investment activities fell by 1.6 billion yen owing to the expansion of capital investment. (Others were mainly affected by the change in amount of time deposit)
3. Cash flows from financial activities increased by 11.2 billion yen due to, among others, issuance of bonds with subscription rights.

Net sales and operating income per quarter



- 1. Net sales**
 Net sales of information communication terminal-related products and in-vehicle-related products increased, and net sales of amusement-related products recovered as well.
- 2. Operating income**
 Since net sales of break-even point went up in the second quarter, operating loss in the first quarter could not be made up.

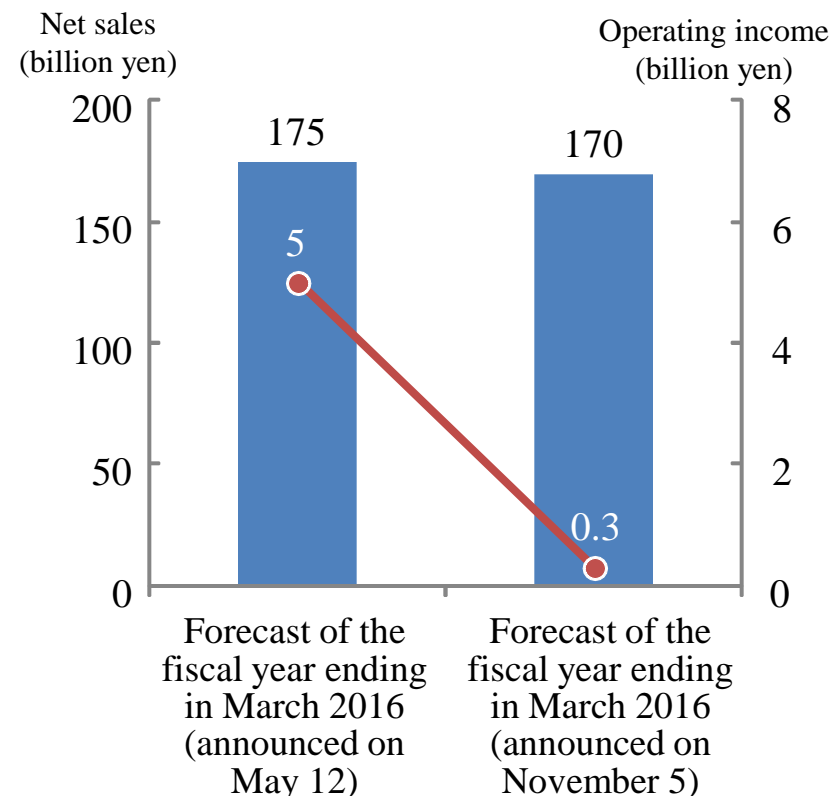
*Rounded off the figure less than 100 million yen



Earnings forecast and dividend in the second half of
the fiscal year ending in March 2016

Year-round forecast in the fiscal year ending in March 2016 (compared with the beginning-of-term forecast)

	(billion yen)		
	Year-round forecast of the fiscal year ending in March 2016 (announced on May 12)	Year-round forecast of the fiscal year ending in March 2016 (announced on November 5)	Increase/decrease
Net sales	175.0	170.0	△5.0
Operating income	5.0 2.9%	0.3 0.2%	△4.7 -2.7%
Ordinary income	3.5 2.0%	-1.0 -0.6%	△4.5 -2.6%
*Net income of the quarter	3.0 1.7%	-1.5 -0.9%	△4.5 -2.6%
Exchange rate (against US dollar)	115.00 yen	120.00 yen	5.00-yen depreciation against US dollar



- Forecast of net sales decreased because it is anticipated that orders for actuators in Chinese area markets will not recover even in the second half.
- Operating income decreased due to the decrease in net sales and the change in composition of net sales.

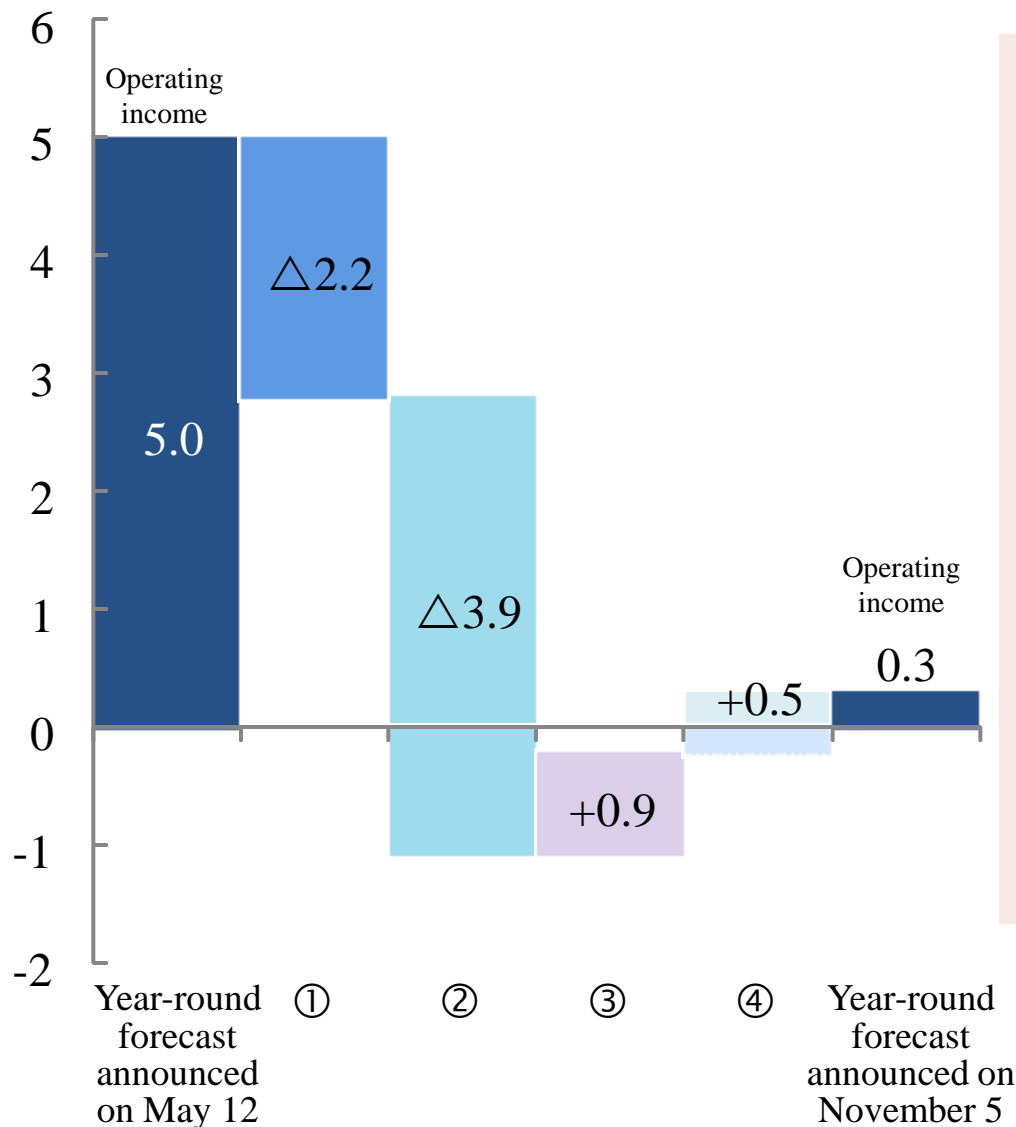
Rounded off the figure less than 100 million yen

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

Analysis of increase and decrease in operating income (compared with the beginning-of-term forecast)

Earnings forecast and dividend in the second half of the fiscal year ending in March 2016

(billion yen)



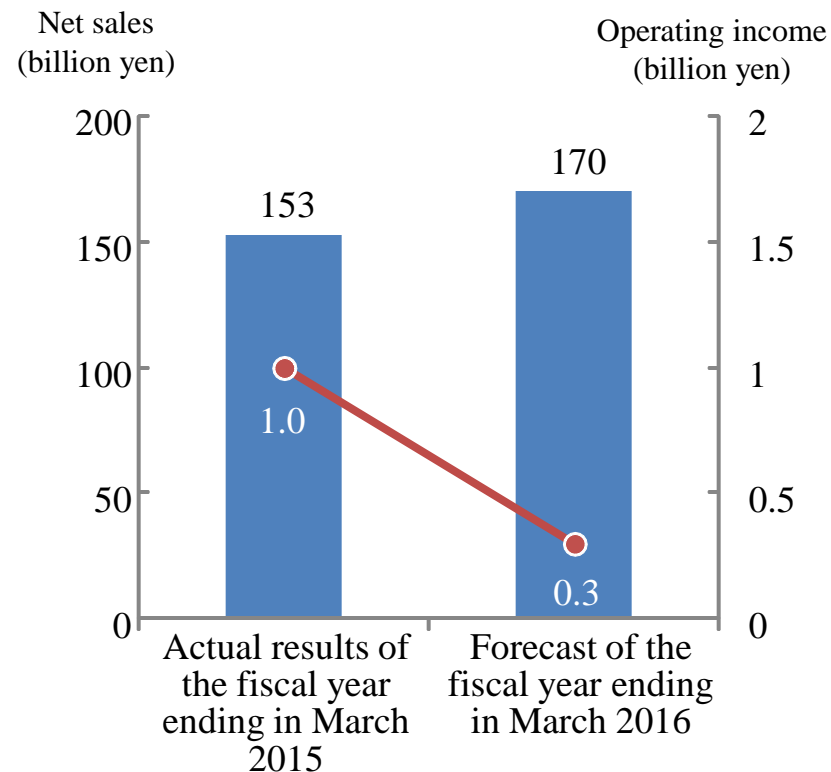
- ① Added value amount fell due to the decrease in net sales by 5 billion yen
minus 2.2 billion yen
- ② Added value fell due to the change in composition of net sales
minus 3.9 billion yen
- ③ General expenses were compressed due to the decrease in net sales
plus 0.9 billion yen
- ④ Depreciation cost was compressed like the previous year owing to the review of timely capital investment
plus 0.5 billion yen

Year-round forecast in the fiscal year ending in March 2016 (compared with the previous year)

	(billion yen)		
	Year-round actual results of the fiscal year ending in March 2015	Year-round forecast of the fiscal year ending in March 2016 (announced on November 5)	Increase/decrease
Net sales	153.0	170.0	+1.7
Operating income	1.0 0.6%	0.3 0.2%	△0.7 -0.4%
Ordinary income	4.0 2.6%	-1.0 -0.6%	△5.0 -3.2%
*Net income of the quarter	3.8 2.5%	-1.5 -0.9%	△5.3 -3.4%
Exchange rate (against US dollar)	109.19 yen	120.00 yen	10.81-yen depreciation against US dollar

Rounded off the figure less than 100 million yen

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

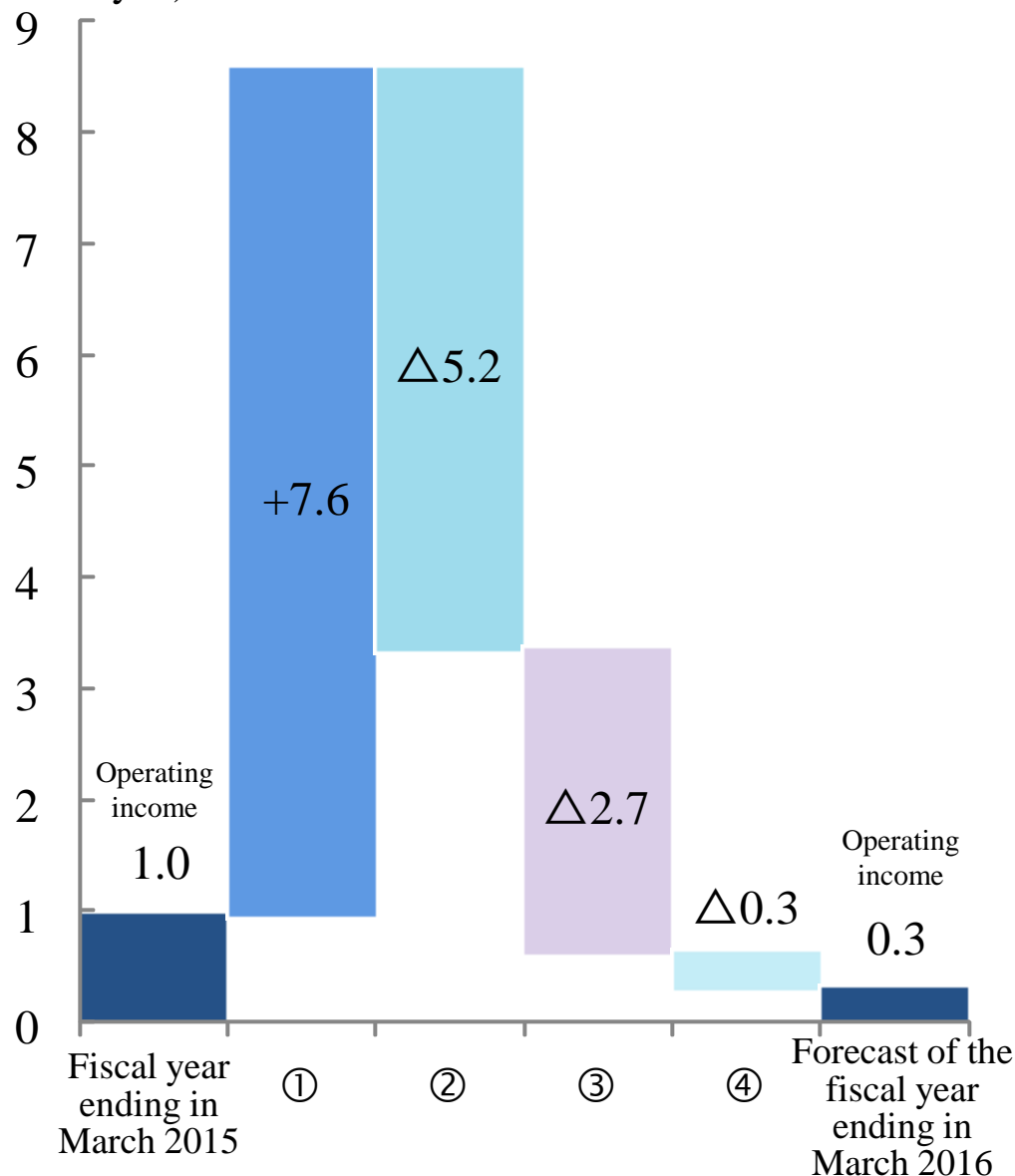


1. Net sales of information communication terminal-related products slightly increased and net sales of other market products (in-vehicle-related products, healthcare products and domestic electrical appliances) drastically increased.
2. Operating income decreased by 700 million yen due to the fall of added value rate caused by the change in composition of net sales and the increase in foreign business operating cost.

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

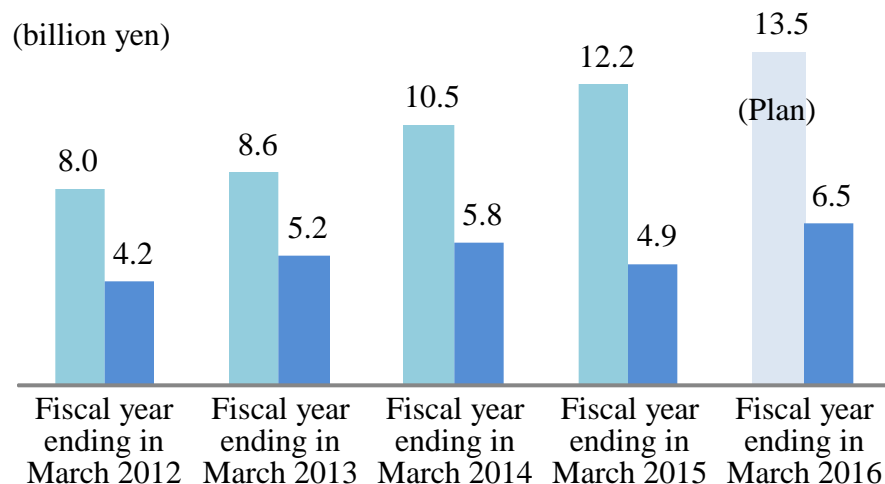
Earnings forecast and dividend in the second half of the fiscal year ending in March 2016

(billion yen)

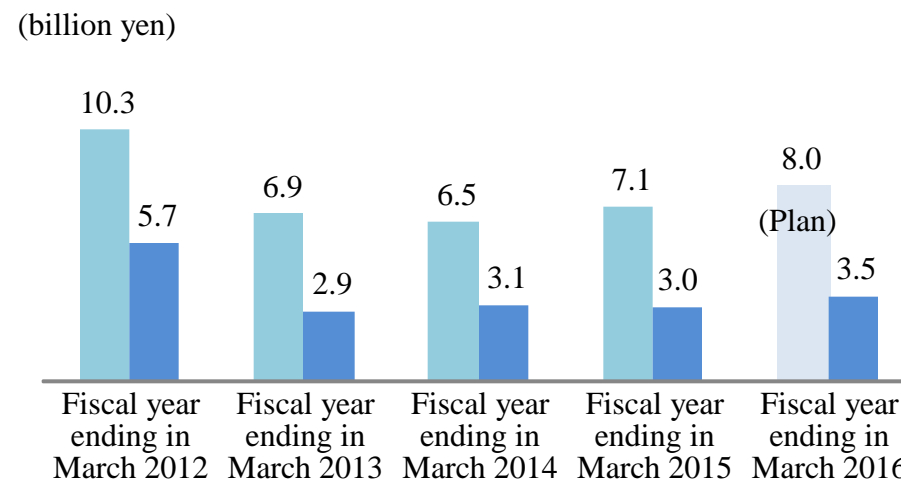


- ① Added value amount increased owing to the increase in net sales by 17 billion yen plus 7.6 billion yen
- ② Consolidated marginal profit rate fell due to the change in composition of net sales and the fall of selling price in the second half minus 5.2 billion yen
- ③ Foreign business operating cost increased in the first half but was held back less than that of the same term of the previous year in the second half minus 2.7 billion yen
- ④ Depreciation cost was compressed like the previous year as the year-round owing to the review of capital investment plan in the second half minus 0.3 billion yen

Capital investment

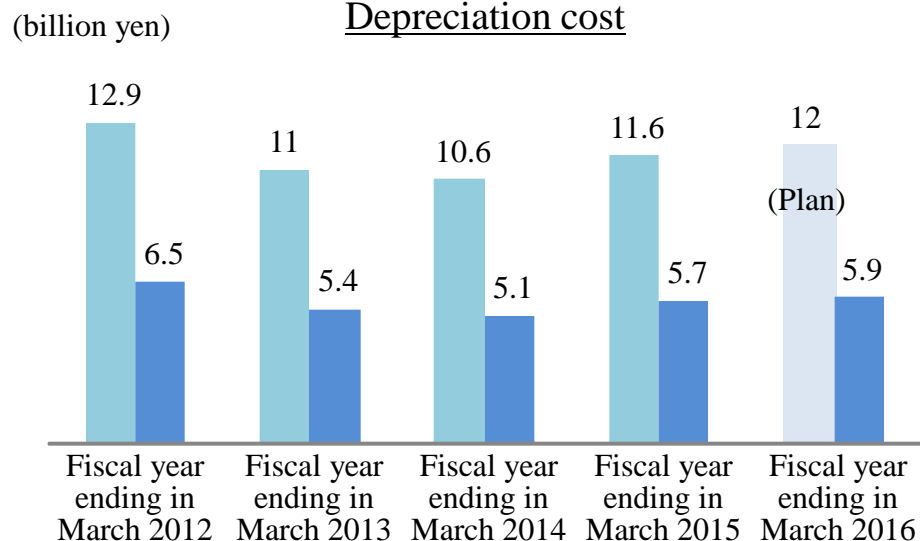


Research and development expense



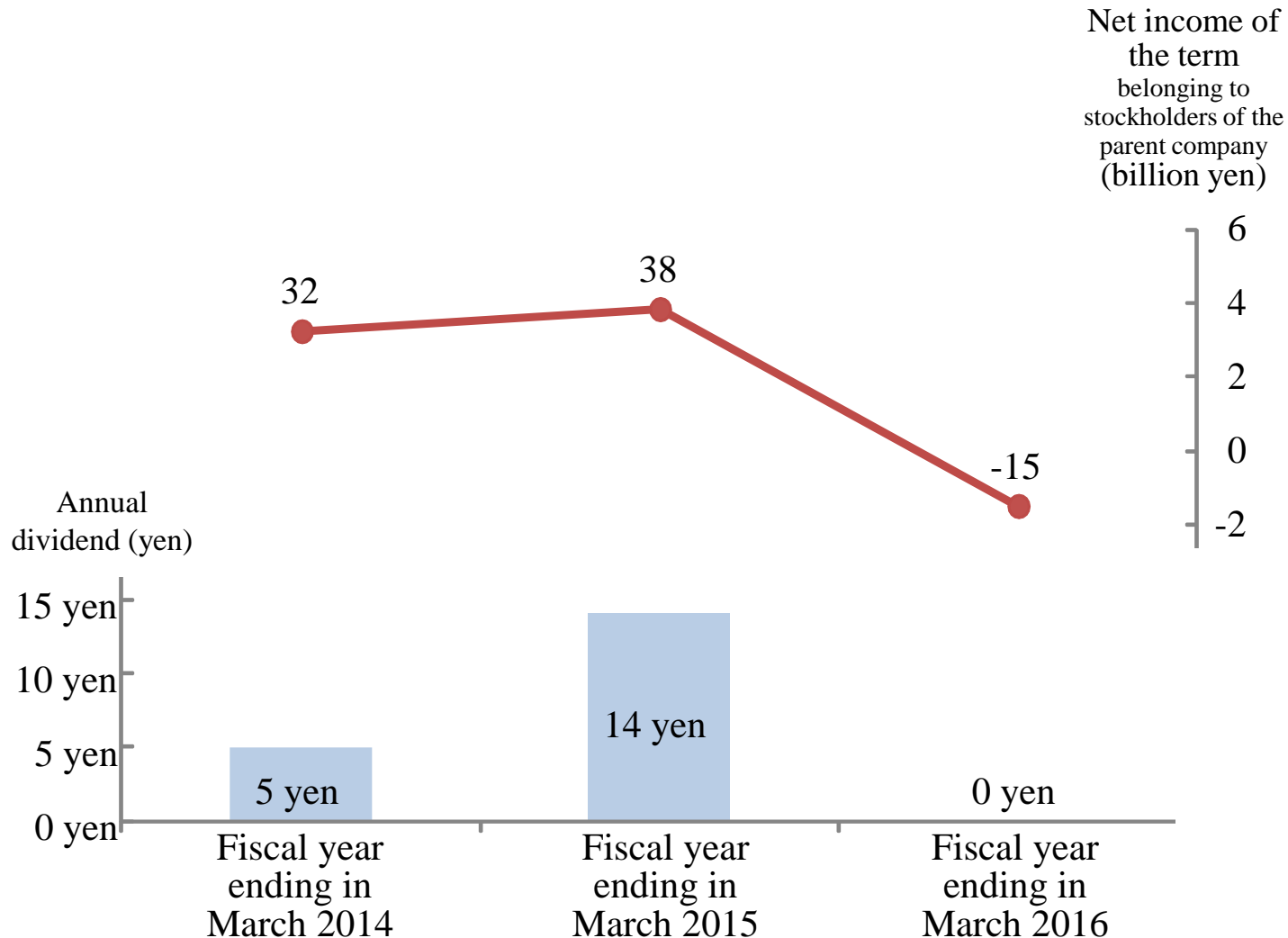
*Left chart of the graph indicates the year-round figure and right chart indicates the figure of the first half

Depreciation cost



1. Capital investment is reduced from 16 billion yen as the beginning-of-term plan to 13.5 billion yen.
2. Depreciation cost is reduced 8.5 billion yen as the beginning-of-term plan to 8 billion yen following upon the reduction in capital investment and the review of timely operation of a new factory in Cebu.
3. As to the research and development expense, 12 billion yen as the beginning-of-term plan is maintained.

Please accept our apologies for changing our plan from dividend of 12 yen per stock to suspension of dividends to stockholders as we changed forecast to calculation of lost at the stage of net income of the term.





Future management strategy

Shigeru Moribe
President and CEO

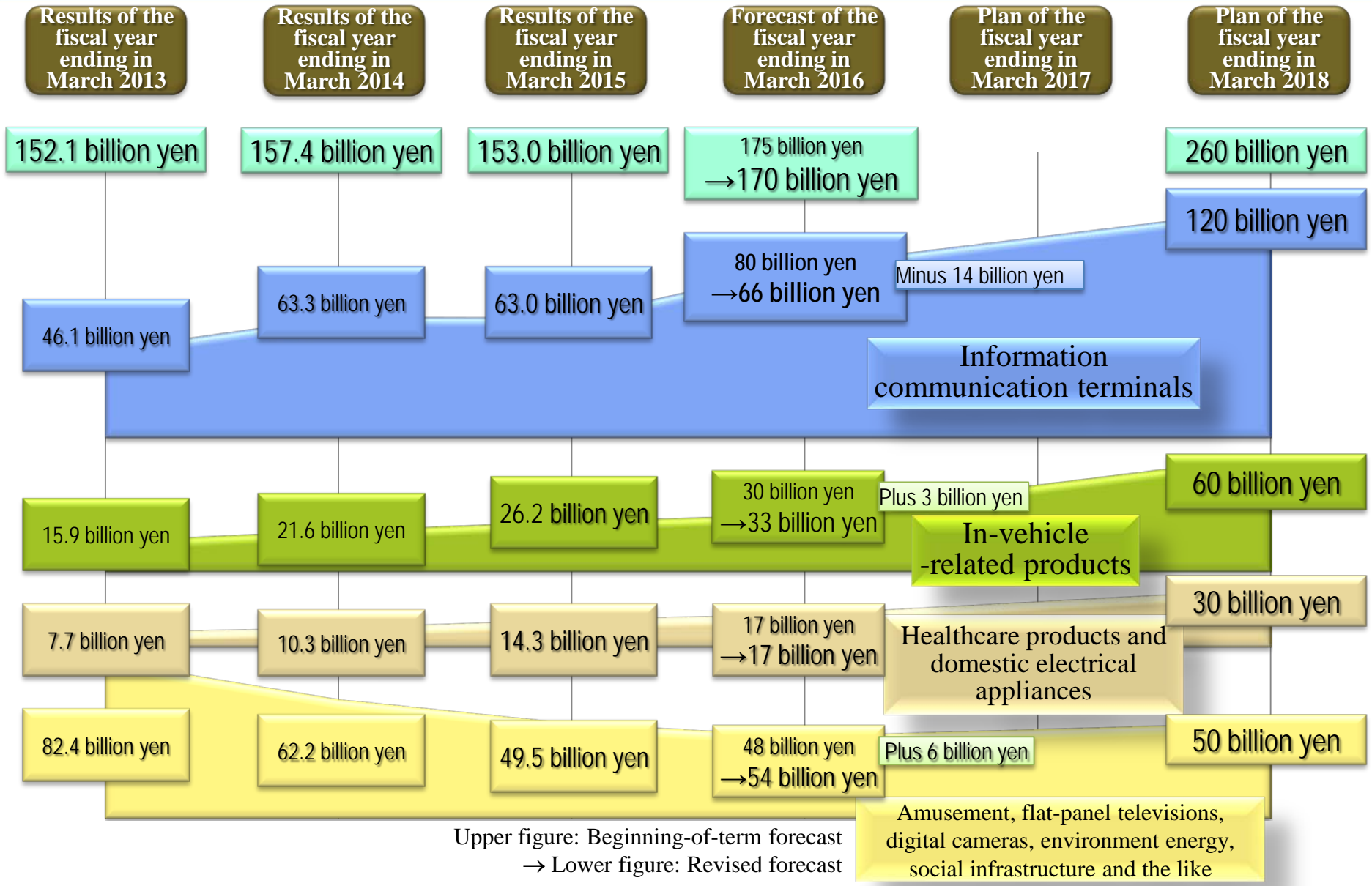
Mid-term target

**Recovering net sales of 300 billion yen
by concentrating on business expansion**

Policy

Gaining profit from scale derived from
the increase in net sales

1. Concentrating management resources on the group of products whose market share is high around the world
 - (1) Developing new technology and putting onto the market before other companies by concentrating technology resources
 - (2) Reinforcing productive capacity before market expansion by making heavy investments
2. Making use of technology built up in the markets of AV and telecommunications and creating new businesses in the markets of in-vehicle-related products and healthcare products



Information
communication
terminals

66 billion yen as the forecast of the fiscal year ending in March 2016
and 120 billion yen as mid-term target

Progress of business expansion for accomplishing 120 billion yen

1. Market trend of actuators for camera module
2. OIS business and highly efficient autofocus (AF) actuator business
3. Capital investment for actuators

OIS: Optical Image Stabilizer

Information communication terminals

66 billion yen as the forecast of the fiscal year ending in March 2016 and 120 billion yen as mid-term target

1. Market trend of actuators for camera module

(billion)

		2014	2015	2016	2017
Forecast as of May	Total of actuators	1.2	1.4	1.8	2.0
	OIS	0.1 8%	0.22 16%	0.45 25%	0.6 30%
	Highly efficient AF	0.2 17%	0.5 36%	0.7 39%	0.8 40%
Current forecast	Total of actuators	1.2	1.4	1.8	2.0
	OIS	0.1 8%	0.15 11%	0.3 17%	0.45 23%
	Highly efficient AF	0.2 17%	0.35 25%	0.5 28%	0.7 35%

Highly efficient AF (autofocus): Bi-Direction Type, Closed Loop Type

Information
communication
terminals

66 billion yen as the forecast of the fiscal year ending in March 2016
and 120 billion yen as mid-term target

2. OIS business and highly efficient autofocus (AF) actuator business

OIS technology was completely established in the first half but it was often necessary to review plans in Chinese area due to a slump in sales of highly functional smartphones and sales plan of actuators could not be accomplished.

Products for other markets were expanded in accordance with the beginning-of-term plan.

From now on, the Company focuses on manufactures which are able to sell out high price and highly functional smartphones, concentrating resources on them, thereby expanding sales.

The Company also focuses on automation for the purpose of improving quality.

Information communication terminals

66 billion yen as the forecast of the fiscal year ending in March 2016 and 120 billion yen as mid-term target

3. Capital investment for actuators

Review of investment plan

	Fiscal year ending in March 2016	Fiscal year ending in March 2017	Fiscal year ending in March 2018	Total
Beginning-of-term plan	10 billion yen	15 billion yen		25 billion yen
Investment after review	8 billion yen	10 billion yen	*7 billion yen	*25 billion yen

*Investment of the fiscal year ending in March 2018 is under consideration.

The Company reconsidered starting operation of a new factory of Cebu Mitsumi in October 2015 and decided to start operation in March 2016.

The new factory is changed to highly clean one, where highly functional and high quality products are produced.

In-vehicle-related
products

33 billion yen as the forecast of the fiscal year ending in March 2016
and 60 billion yen as mid-term target

Expansion of in-vehicle-related product business is accelerated

1. Net sales of in-vehicle-related products
2. Expansion of existing businesses toward 60 billion yen
3. Progress of new business toward 60 billion yen

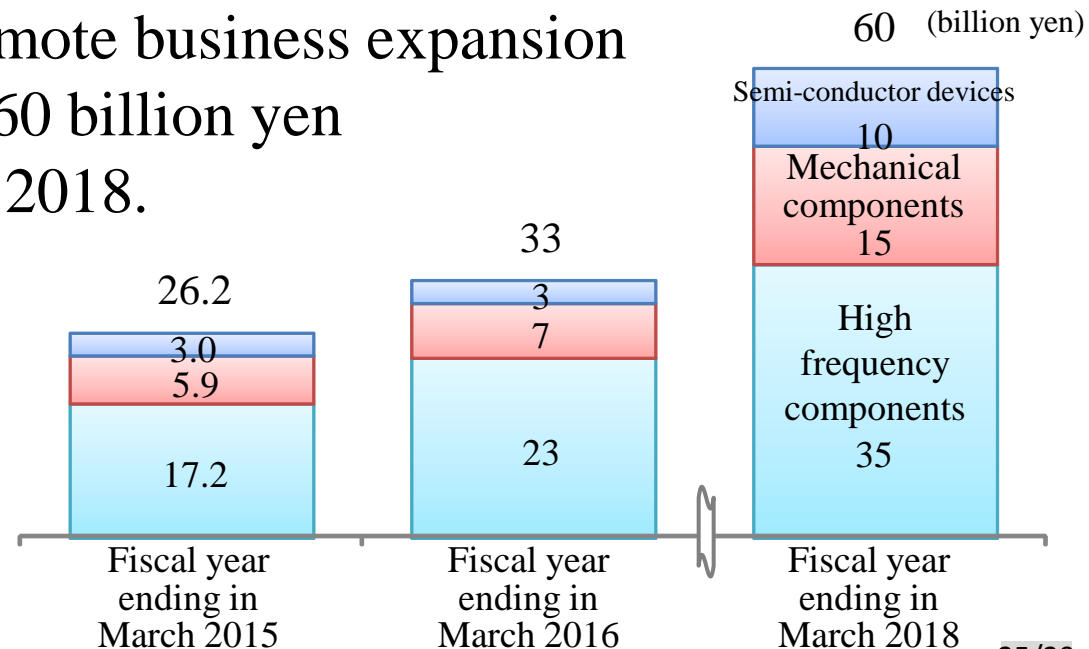
In-vehicle-related products

33 billion yen as the forecast of the fiscal year ending in March 2016 and 60 billion yen as mid-term target

1. Net sales of in-vehicle-related products

The Company expects net sales of the fiscal year ending in March 2016 will be 33 billion yen (plus 6.8 billion yen compared with the previous year), especially tuners for satellite digital radios in North America, WiFi modules and antennas are growing.

The Company intends to promote business expansion for the purpose of accomplishing 60 billion yen in the fiscal year ending in March 2018.



In-vehicle-related products

33 billion yen as the forecast of the fiscal year ending in March 2016 and 60 billion yen as mid-term target

2. Expansion of existing businesses toward 60 billion yen

① Antenna products (expansion of tier 1 business)

LTE antennas manufactured by the Company have been adopted by automobile manufacturers. Mass production will be started in 2016.

② Tuners for satellite digital radios in North America

Sales expansion is realized as planned by making use of the most of treatment ability built up in the field of in-vehicle-related products and design ability built up in the field of consumer appliances.

In-vehicle-related products

33 billion yen as the forecast of the fiscal year ending in March 2016 and 60 billion yen as mid-term target

3. Progress of new business toward 60 billion yen

- ① Expansion of BCM substrate business *BCM: Body Control Module
Shipment will be started in the term by making use of communication technology, micro computer control technology and substrate implementation technology built up for a long time.
- ② In-vehicle electrical and electronic units
Commercialization has been completed by making use of connector and semi-conductor component technology and power supply control technology. Shipment will begin in earnest in the next term.
- ③ Battery control modules
Development for electric motor cars is under way and shipment will be started in the next term.

Semi-conductor business

Lithium-ion battery protection IC

Market size: 2.4 billion batteries (in 2015, estimated by the Company)

The Company's share: 60%

Market trend: Market size will be expanded further.

As demand for rapid charge is increased, the number of battery protection IC in one information communication terminal increases from one to two especially for highly functional products.

Net sales is increased by further improving the market share in the expanding market by means of technological superiority such as OTP equipped protection IC.



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