

(Translation)

Securities Code: 6767  
June 6, 2012

To the Shareholders:

**NOTICE OF THE 67TH ORDINARY GENERAL MEETING  
OF SHAREHOLDERS**

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Dear Shareholders:

Please take notice that the 67th Ordinary General Meeting of Shareholders of the Company will be held as described below and you are cordially invited to attend the meeting.

Since voting rights can be exercised in writing even if you are not present at the meeting, please go over the Reference Documents for the General Meeting of Shareholders set forth below and send us by return mail the enclosed voting form indicating your approval or disapproval of the propositions no later than 5:20 p.m. on June 25 (Monday), 2012.

Yours very truly,

Shigeru Moribe,  
President and Representative Director

**Mitsumi Electric Co., Ltd.**  
11-2, Tsurumaki 2-chome,  
Tama City, Tokyo

### Description

1. Date and hour:

June 26 (Tuesday), 2012, 10:00 a.m.

2. Place:

Keio Plaza Hotel Tama, 3F "Hakuhou-no-ma"  
43, Ochiai 1-chome, Tama City, Tokyo

3. Matters forming the objects of the meeting:

Matters to be reported:

1. Report on the business report, the consolidated financial statements and the results of audit of the consolidated financial statements by the account auditors and the Board of Statutory Auditors for the 67th fiscal year (from April 1, 2011 to March 31, 2012)
2. Report on the non-consolidated financial statements for the 67th fiscal year (from April 1, 2011 to March 31, 2012)

Matters to be resolved:

Proposition No. 1: Election of nine (9) Directors

Proposition No. 2: Election of two (2) Statutory Auditors

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(Provided document)

## BUSINESS REPORT

(April 1, 2011 to March 31, 2012)

### **1. Current state of the Mitsumi Group (the "Group")**

#### **(1) State of business activities for the fiscal year under review**

##### **(i) Development and results of business activities:**

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 been 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 fixed 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.

#### **Outline of business performance of the major divisions for the consolidated fiscal year:**

##### **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).

**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).

**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).

**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).

**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).

**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).

(ii) **Investment in plant and equipment:**

Investment in plant and equipment during the fiscal year under review totaled ¥7,631 million, which was spent mainly in improvements of production facilities to develop new products and increase production in the division of system parts, among others, and the replacement of machinery and equipment and molds to improve productivity and product qualities.

(iii) Financing:

To provide operating funds efficiently, the Company has entered into loan commitment agreements, in the aggregate amount of ¥10,000 million, with its main financial institutions.

(iv) Transfer of business, acquisition through divestiture or divestiture through incorporation:

Not applicable.

(v) Acquisition of business from other corporations:

Not applicable.

(vi) Acquisition and assumption of the rights and obligations with regard to the business of other corporations by merger or acquisition through divestiture:

Not applicable.

(vii) Acquisition and disposition of shares, equity interests, stock acquisition rights, etc. of other corporations:

Not applicable.

**(2) Property and income/loss for the most recent three fiscal years:**

Item	Fiscal year	64th April 1, 2008 - Mar. 31, 2009	65th April 1, 2009 - Mar. 31, 2010	66th April 1, 2010 - Mar. 31, 2011	67th (current year) April 1, 2011 - Mar. 31, 2012
Net sales (million yen)		247,734	207,536	187,418	167,207
Recurring income (loss) (million yen)		17,659	8,295	(6,387)	(8,234)
Net income (loss) (million yen)		11,156	5,901	(3,541)	(28,335)
Net income (loss) per share (yen)		127.55	67.48	(40.49)	(324.01)
Total assets (million yen)		195,286	202,570	191,827	152,660
Net assets (million yen)		146,456	148,617	139,659	109,087
Net assets per share (yen)		1,674.63	1,699.37	1,596.96	1,247.40

**(3) Major parent company and subsidiaries:**

**(i) Relationship with the parent company:**

Not applicable.

**(ii) State of major subsidiaries:**

Name of Company	Capital stock	Ratio of voting rights of the Company (%)	Major business
MITSUMI PHILIPPINES, INC.	Philippine Pesos 1,186,000 thousand	100.0	Manufacture and sale of electronic parts
CEBU MITSUMI, INC.	Philippine Pesos 1,145,683 thousand	100.0	Manufacture and sale of electronic parts
Zhuhai Mitsumi Electric Co., Ltd.	RMB 230,358 thousand	100.0	Manufacture and sale of electronic parts
Qingdao Mitsumi Electric Co., Ltd.	US\$38,850 thousand	100.0	Manufacture and sale of electronic parts
Tianjin Mitsumi Electric Co., Ltd.	US\$40,825 thousand	100.0	Manufacture and sale of electronic parts

**(4) Issues to be addressed by the Group**

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 supplying 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.

The Company sincerely hopes that its shareholders will continue giving the Company their full support and encouragement.

**(5) Major business (as of March 31, 2012)**

The Group is primarily engaged in the manufacture and sale of electric machinery and equipment, including semiconductor devices, optical devices, system parts, high-frequency parts, power unit parts and information communications equipment, and in other businesses pertaining or relating thereto.

**(6) Main business offices, plants and factories (as of March 31, 2012)**

The Company	Business offices	Head Office Kansai Branch Taiwan Branch	Tama City, Tokyo Kita-ku, Osaka City Taipei, The Republic of China
	Business divisions	Atsugi Operation Base Chitose Business Division Akita Business Division Yamagata Business Division Kyushu Business Division	Atsugi City, Kanagawa Chitose City, Hokkaido Katagami City, Akita Yamagata City, Yamagata Iizuka City, Fukuoka
Subsidiaries	Sale	MITSUMI CO., LTD. MITSUMI ELECTRONICS (SINGAPORE) PTE. LTD.	Kowloon, Hong Kong Special Administrative Region The Republic of Singapore
	Manufacture	MITSUMI PHILIPPINES, INC. CEBU MITSUMI, INC. Zhuhai Mitsumi Electric Co., Ltd. Qingdao Mitsumi Electric Co., Ltd. Tianjin Mitsumi Electric Co., Ltd.	The Republic of the Philippines The Republic of the Philippines The People's Republic of China The People's Republic of China The People's Republic of China

**(7) State of employees (as of March 31, 2012)**

**(i) Employees of the Group:**

Division	Number of employees (persons)	Comparison with the end of the previous fiscal year (+ or -) (persons)
Semiconductor devices	4,300	+ 496
Optical devices	2,252	- 1,406
System parts	19,250	- 3,370
High-frequency parts	2,690	- 826
Power-unit parts	3,546	- 260
Information communications equipment	561	- 1,099
Group-wide (common)	1,637	- 136
Total	34,236	- 6,601

(Notes) 1. The above number of employees represents persons actually at work.

2. The number of employees categorized as "group-wide (common)" represents those assigned to administrative duties that cannot be categorized in any specific division.

(ii) Employees of the Company:

Number of employees	Comparison with the end of the previous fiscal year (+ or -) (persons)	Average age (years)	Average length of service (years)
2,832	- 56	40.8	15.3

(Note) The above number of employees excludes 151 employees of the Company who are temporarily sent to other companies.

(8) **Principal lenders** (as of March 31, 2012)

(million yen)

Lender	Balance of borrowings
Sumitomo Mitsui Banking Corporation	1,746
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,183
Mizuho Corporate Bank, Ltd.	998
The Yamanashi Chuo Bank, Limited	706
The Yamagata Bank, Ltd.	378

(9) **Other important matters concerning the current state of the Group**

Not applicable.



## 2. Current state of the Company

### (1) State of shares (as of March 31, 2012)

- (i) Total number of issuable shares: 200,000,000 shares
- (ii) Total number of issued shares: 87,498,119 shares
- (iii) Number of shareholders: 24,175 persons
- (iv) Principal shareholders (top ten):

Name	Equity participation in the Company	
	Number of shares held (thousand shares)	Equity participation ratio (%)
Japan Master Trust Bank of Japan, Ltd. (Trust account)	11,344	12.97
Japan Trustee Services Bank, Ltd. (Trust account)	7,376	8.43
JP Morgan Securities (Japan) Limited	2,833	3.24
Trust & Custody Services Bank, Ltd. (Security investment trust account)	2,596	2.96
Masako Moribe	2,477	2.83
Mizuho Securities Co., Ltd.	2,287	2.61
Chase Manhattan Bank GTS Clients Account Escrow	2,125	2.43
CBNY-DFA INTL SMALL CAP VALUE PORTFOLIO	1,992	2.27
Japan Trustee Services Bank, Ltd. (Trust account 9)	1,835	2.09
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1,490	1.70

- (Notes) 1. The equity participation ratio is calculated by excluding the shares of treasury stock (45,652 shares).
2. The above number of shares held by the trust banks includes those shares related to their trust business.

### (2) State of stock acquisition rights:

- (i) Stock acquisition rights offered to the officers of the Company in consideration of the performance of their duties and held by them (as of March 31, 2012):

Not applicable.

- (ii) Stock acquisition rights offered to the employees, etc. in consideration of the performance of their duties during the fiscal year under review:

Not applicable.

(iii) Other material fact about stock acquisition rights:

Not applicable.

**(3) Officers of the Company**

(i) Directors and Statutory Auditors (as of March 31, 2012):

Name	Position in the Company	Business in charge and important concurrent office
Shigeru Moribe	President and Representative Director	
Kazuie Hirose	Senior Managing Director	Philippines region president
Shozo Watanabe	Senior Managing Director	In charge of corporate planning and human resources
Yasuo Hirose	Senior Managing Director	General Manager, Sales & Marketing Division
Kazuo Osawa	Managing Director	General Manager, Electronic Devices Business Headquarters; and China region president
Fumio Hoki	Director	General Manager, Material & Procurement Division
Toshikazu Nagaoka	Director	General Manager, MPS Promotion Division; and General Manager, Quality and Environment Division
Megumi Yamada	Director	General Manager, Component Devices Business Headquarters
Fujio Furukawa	Director	General Manager, R&D Division
Motomu Saito	Director	General Manager in charge of accounting, general affairs and systems
Hiroshi Aso	Director	General Manager, Semiconductor Devices Business Headquarters
Keishou Fujiwara	Director	General Manager, Network Devices Business Headquarters
Nobushige Sakurai	Full-time Statutory Auditor	
Kenji Shinya	Full-time Statutory Auditor	
Shizuumi Nojima	Full-time Statutory Auditor	
Miyuki Hara	Statutory Auditor	Certified tax accountant (Miyuki Hara Tax Accounting Office)

(Notes) 1. Full-time Statutory Auditors Messrs. Nobushige Sakurai and Kenji Shinya and Statutory Auditor Mr. Miyuki Hara are external auditors as provided for

in Article 2, item 16 of the Corporation Law of Japan.

2. Full-time Statutory Auditor Mr. Shizuumi Nojima, who served in the Accounting Division of the Company from 1973 through 2006 and engaged in closing processes and the preparation of financial statements for many years, has considerable knowledge of financing and accounting.
3. At the 66th Ordinary General Meeting of Shareholders held on June 24, 2011, Mr. Keishou Fujiwara was newly elected as Director and assumed office.
4. The Company has designated full-time Statutory Auditors Messrs. Nobushige Sakurai and Kenji Shinya and Statutory Auditor Mr. Miyuki Hara as independent officers as stipulated by Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. and registered them with both exchanges as such.

- (ii) Directors and Statutory Auditors who retired from office during the fiscal year under review:

Director Mr. Jun Onosaka retired from office due to resignation as such at the close of the 66th Ordinary General Meeting of Shareholders held on June 24, 2011.

- (iii) Total amount of remuneration of the Directors and Statutory Auditors for the fiscal year under review:

Category	Number	Amount of payments
Directors	13	¥207 million
Statutory Auditors (External Statutory Auditors)	4 (3)	¥48 million (¥34 million)
Total (External Officers)	17 (3)	¥255 million (¥34 million)

- (Notes)
1. The above number of Directors and Statutory Auditors includes one Director who retired from office as at the close of the 66th Ordinary General Meeting of Shareholders held on June 24, 2011.
  2. The amount of payments to the Directors does not include the portions of salaries and wages of employees concurrently serving as Directors.
  3. The maximum amount of remuneration of Directors was determined to be ¥350 million per annum (excluding Directors' bonuses and the portions of salaries and wages of employees concurrently serving as Directors) by resolution of the 54th Ordinary General Meeting of Shareholders held on June 29, 1999.
  4. The maximum amount of remuneration of Statutory Auditors was determined to be ¥70 million per annum by resolution of the 65th Ordinary General Meeting of Shareholders held on June 25, 2010.

- (iv) Matters concerning external officers:

- (a) Concurrent holding of offices of officers (executive officers) of other corporations and the relations between the Company and such other corporations:

Not applicable.

- (b) Concurrent holding of offices of external officers of other corporations and the relations between the Company and such other corporations:

Not applicable.

- (c) Principal activities during the fiscal year under review:

- Attendance at meetings of the Board of Directors and the Board of Statutory Auditors:

	Board of Directors		Board of Directors	
	Number of attendance	Ratio of attendance	Number of attendance	Ratio of attendance
Statutory Auditor Nobushige Sakurai	23/23	100%	24/24	100%
Statutory Auditor Kenji Shinya	23/23	100%	24/24	100%
Statutory Auditor Miyuki Hara	23/23	100%	23/24	96%

- Speech at meetings of the Board of Directors

Full-time Statutory Auditors Messrs. Nobushige Sakurai and Kenji Shinya expressed opinions principally from the perspective of compliance with law and corporate governance, as to the execution by the Directors of their duties in accordance with the Corporation Law and other laws or ordinances and the fundamental policy on the establishment of the internal control systems of the Company, and otherwise provided advice and recommendations to secure the validity and appropriateness of decision-making by the Board of Directors.

Part-time Statutory Auditor Mr. Miyuki Hara, principally with regard to accounting treatment by the Company, provided advice and recommendations to secure the validity and appropriateness of decision-making by the Board of Directors by taking advantage of his specialized knowledge as a certified tax accountant.

In addition to these activities, they exchanged opinions with top management regularly and visited any group companies to make on-site surveys whenever necessary.

At the meetings of the Board of Statutory Auditors, they gave reports on audits and other activities as full-time Statutory Auditors and exchanged opinions and each external Statutory Auditor also made remarks and recommendations as to the state of internal control and audits of the Company, including comparison thereof with those of other corporations.

(d) Outline of the content of liability limitation agreements:

In accordance with Article 427, paragraph 1 of the Corporation Law of Japan, the Company has entered into an agreement with each external Statutory Auditor to limit the liability for any damage as provided for in Article 423, paragraph 1 of the said law. The outline of the content of such agreement is as follows:

- If any external Statutory Auditor is liable to the Company for any damage arising from a default in his duties, he shall be liable within the liability amount as provided for in laws or ordinances.
- The above-mentioned liability limitation shall apply only if and when the external Statutory Auditor is in good faith and with no gross negligence in the performance of his duties that caused such liability.

(4) **Account auditors:**

(i) Name: Deloitte Touche Tohmatsu LLC

(ii) Amount of remuneration, etc.:

	Amount of payment
Amount of remuneration, etc. of the account auditors for the fiscal year under review:	¥67 million
Total amount of money and other proprietary benefits payable by the Company and its subsidiaries to the account auditors:	¥70 million

(Notes) 1. The amount of remuneration payable to the account auditors for their audits under the Corporation Law of Japan and the amount of remuneration payable for their audits under the Financial Instruments and Exchange Law of Japan are not specifically separated in the audit contract between the Company and the account auditors and cannot be separated practically. Hence, such amounts are stated collectively.

2. The overseas subsidiaries described in the "1. Current state of the Mitsumi Group: (3) Major parent company and subsidiaries: (ii) State of major subsidiaries" are audited by the following account auditors:

MITSUMI PHILIPPINES, INC. and CEBU MITSUMI, INC.	: Diaz Murillo Dalupan and Company
Zhuhai Mitsumi Electric Co., Ltd.	: BDO CHINA LIXIN DAHUA Certified Public Accountants Co., Ltd.
Qingdao Mitsumi Electric Co., Ltd.	: SHANDONG DESHENG CERTIFIED PUBLIC ACCOUNTANTS
Tianjin Mitsumi Electric Co., Ltd.	: Deloitte Touche Tohmatsu CPA Ltd.

(iii) Content of non-auditing services:

The Company has entrusted the account auditors with advisory services on the accounting and tax services for its local subsidiaries in Hong Kong and Singapore.

(iv) Policy on determination of dismissal and non-reappointment of the account auditors:

In the event that the Board of Statutory Auditors determines the account auditors fall under any of the items of Article 340, paragraph 1 of the Corporation Law of Japan, it shall, upon unanimous consent, dismiss the account auditors. In the event that the Board of Statutory Auditors dismisses the account auditors, it shall report the fact and the reason therefor at the General Meeting of Shareholders first convened thereafter.

In the event that the Board of Directors considers it necessary to do so due to the difficulty for the account auditors to perform their duties or otherwise, it shall, upon consent of or by request from the Board of Statutory Auditors, submit to the General Meeting of Shareholders a proposition to dismiss or not to reappoint the account auditors.

(v) Outline of the content of liability limitation agreements:

Not applicable.

**(5) Systems to secure the properness of business activities**

With regard to the fundamental policy on the establishment of the internal control systems, the Company has the following provisions:

To promote the establishment of the appropriate internal control systems of the Company and its related companies, the Company shall institute an Internal Control Committee, which shall consist of the Directors, the General Managers of the Business Headquarters, responsible officials of the related companies, etc.

For the purpose of the establishment of the internal control systems, the Company considers that the compliance system, risk management system and information disclosure and management system are specifically important. Hence, the Company shall institute a Compliance Committee, a Risk Management Committee and an Information Disclosure Committee, which shall consist of the Directors in charge and relevant personnel in charge, as subordinate organs of the Internal Control Committee to develop and administer such control systems.

(i) Systems to secure the execution by the Directors and employees of their duties to comply with laws or ordinances and the Articles of Incorporation:

- The Directors and employees shall comply with laws or ordinances, the Articles of Incorporation and internal rules of the Company and also comply with, and realize the spirit of, the "Mitsumi Code of Conduct" established by the Company to fulfill its corporate social responsibility at large.
- The Directors and employees responsible for executing business shall take measures

to further improve the internal rules, including the rules of assignment of duties, the rules of duties and powers and the compliance rules, and shall execute business pursuant to the internal procedures.

- The Compliance Committee shall consist of the Director in charge of compliance, the General Affairs Division (Legal Group), the Internal Auditing Office, etc. and shall establish a system to secure the appropriate execution by the Directors and employees of their duties.
  - An Internal Auditing Office shall be established to conduct internal audits to confirm that operations of the Company are conducted in compliance with laws or ordinances, the Articles of Incorporation and its internal rules.
  - A whistle-blowing acceptance office is established in the Department of General Affairs to promptly discover and correct any act in contravention of laws or ordinances, the Articles of Incorporation, the internal rules, etc.
  - To stay out of any antisocial force or group that may threaten the order or safety of civil society, the Company shall improve its internal control system in cooperation with the competent authorities and other external bodies, including attorneys at law.
- (ii) Systems concerning storage and management of information on the execution by the Directors of their duties:
- Documents and other information concerning the execution of the Directors and employees of their duties ("Information on Execution of Duties") shall be stored and managed properly in accordance with the document management rules to be established by the Board of Directors.
  - The document management rules shall include the following provisions:
    1. The Statutory Auditors and the Internal Auditing Office shall be authorized to have access to Information on Execution of Duties.
    2. Of the Information on Execution of Duties, specifically important documents and information shall be stored properly by specifying the storage period and a quick system to search for the existence of information and the content thereof shall be established.
    3. Any amendment to or abolition of the document management rules shall be subject to consent by the Board of Statutory Auditors.
- (iii) Regulations concerning management of exposure to the risk of loss and other systems:
- A Risk Management Committee shall be formed to build up a group-wide risk management system and exercise general control over measures to absorb risks.
  - The activities of the Risk Management Committee shall periodically be reported to the Board of Directors and the Board of Statutory Auditors.
  - The state of risk management assigned to each division shall periodically be audited by the Internal Auditing Office and be reported to the Risk Management Committee.
  - In the event that the Company incurs or threatens to incur a grave risk as provided for in the risk management rules, each relevant division shall immediately report the

same to the Director in charge and the Risk Management Committee, which shall immediately report it to the Representative Director and take necessary measures.

(iv) Systems to secure efficient execution by the Directors of their duties:

- The function and the scope of the duties of each division shall be stipulated in the rules of assignment of duties and the system of authorization of duties and decision-making shall be stipulated in the rules of duties and powers to define the scope of powers of the Directors in charge of execution of business and the delegation of such powers, whereby securing the efficiencies of execution of business.

(v) Systems to secure the properness of business activities of the corporate group comprised of the Company and its subsidiaries:

- To apply the "Mitsumi Code of Conduct" to its overseas subsidiaries and business offices, the Company shall revise it in conformity to the culture, customs and religions of each country and prepare the English, Chinese and other versions thereof.
- To allow all subsidiaries to have access to its whistle-blowing acceptance office, the Company shall revise the system.
- The Company shall promote the establishment of rules of assignment of duties and rules of duties and powers for its subsidiaries and provide that important matters shall be determined by the parent company.
- The Company shall keep track of and evaluate risks to the Company and its subsidiaries as well.
- The Internal Auditing Office shall conduct internal audits of the subsidiaries as well whenever necessary.
- The Company shall institute an Information Disclosure Committee to establish and operate a system to promptly keep track of material facts about the Company, and also make material facts about its related companies promptly reported to the Company and disclose information thereon without delay.

(vi) Matters concerning the appointment of employees to assist the Statutory Auditors to execute their duties:

- The Company shall appoint employees as staff to assist the Statutory Auditors to execute their duties.

(vii) Matters concerning the independence of the employees to assist the Statutory Auditors to execute their duties from the Directors:

- With regard to changes and evaluation of staff for the Statutory Auditors, opinions of the Board of Statutory Auditors shall be held in high regard and any disciplinary disposition of such staff shall be subject to approval of the Board of Statutory Auditors.

(viii) System for reporting by the Directors and employees to the Statutory Auditors and other systems for reporting to the Statutory Auditors:

- The Compliance Committee, the Risk Management Committee, the Information



Disclosure Committee and the Internal Auditing Office shall periodically report the state of activities to the Board of Statutory Auditors, and shall report to the Board of Statutory Auditors immediately if they find any act in violation of, or threatening to violate, laws or ordinances or the Articles of Incorporation.

- Of the information provided to the whistle-blowing acceptance office, any matter that threaten to violate laws or ordinances, the Articles of Incorporation or the internal rules shall be reported to the Board of Statutory Auditors.
- The Statutory Auditors may request the Directors and employees to file a report whenever necessary.

(ix) Other systems to ensure effective audits by the Statutory Auditors:

- The President shall have periodic meetings with the Board of Statutory Auditors and exchange opinions with regard to the development of the internal control systems.
- The Company shall exert its efforts to make its officers and employees better understand audits by the Statutory Auditors and improve the environment for audits by the Statutory Auditors.

#### **(6) Fundamental policy on corporate control**

The Company recognizes that it is the primary responsibility for the Directors entrusted with corporate management to explore efficient means of increasing its corporate value at all times. If such means is a proposal involving a change in management control, it cannot be denied itself and the final decision for or against the proposal should be left to the shareholders. Therefore, the Company has not adopted any specific purchase defense measure.

However, as the decision for or against the proposal should be left to the shareholders, the Company believes that it is essential that all necessary information should be provided to allow the shareholders to consider to the fullest extent whether or not the proposal will be conducive to enhancing the corporate value of the Company. In the event that any investor emerges who intends to make a large purchase of the shares of the Company and participate in management, the Company will, based on the Financial Instruments and Exchange Law and other laws or ordinances of Japan and the standards of the stock exchanges, ask the investor how he/she/it will enhance the corporate value of the Company and fulfill its shareholders' mandate after acquiring a large portion of its shares and request him/her/it to provide information to the shareholders.

**CONSOLIDATED BALANCE SHEET**

(as of March 31, 2012)

(million yen)

**ASSETS:**

Current assets:	121,889
Cash and deposits .....	58,178
Trade notes and trade accounts receivable .....	40,753
Finished products.....	1,885
Work in process .....	4,546
Raw materials and storage.....	14,303
Deferred tax assets .....	533
Other assets.....	1,722
Allowance for doubtful receivables.....	(33)
Fixed assets:	30,771
Tangible fixed assets:	24,444
Buildings and structures.....	7,320
Machinery and equipment and motor vehicles .....	7,541
Tools, furniture and fixtures .....	3,076
Lands.....	5,637
Construction in progress .....	867
Intangible fixed assets:	913
Investments and other assets:	5,413
Investment securities.....	591
Prepaid pension cost .....	1,808
Deferred tax assets .....	2,445
Other investments and other assets .....	692
Allowance for doubtful receivables .....	(123)
TOTAL ASSETS	<u>152,660</u>

(million yen)

LIABILITIES:

Current liabilities:	41,859
Trade notes and trade accounts payable.....	23,532
Short-term borrowings .....	5,013
Accrued expenses.....	3,040
Accrued corporate taxes, etc. ....	183
Allowance for bonuses.....	1,416
Other current liabilities .....	8,673
Long-term liabilities:	1,712
Deferred tax liabilities.....	786
Reserve for employee retirement benefits .....	707
Other long-term liabilities.....	218
<b>TOTAL LIABILITIES</b>	<u><b>43,572</b></u>

NET ASSETS:

Shareholders' equity:	125,128
Capital .....	39,890
Additional paid-in capital .....	43,252
Retained earnings.....	42,077
Treasury stock.....	(91)
Accumulated other comprehensive income:	(16,041)
Valuation difference of other securities .....	6
Foreign exchange translation adjustment.....	(16,047)
<b>TOTAL NET ASSETS</b>	<b>109,087</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>152,660</b></u>

(Note) The figures are given by disregarding fractions of a million yen.

# **CONSOLIDATED STATEMENT OF INCOME**

(April 1, 2011 through March 31, 2012)

		(million yen)
Net sales		167,207
Cost of sales		164,244
Gross profit on sales		2,963
Selling, general and administrative expenses		11,320
Operating loss		(8,357)
Non-operating income		
Interest income	112	
Royalties earned	88	
Foreign exchange income	389	
Other income	446	1,037
Non-operating expenses		
Interest expense	39	
Loss from disposition of fixed assets	273	
Payment compensation	332	
Patent-related expenses	103	
Other expenses	165	914
Recurring loss		(8,234)
Special income:		
Governmental subsidies	50	
Gain on sale of fixed assets	161	
Settlement payment received	96	
Gain on sale of investment securities	2	310
Special loss:		
Special retirement allowances	5,209	
Impairment loss on fixed assets	12,685	17,894
Loss before income taxes and others		(25,818)
Corporate, inhabitant and enterprise taxes	644	
Interperiod tax allocation adjustment	1,872	2,517
Net loss		(28,335)

(Note) The figures are given by disregarding fractions of a million yen.

# **CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY, ETC.**

(April 1, 2011 through March 31, 2012)

(million yen)

Item	Shareholders' equity				
	Capital	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2011	39,890	43,252	72,162	(90)	155,214
Changes during the year					
Distribution of retained earnings			(1,749)		(1,749)
Net loss			(28,335)		(28,335)
Acquisition of treasury stock				(0)	(0)
Changes in items other than shareholders' equity during the year -- net					
Total changes during the year	-	-	(30,084)	(0)	(30,085)
Balance as of March 31, 2012	39,890	43,252	42,077	(91)	125,128

Item	Accumulated other comprehensive income			Total net assets
	Valuation difference of other securities	Foreign exchange translation adjustment	Total accumulated other comprehensive income	
Balance as of April 1, 2011	6	(15,560)	(15,554)	139,659
Changes during the year				
Distribution of retained earnings				(1,749)
Net loss				(28,335)
Acquisition of treasury stock				(0)
Changes in items other than shareholders' equity during the year -- net	0	(486)	(486)	(486)
Total changes during the year	0	(486)	(486)	(30,571)
Balance as of March 31, 2012	6	(16,047)	(16,041)	109,087

(Note) The figures are given by disregarding fractions of a million yen.

## **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: 17 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 affiliates: 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 five 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.

Software installed in products for sale is depreciated by the straight-line method based on the estimated salable period (3 years) and software for use by the Company is depreciated by the straight-line method based on the useful lives for the Company (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.

Any finance lease transaction other than those in which ownership of leased property is deemed to pass to its lessee, which became effective on or prior to March 31, 2008, is treated similarly in the manner in which ordinary lease transactions are treated.

(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. Accrued 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.



c. Reserve for employee retirement benefits:

To meet the payment of retirement benefits to employees, the Company and some of its overseas consolidated subsidiaries account for reserves for employee retirement benefits or prepaid pension cost, based on estimated retirement benefit obligations and plan assets as of the close of the fiscal year.

With regard to the difference of ¥12,579 million upon restatement of the accounts, ¥2,279 million was amortized by the creation of a retirement benefit trust and the balance of ¥10,300 million, except for the amount to be amortized due to the transfer of the substitutional portion of the Employee Pension Fund, is treated as expenses, based on a pro rata basis for 15 years.

Actuarial differences are treated as expenses from the subsequent fiscal year, 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 differences occur.

(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) Accounting treatment of consumption taxes:

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

(5) Additional information:

(Application of the Accounting Standard for Accounting Changes and Error Corrections)

For any accounting change and the correction of any error in the past to be made as from the beginning of the fiscal year under review, the "Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan ("ASBJ") Corporate Accounting Standard No. 24, December 4, 2009) and "Implementation Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Implementation Guidance No. 24, December 4, 2009) are applied.

## 2. Notes to consolidated balance sheet

Accumulated depreciation of tangible fixed assets: ¥125,541 million

## 3. Notes to consolidated statement of income

### (1) 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	Buildings and structures	Japan, China and Malaysia
Business-use asset	Machinery and equipment and motor vehicles	Japan, China, Taiwan, Thailand, the Philippines and Malaysia
Business-use asset	Tools, furniture and fixtures	Japan, China, Taiwan, Thailand, the Philippines and Malaysia
Business-use asset	Intangible fixed assets	Japan, China, Taiwan, the Philippines and Malaysia
Idle asset	Lands	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. With regard to idle assets, the book values thereof were reduced to the recoverable values as their market values had plummeted.

(iii) Amount of impairment losses:

Buildings and structures	¥3,224 million
Machinery and equipment and motor vehicles	¥6,320 million
Tools, furniture and fixtures	¥2,390 million
Lands	¥41 million
Intangible fixed assets	¥707 million
Total	¥12,685 million

(iv) Method of the grouping of assets:

The Group groups its business-use assets by consolidated business as a basic unit. The Group used to grouping assets by business division or consolidated subsidiary as a basic unit. However, for the purpose of more appropriate asset evaluations, the Group has changed the method of the grouping of assets, effective in the fiscal year under review.

(v) Method of the calculation of recoverable values:

With regard to business-use assets, the recoverable value thereof had been calculated based on the use value. However, as a result of the calculation of the use value thereof based on expected future cash flows, it has proved negative at present. Accordingly, the use value is valued at zero. With regard to idle assets, net sales values are used. Net sales values are calculated rationally based on the method of land tax assessment or otherwise.

(2) Special retirement allowances:

The principal items of special retirement allowances are ¥3,890 million of special additional retirement payments and ¥1,232 million of compensations to employees upon their transfers to consolidated subsidiaries.

**4. Notes to consolidated statement of shareholders' equity, etc.**

(1) Total number of issued shares:

Class	Number of shares as of April 1, 2011	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, 2012
Shares of common stock	87,498 thousand shares	-	-	87,498 thousand shares

(2) Matters concerning the distribution of retained earnings:

Amount of payment for dividends, etc.:

Matters concerning the dividends by resolution of the 66th Ordinary General Meeting of Shareholders held on June 24, 2011:

• Aggregate amount of dividends	¥1,749 million
• Source of dividends	Retained earnings
• Amount of dividend per share	¥20
• Record date	March 31, 2011
• Effective date	June 27, 2011

**5. 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.

With regard to risks relating to the collection of trade notes and trade accounts receivable, the Group has stipulated its sales and business (management) rules and bylaws thereof to reduce risks.

With regard to investment securities, which are principally 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, 2012, along with their fair values and the variances:

(million yen)

	Balance sheet amount*	Fair value*	Variance
(1) Cash and deposits	58,178	58,178	-
(2) Trade notes and trade accounts receivable	40,753	40,753	-
(3) Investment securities: Other marketable securities	38	38	-
(4) Trade notes and trade accounts payable	(23,532)	(23,532)	-
(5) Short-term borrowings	(5,013)	(5,013)	-

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

(Note 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.

(Note 2) Unlisted shares (¥553 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".

**6. Notes on information per share:**

(1) Net assets per share:	¥1,247.40
(2) Net loss per share:	¥324.01

## **NON-CONSOLIDATED BALANCE SHEET**

(as of March 31, 2012)

(million yen)

### **ASSETS**

Current assets:	96,058
Cash and deposits .....	37,478
Trade notes receivable .....	793
Trade accounts receivable.....	40,759
Trade receivables on supply of raw materials .....	1,627
Merchandise and finished products .....	188
Work in process .....	3,905
Raw materials and storage .....	10,972
Prepaid expenses.....	74
Deferred tax assets.....	369
Other accounts receivable.....	281
Other current assets .....	259
Allowance for doubtful receivables.....	(652)
Fixed assets:	53,477
Tangible fixed assets:	16,628
Buildings and structures .....	4,401
Machinery and equipment .....	5,215
Motor vehicles .....	28
Tools, furniture and fixtures .....	1,265
Lands .....	5,432
Construction in progress .....	283
Intangible fixed assets:	188
Patents.....	4
Utility rights.....	9
Software.....	143
Telephone rights .....	30
Investments and other fixed assets:	36,660
Investment securities .....	542
Investment in related companies' stock .....	17,037
Investment capital in related companies' stock.....	15,195
Prepaid pension cost .....	1,799
Deferred tax assets.....	1,977
Other investments and other assets.....	231
Allowance for doubtful receivables.....	(123)
TOTAL ASSETS	<u>149,536</u>

(million yen)

LIABILITIES:

Current liabilities:	39,104
Trade notes payable .....	1,237
Trade accounts payable.....	22,472
Short-term loans payable .....	5,013
Other accounts payable.....	5,326
Accrued expenses.....	2,491
Accrued corporate income taxes, etc. ....	146
Accrued bonuses .....	1,268
Notes payable relating to facilities.....	297
Other current liabilities .....	850
Long-term liabilities:	558
Allowance for operating loss .....	339
Other long-term liabilities.....	218
<b>TOTAL LIABILITIES</b>	<b><u>39,663</u></b>

NET ASSETS:

Shareholders' equity:	109,867
Capital .....	39,890
Additional paid-in capital .....	42,250
Capital reserve .....	42,250
Retained earnings.....	27,818
Earned surplus reserve .....	1,505
Other retained earnings .....	26,312
Reserve for deferred income tax on fixed assets .....	178
Retained earnings brought forward from the previous year .....	26,133
Treasury stock.....	(91)
Revaluation and exchange differences, etc.:	6
Valuation difference of other securities .....	6
<b>TOTAL NET ASSETS</b>	<b>109,873</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>149,536</u></b>

(Note) The figures are given by disregarding fractions of a million yen.

**NON-CONSOLIDATED STATEMENT OF INCOME**

(April 1, 2011 through March 31, 2012)

		(million yen)
Net sales		158,063
Cost of sales		157,302
Gross profit on sales		760
Selling, general and administrative expenses		11,185
Operating loss		(10,424)
Non-operating income		
Interest and dividend income	5	
Royalties earned	88	
Foreign exchange income	415	
Other income	173	683
Non-operating expenses		
Interest expense	38	
Loss from disposition of fixed assets	137	
Compensation expenses	346	
Patent-related expenses	103	
Other expenses	48	674
Recurring loss		(10,415)
Special income		
Settlement payment received	96	
Governmental subsidies	50	
Gain on sales of investment securities	2	148
Special loss		
Impairment loss on fixed assets	8,361	
Special retirement benefits	3,890	
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	15,553
Loss before income taxes and others		(25,820)
Corporate, inhabitant and enterprise taxes	216	
Interperiod tax allocation adjustment	2,202	2,418
Net loss		(28,238)

(Note) The figures are given by disregarding fractions of a million yen.



# **NON-CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY, ETC.**

(April 1, 2011 through March 31, 2012)

Item	Shareholders' equity							Total shareholders' equity	Treasury stock	Revaluation and exchange differences, etc	Total Net assets
	Capital	Additional paid-in capital	Retained earnings			Earned surplus reserve	Total retained earnings				
			Other retained earnings								
			Reserve for deferred income tax on fixed assets	Retained earnings brought forward from the previous year							
Balance as of April 1, 2011	39,890	42,250		358	55,941	1,505	57,805	139,855	(90)	6	139,861
Changes during the year											
Distribution of retained earnings					(1,749)		(1,749)	(1,749)			(1,749)
Reversal of reserve for deferred income tax on fixed assets				(179)	179		-	-			-
Net loss					(28,238)		(28,238)	(28,238)			(28,238)
Acquisition of treasury stock								(0)	(0)		(0)
Changes in items other than shareholders' equity during the year - net										0	0
Total changes during the year	-	-		(179)	(29,807)	-	(29,987)	(29,988)	(0)	0	(29,988)
Balance as of March 31, 2012	39,890	42,250		178	26,133	1,505	27,818	109,867	(91)	6	109,873

(Note) The figures are given by disregarding fractions of a million yen.

## **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.

Software installed in products for sale is depreciated by the straight-line method based on the estimated salable period (3 years) and software for use by the Company is depreciated by the straight-line method based on the useful lives for the Company (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.

Any finance lease transaction other than those in which ownership of leased property is deemed to pass to its lessee, which became effective on or prior to March 31, 2008, is treated similarly in the manner in which ordinary lease transactions are treated.

(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.

(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.

With regard to the difference of ¥12,579 million upon restatement of the accounts, ¥2,279 million was amortized by the creation of a retirement benefit trust and the balance of ¥10,300 million, except for the amount to be amortized due to the transfer of the substitutional portion of the Employee Pension Fund, is treated as expenses, based on a pro rata basis for 15 years.

Actuarial differences are treated as expenses from the subsequent fiscal year, 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 differences occur.

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 consumption taxes:

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

(8) Additional information:

(Application of the Accounting Standard for Accounting Changes and Error Corrections)

For any accounting change and the correction of any error in the past to be made as

from the beginning of the fiscal year under review, the "Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan ("ASBJ") Corporate Accounting Standard No. 24, December 4, 2009) and "Implementation Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Implementation Guidance No. 24, December 4, 2009) are applied.

## 2. Notes to non-consolidated balance sheet

- (1) Accumulated depreciation of tangible fixed assets: ¥93,659 million
- (2) Money debts due from and payable to related companies:
  - (i) Short-term money debts due from related companies: ¥9,655 million
  - (ii) Short-term money debts payable to related companies: ¥5,372 million
- (3) Aggregate money debts payable to Directors and Statutory Auditors:

Long-term money debts payable to Directors and Statutory Auditors: ¥204 million

## 3. Notes to non-consolidated statement of income

- (1) Transactions with related companies:
  - (i) Sales: ¥11,621 million
  - (ii) Purchases: ¥73,981 million
  - (iii) Provision for value: ¥15,752 million
  - (iv) Transactions other than ordinary business: ¥227 million
- (2) Impairment loss on fixed assets:
  - (i) Summary of the assets or assets groups with regard to which impairment losses were recognized:

Usage	Item	Country
Business-use asset	Buildings and structures	Chitose City, Hokkaido, etc.
Business-use asset	Machine and equipment	Atsugi City, Kanagawa, etc.
Business-use asset	Motor vehicles	Chitose City, Hokkaido, etc.
Business-use asset	Tools, furniture and fixtures	Tama City, Tokyo, etc.
Business-use asset	Intangible fixed assets	Atsugi City, Kanagawa, etc.
Idle asset	Lands	Komae City, Tokyo, etc.

- (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. With regard to idle assets, the book values thereof were reduced to the recoverable values as their market values had plummeted.

(iii) Amount of impairment losses:

Buildings and structures	¥2,671 million
Machinery and equipment	¥3,824 million
Motor vehicles	¥8 million
Tools, furniture and fixtures	¥1,155 million
Lands	¥41 million
Intangible fixed assets	¥659 million
Total	¥8,361 million

(iv) Method of the grouping of assets:

The Company groups its respective business departments that continuously recognize profits and losses, as a basic unit, and groups its idle assets and idle lands separately.

(v) Method of the calculation of recoverable values:

With regard to business-use assets, the recoverable value thereof had been calculated based on the use value. However, as a result of the calculation of the use value thereof based on expected future cash flows, it has proved negative at present. Accordingly, the use value is valued at zero. With regard to idle assets, net sales values are used. Net sales values are calculated rationally based on the method of land tax assessment or otherwise.

- (3) Special retirement allowances are ¥3,890 million as a result of the revision of the optional retirement system of the Company.

**4. 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, 2011	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, 2012
Shares of common stock	44 thousand shares	0 thousand share	-	45 thousand shares

(Note) The number of shares of treasury stock increased as a result of the purchases of less-than-one-unit shares.

## 5. Notes on employee retirement benefits

### (1) Outline of the retirement benefit plans adopted by the Company

The Company has a defined-benefit corporate pension fund plan.

### (2) Matters concerning retirement benefit obligations

	(million yen)
(i) Retirement benefit obligations	(28,978)
(ii) Plan assets	23,071
(iii) Unfunded retirement benefit obligations ((i)+(ii))	(5,906)
(iv) Unappropriated difference upon restatement of the accounts	1,098
(v) Unrecognized actuarial differences	6,607
(vi) Net balance sheet amount ((iii)+(iv)+(v))	1,799
(vii) Prepaid pension cost	1,799
(viii) Reserve for employee retirement benefits ((vi)-(vii))	-

### (3) Matters concerning retirement benefit cost (April 1, 2011 to March 31, 2012)

	(million yen)
(i) Service cost	1,286
(ii) Interest cost	538
(iii) Expected investment yields	(425)
(iv) Appropriated cost of difference upon restatement of the accounts	366
(v) Appropriated cost of actuarial differences	1,163
(vi) Retirement benefit cost ((i)+(ii)+(iii)+(iv)+(v))	2,929

(Note) In addition to the retirement benefit cost listed above, ¥3,890 million of special additional retirement payments is recorded as a special loss.

### (4) Matters concerning the basis for calculating employee benefit obligations, etc.

(i) Method of periodic allocation of estimated amounts of retirement benefits	Periodic flat-rate formula
(ii) Discount rate	1.7%
(iii) Rate of expected investment yields	2.0%
(iv) Years of appropriation of the difference upon restatement of the accounts	15 years
(v) Years of appropriation of actuarial differences	10 years

## 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 .....	481
Non-admitted revaluation loss of inventories .....	525
Non-admitted accrued expenses .....	1,745
Foreign corporate taxes .....	19
Others .....	207
Sub-total .....	2,979
Valuation allowance .....	(2,601)
Balance of deferred tax assets .....	377
Offset against deferred tax liabilities .....	(8)
Net deferred tax assets .....	369

#### Deferred tax liabilities

Reserve for deferred income tax on fixed assets .....	(8)
Total deferred tax liabilities .....	(8)
Offset against deferred tax assets .....	8
Net deferred tax liabilities .....	-

### Fixed assets and long-term liabilities:

#### Deferred tax assets

Excess depreciation amount .....	462
Non-admitted impairment loss on fixed assets .....	2,707
Loss carry-forward .....	7,128
Valuation loss of investment in related companies' stock .....	523
Valuation loss of investment capital in related companies' stock .....	532
Reserve for employee retirement benefits .....	223
Others .....	493
Sub-total .....	12,071
Valuation allowance .....	(9,040)
Balance of deferred tax assets .....	3,031
Offset against deferred tax liabilities .....	(1,053)
Net deferred tax assets .....	1,977

#### Deferred tax liabilities

Prepaid pension cost .....	(641)
Reserve for deferred income tax on fixed assets .....	(195)
Valuation loss of investment in related companies' stock .....	(213)
Others .....	(3)
Total deferred tax liabilities .....	(1,053)
Offset against deferred tax assets .....	1,053
Net deferred tax liabilities .....	-



- (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 given here as the Company registered a loss before income taxes and others for the fiscal year under review.

## 7. Notes on the fixed assets used by lease

- (1) Amounts equivalent to the acquisition prices, accumulated depreciation and balance at the end of the year, of leased property:

(million yen)

	Amount equivalent to the acquisition prices	Amount equivalent to accumulated depreciation	Amount equivalent to balance at the end of the year
Machinery and equipment	51	43	8
Motor vehicles	4	3	0
Tools, furniture and fixtures	147	126	21
Software	3	3	0
Total:	207	177	30

The amount equivalent to the acquisition prices is calculated by an interest expense-inclusive method as the ratio of the balance of unearned rent at the end of the year to the balance of tangible fixed assets at the end of the year is low.

- (2) Amount equivalent to the balance of unearned rent at the end of the year:

Lease within one year:	¥29 million
Lease exceeding one year:	¥0 million
Total:	¥30 million

The amount equivalent to the balance of unearned rent at the end of the year is calculated by an interest expense-inclusive method as the ratio of the balance of unearned rent at the end of the year to the balance of tangible fixed assets at the end of the year is low.

- (3) Rent paid for the year and the amount equivalent to depreciation costs:

Rent paid:	¥40 million
Amount equivalent to depreciation costs:	¥40 million

- (4) Method of calculation of the amount equivalent to depreciation costs:

By the straight-line method on the assumption that the useful life equals to the lease term and the residual value equals to zero.

## 8. Notes on transactions with related parties

Subsidiaries, etc.

Attribute	Corporate name	Address	Capital stock or contribution	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	Qingdao Mitsumi Electric Co., Ltd.	Qingdao, Quandong, The People's Republic of China	US\$ 38,850 thousand	Manufacture and sale of information communications equipment and system parts	Held by the Company Direct: 100%	2	Manufacture of information communications equipment and system parts of the Company	Provision of raw materials for value Purchase of products	8,190 24,837	Trade receivables on supply of raw materials Trade accounts payable	318 1,377
Subsidiary	MITSUMI CO., LTD.	Hong Kong	HK\$8,000 thousand	Sale of electronic and communications equipment parts	Held by the Company Direct: 100%	1	Sale of products of the Company	Sales of products	5,789	Trade accounts receivable	5,529
Subsidiary	MITSUMI ELECTRONICS (SINGAPORE) PTE. LTD	Singapore	S\$3,800 thousand	Sale of electronic and communications equipment parts	Held by the Company Direct: 100%	2	Sale of products of the Company	Purchase of products	1,894	Trade accounts receivable	1,621

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

1. The provision of raw materials for value is determined based on predetermined costs of the Company.
2. Sales and purchases of products are determined by negotiations from time to time, in consideration of market prices and gross costs.
3. The transaction amount and the year-end balance do not include consumption taxes.

## 9. Notes on information per share

(1) Net assets per share: ¥1,256.38

(2) Net loss per share: ¥322.90

Account Auditors' Audit Report on Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

May 16, 2012

To: The Board of Directors  
Mitsumi Electric Co., Ltd.

Deloitte Touche Tohmatsu LLC

By Toshiyuki Ono (seal)  
Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

By Yasunari Kunii (seal)  
Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

By Takako Fujimoto (seal)  
Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

In accordance with the provision of Article 444, paragraph 4 of the Corporation Law of Japan, this firm has audited the consolidated financial statements, or the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity, etc. and the notes to consolidated financial statements of Mitsumi Electric Co., Ltd. (the "Company"), covering the consolidated fiscal year from April 1, 2011 to March 31, 2012.

Management's Responsibility for Consolidated Financial Statements

The responsibility of the Company's management is to prepare and present properly these consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan. This includes maintaining and improving internal control considered necessary by management to prepare and present properly these consolidated financial statements free of material misstatement by fraud or error.

Account Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial

statements from an independent standpoint, based on our audit conducted. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require us to formulate an audit plan and conduct an audit based thereon to obtain reasonable assurance about whether these consolidated financial statements are free of material misstatement.

In an audit, procedures are taken to obtain audit evidence as to the amounts in consolidated financial statements and disclosure thereof. Audit procedures, on our own judgment, are selected and applied based on our risk assessment of material misstatement in the consolidated financial statements by fraud or error. An audit is not contemplated to express an opinion on the effectiveness of internal control. However, in assessing risk, we assess internal control related to the preparation and proper presentation of these consolidated financial statements to form a plan for adequate audit procedures according to conditions. An audit also includes assessing the accounting policies and methods of application thereof employed by management and estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

We believe that our audit provides sufficient and appropriate audit evidence forming a basis for our opinion.

#### Accounting Auditors' Opinion

This firm is of the opinion that the abovementioned consolidated financial statements present fairly the state of the property and profit and loss of the corporate group consisting of Mitsumi Electric Co., Ltd. and its consolidated subsidiaries for the period related to the consolidated financial statements in all material respects in conformity with the corporate accounting standards generally accepted in Japan.

#### Financial Interest

There is no such relation of interests between the Company and this auditing firm or any engagement partner thereof as is required to be stated under the Certified Public Accountant Law of Japan.

- END -

Account Auditors' Audit Report on Non-Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

May 16, 2012

To: The Board of Directors  
Mitsumi Electric Co., Ltd.

Deloitte Touche Tohmatsu LLC

By Toshiyuki Ono (seal)  
Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

By Yasunari Kunii (seal)  
Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

By Takako Fujimoto (seal)  
Designated Unlimited Liability Partner,  
Engagement Partner,  
Certified Public Accountant

In accordance with the provision of Article 436, paragraph 2, item 1 of the Corporation Law of Japan, this auditing firm audited the non-consolidated financial statements, or the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of shareholders' equity, etc. and the notes to non-consolidated financial statements, and their accompanying supplemental schedules for the 67th fiscal year of Mitsumi Electric Co., Ltd. (the "Company") covering the period from April 1, 2011 to March 31, 2012.

Management's Responsibility for Non-Consolidated Financial Statements, etc.

The responsibility of the Company's management is to prepare and present properly these non-consolidated financial statements and their accompanying supplemental schedules in accordance with corporate accounting standards generally accepted in Japan. This includes maintaining and improving internal control considered necessary by management to prepare and present properly these non-consolidated financial statements and their accompanying supplemental schedules free of material misstatement by fraud or error.

Account Auditors' Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements and their accompanying supplemental schedules based on our audit

conducted. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require us to formulate an audit plan and conduct an audit based thereon to obtain reasonable assurance about whether these non-consolidated financial statements and their accompanying supplemental schedules are free of material misstatement.

In an audit, procedures are taken to obtain audit evidence as to the amounts in non-consolidated financial statements and their accompanying supplemental schedules and disclosure thereof. Audit procedures, on our own judgment, are selected and applied based on our risk assessment of material misstatement in the non-consolidated financial statements and their accompanying supplemental schedules by fraud or error. An audit is not contemplated to express an opinion on the effectiveness of internal control. However, in assessing risk, we assess internal control related to the preparation and proper presentation of these non-consolidated financial statements and their accompanying supplemental schedules to form a plan for adequate audit procedures according to conditions. An audit also includes assessing the accounting policies and methods of application thereof employed by management and estimates made by management, as well as evaluating the overall presentation of these non-consolidated financial statements and their accompanying supplemental schedules.

We believe that our audit provides sufficient and appropriate audit evidence forming a basis for our opinion.

#### Account Auditors' Opinion

In our opinion, the non-consolidated financial statements and their accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company for the period related to the non-consolidated financial statements and their accompanying supplemental schedules in conformity with accounting principles generally accepted in Japan.

#### Financial Interest

There is no such relation of interests between the Company and this auditing firm or any engagement partner thereof as is required to be stated under the Certified Public Accountant Law of Japan.

- END -

## Board of Statutory Auditors' Audit Report

### AUDITORS' REPORT

We, the Board of Statutory Auditors of the Company, report upon deliberation based upon the audit report prepared by each Statutory Auditor on the performance by the Directors of their duties during the 67th fiscal year from April 1, 2011 to March 31, 2012, unanimously prepared this audit and hereby report as follows:

1. Method of audit by the Statutory Auditors and the Board of Statutory Auditors and the particulars thereof:

The Board of Statutory Auditors determined the audit policy and audit plans, including assignment of duties, for the fiscal year under review, received from each Statutory Auditor reports on the state of his performance of audits and the results thereof, and also received from the Directors, etc. and the account auditors reports on the state of performance of their duties and demanded their explanations whenever necessary.

Each Statutory Auditor, pursuant to the audit policy and audit plans, including assignment of duties, for the fiscal year under review determined by the Board of Statutory Auditors, maintained constant communication with the Directors, the internal audit sections and other employees, etc. in an effort to collect information and improve the environment for auditing, attended meetings of the Board of Directors and other important meetings, received from the Directors and employees, etc. reports on the state of performance of their duties, demanded their explanations whenever necessary, inspected important decision documents, etc., and made investigation into the state of activities and property at the head office and principal business offices of the Company. With regard to the details of the resolutions of the Board of Directors for establishing systems to secure that the performance by the Directors of their duties will comply with laws or ordinances and the Articles of Incorporation and such other systems provided for in Article 100, paragraphs 1 and 3 of the Regulations to Enforce the Corporation Law of Japan as necessary to secure the adequacy of business of joint-stock corporations, as well as the status of the systems (internal control systems) established pursuant to such resolutions, which are described in the business report, we periodically received from the Directors and employees, etc. reports, demanded their explanations and expressed our opinions whenever necessary, on the state of formulation and operation thereof. With regard to the fundamental policy under Article 118, item 3(a) of the Regulations to Enforce the Corporation Law, as described in the business report, we investigated the details thereof by taking into account the developments of deliberation by the Board of Directors, etc. With regard to its subsidiaries, we maintained constant communication and exchanged information with the directors, statutory auditors, etc. thereof and required the subsidiaries to render reports on their business operations whenever necessary. In accordance with such methods, we

investigated the business report and its accompanying detailed statements for the fiscal year under review.

We also monitored and verified whether the account auditors had maintained an independent position and conducted adequate audits, and received from the account auditors reports on the state of performance of their duties and demanded their explanations whenever necessary. In addition, we received from the account auditors a notice that the "systems to secure adequate performance of duties" (as listed in the items of Article 131 of the Regulations on Corporate Accounts) had been established in accordance with the "Standard for Quality Control Concerning Audits" (the Accounting Standards Board of Japan, October 28, 2005) and demanded their explanations whenever necessary. In accordance with such methods, we investigated the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of shareholders' equity, etc. and the notes to non-consolidated financial statements) and their accompanying supplemental schedules, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity, etc. and the notes to consolidated financial statements), for the fiscal year under review.

2. Results of audit:

(1) Results of audit of the business report, etc.:

We are of the opinion:

- i. That the business report and its accompanying detailed statements present fairly the state of the Company in accordance with laws or ordinances and the Articles of Incorporation;
- ii. That in connection with the performance by the Directors of their duties, no dishonest act or material fact of violation of laws or ordinances or the Articles of Incorporation exists;
- iii. That the details of the resolutions of the Board of Directors on internal control systems are proper and that the descriptions in the business report and the performance by the Directors of their duties concerning such internal control systems contain nothing to be pointed out; and
- iv. That the details of the fundamental policy on corporate control described in the business report contain nothing to be pointed out.

(2) Results of audit of the non-consolidated financial statements and their accompanying supplemental schedules:

We are of the opinion that the method and results of the audit made by the account auditors, Deloitte Touche Tohmatsu LLC, are proper.



(3) Results of audit of the consolidated financial statements:

We are of the opinion that the method and results of the audit made by the account auditors, Deloitte Touche Tohmatsu LLC, are proper.

May 22, 2012

The Board of Statutory Auditors  
Mitsumi Electric Co., Ltd.

Nobushige Sakurai (seal)  
Full-time Statutory Auditor  
(External Statutory Auditor)

Kenji Shinya (seal)  
Full-time Statutory Auditor  
(External Statutory Auditor)

Shizuumi Nojima (seal)  
Full-time Statutory Auditor

Miyuki Hara (seal)  
Statutory Auditor  
(External Statutory Auditor)

- END -

### Reference Documents for the General Meeting of Shareholders

**Proposition No. 1:** Election of nine (9) Directors

The term of office of all the (12) Directors will expire at the close of this Ordinary General Meeting of Shareholders and it is hereby proposed that nine (9) Directors be elected.

The candidates for Directors are follows:

Candidate No.	Name (Date of birth)	Brief history, position and duties in the Company (and important concurrent office)		Number of shares of the Company held by Candidate
1	Shigeru Moribe (October 27, 1956)	March 1980 May 1980 May 1990 April 1991 February 1994 April 1994 October 1999 April 2002	Joined the Company Sent on loan to MITSUMI ELECTRONICS CORP. General Manager, R&D Division Director; General Manager, Singapore Branch General Manager, Network Devices Business Headquarters Managing Director Senior Managing Director; General Manager, Sales & Marketing Division President and Representative Director, to date	318,400 shares
2	Yasuo Hirose (September 26, 1947)	March 1970 November 1987 February 1997 June 1999 April 2002 June 2005 June 2007	Joined the Company General Manager, Sony/Aiwa Group, Sales & Marketing Division General Manager, Kanto Area Department, Sales & Marketing Division Director; Deputy General Manager, Sales & Marketing Division; in charge of domestic sales & marketing Director; General Manager, Sales & Marketing Division Managing Director; General Manager, Sales & Marketing Division Senior Managing Director; General Manager, Sales & Marketing Division, to date	6,700 shares

Candi- date No.	Name (Date of birth)	Brief history, position and duties in the Company (and important concurrent office)		Number of shares of the Company held by Candidate
3	Fujio Furukawa (July 16, 1949)	<p>March 1970</p> <p>March 1993</p> <p>August 1994</p> <p>January 1998</p> <p>December 2001</p> <p>April 2003</p> <p>April 2007</p> <p>June 2007</p> <p>April 2008</p> <p>April 2009</p> <p>April 2010</p> <p>June 2011</p> <p>April 2012</p>	<p>Joined the Company</p> <p>Sent on loan to TAIPEI MITSUMI CO., LTD.</p> <p>Deputy General Manager, Technology Department, AVC Business Division</p> <p>General Manager, Technology Department, AVC Business Division</p> <p>Deputy General Manager, AVC Business Division</p> <p>General Manager, AVC Business Division</p> <p>Deputy General Manager, Network Devices Business Headquarters</p> <p>Director, to date</p> <p>General Manager, Network Devices Business Headquarters</p> <p>Deputy General Manager, Network Devices Business Headquarters, to date</p> <p>General Manager, Atsugi Operation Base, to date</p> <p>General Manager, R&amp;D Division, to date</p> <p>General Manager, Electronic Devices Business Headquarters, to date</p>	2,600 shares
4	Megumi Yamada (February 1, 1950)	<p>June 1970</p> <p>February 1995</p> <p>May 1997</p> <p>April 2004</p> <p>April 2005</p> <p>June 2005</p> <p>April 2008</p> <p>April 2009</p> <p>April 2012</p>	<p>Joined the Company</p> <p>Deputy General Manager, Manufacturing Department, AVC Business Division</p> <p>President of TAIPEI MITSUMI CO., LTD.</p> <p>General Manager, ODS Business Division</p> <p>General Manager, Component Devices Business Headquarters; General Manager, Interface Equipment Business Division</p> <p>Director, to date</p> <p>General Manager, Component Devices Business Division; in charge of Component Production Business Division</p> <p>General Manager, Component Devices Business Headquarter</p> <p>In charge of Procurement Department and MPS Department; General Manager, Quality &amp; Environment Division, to date</p>	5,500 shares

Candidate No.	Name (Date of birth)	Brief history, position and duties in the Company (and important concurrent office)		Number of shares of the Company held by Candidate
5	Motomu Saito (March 22, 1956)	February 1980 June 2000 July 2001 September 2004 December 2004 March 2006 March 2007 June 2010 April 2012	Joined Yamagata Mitsumi Co., Ltd. Deputy Chief Engineer, Planning Department, R&D Division Chief Manager, Corporate Planning Division General Manager, Corporate Planning Division General Manager, Corporate Planning Division; Deputy General Manager, Chitose Business Division Deputy General Manager, Chitose Business Division General Manager, Corporate Planning Division, to date Director, to date; General Manager in charge of Accounting, General Affairs and Systems In charge of Administration of the Head Office; General Manager, Accounting Division, to date	2,500 shares
6	Hiroshi Aso (April 3, 1957)	March 1981 April 2000 November 2001 January 2004 February 2007 October 2007 April 2010 June 2010 October 2011	Joined Kyushu Mitsumi Co., Ltd. Deputy General Manager, PCA Production Department of Kyushu Mitsumi Co., Ltd. Chief Manager, PAD Development Group of Kyushu Mitsumi Co., Ltd. General Manager, SPS Production Department of Kyushu Mitsumi Co., Ltd. General Manager, SPS Business Division of Kyushu Mitsumi Co., Ltd. General Manager, Power Supply Business Division Deputy General Manager, Semiconductor Devices Business Headquarters Director; General Manager, Semiconductor Devices Business Headquarters, to date General Manager, Atsugi Operation Base, to date	2,500 shares
7	Keishou Fujiwara (April 8, 1954)	March 1979 December 1996 December 2001 January 2003 April 2007 June 2011 April 2012	Joined the Company Chief Manager, C/C Technology Section, Technology Department, AVC Business Division Deputy General Manager, Technology Department, AVC Business Division General Manager, Technology Department, AVC Business Division General Manager, AVC Business Division Director, to date; General Manager, Network Devices Business Headquarters Deputy General Manager, Electronic Devices Business Headquarters, to date	1,300 shares

Candidate No.	Name (Date of birth)	Brief history, position and duties in the Company (and important concurrent office)		Number of shares of the Company held by Candidate
8	* Koichi Seno (December 16, 1960)	March 1985	Joined Newtronics Co., Ltd. (Subsidiary of the Company)	5,000 shares
		November 1996	Chief Manager, Technology Department, Newtronics Co., Ltd.	
		October 2003	Deputy General Manager, Technology Department I, Yamagata Mitsumi Co., Ltd.	
		April 2006	General Manager, Component Devices Sales Promotion Department, Sales & Marketing Division	
		April 2007	Deputy CEO, Zhuhai Mitsumi Electric Co., Ltd.	
		October 2007	CEO, Zhuhai Mitsumi Electric Co., Ltd.	
		April 2010	General Manager, Optical Devices Business Division, to date	
		April 2012	General Manager, Component Devices Business Division; General Manager, Yamagata Business Division, to date	
9	* Hidetoshi Hamai (February 7, 1961)	April 1983	Joined Kyushu Mitsumi Co., Ltd.	5,000 shares
		March 1997	Chief Manager, Technology Section I, SPS Business Promotion Division of Kyushu Mitsumi Co., Ltd.	
		January 2004	Deputy General Manager, SPS Business Promotion Division of Kyushu Mitsumi Co., Ltd.	
		February 2007	General Manager, Technology Department, SPS Business Division of Kyushu Mitsumi Co., Ltd.	
		October 2007	Managing Director, MITSUMI TECHNOLOGY (M.) SDN. BHD.	
		April 2009	General Manager, System Business Division	
		June 2011	General Manager, System Parts Business Division, to date	
		April 2012	Deputy General Manager, Electronic Devices Business Headquarters, to date	

- (Notes) 1. There is no conflict of interest between any candidate and the Company.  
2. \* indicates a candidate for new Director.

**Proposition No. 2:** Election of two (2) Statutory Auditors

The term of office of Statutory Auditors Messrs. Nobushige Sakurai and Shizuumi Nojima will expire at the close of this Ordinary General Meeting of Shareholders. Hence, it is hereby proposed that two (2) Statutory Auditors be elected.

The Board of Statutory Auditors has consented to this proposition.

The candidates for Statutory Auditors are as follows:

Candidate No.	Name (Date of birth)	Brief history, position and duties in the Company (and important concurrent office)		Number of shares of the Company held by Candidate
1	Shizuumi Nojima (July 10, 1946)	September 1973 November 1983 February 1991 November 2002 June 2006	Joined the Company Chief Manager, Accounting Division Deputy General Manager, Accounting Division General Manager, Accounting Division Full-time Statutory Auditor, to date	2,300 shares
2	*Makoto Yamada (May 31, 1953)	April 1976 May 1984 April 1986 April 1998 April 2000 April 2001 April 2004 May 2005 March 2007 April 2007	Joined Mitsui Bank, Limited Graduated from Business School, Cornell University (awarded an MBA) Investment Banking Group, Americas Division (New York), Mitsui Bank, Limited General Manager, Finance Engineering Office, Financial Market Business Department, The Sakura Bank, Limited General Manager, Financial Market Department, The Sakura Bank, Limited Sent on loan to Daiwa Securities SMBC Co. Ltd.; General Manager, Financial Products Development Business Department Principal Examiner, Operational Audit Department, Sumitomo Mitsui Banking Corporation Sent on loan to The Securities Analysts Association of Japan; General Manager, Education, Planning and Research Department Retired from Sumitomo Mitsui Banking Corporation General Manager, Education, Planning and Research Department, The Securities Analysts Association of Japan, to date	0 share

- (Notes) 1. There is no conflict of interest between any candidate and the Company.
2. \* indicates a candidate for new Statutory Auditor.
3. Mr. Makoto Yamada is a candidate for external Statutory Auditor.

4. Management has selected Mr. Makoto Yamada as a candidate for external Statutory Auditor to ensure appropriate audits backed up by his broad knowledge of management, accounting and law, as well as qualifications as a securities analyst and certified internal auditor. Mr. Makoto Yamada has not been directly involved in management of any corporation but for the above-mentioned reason, management has judged that he will be able to properly execute his duties as external Statutory Auditor of the Company.
5. In the event that Mr. Makoto Yamada assumes the office of external Statutory Auditor, the Company will enter into an agreement with him to limit his liability in accordance with Article 427, paragraph 1 of the Corporation Law of Japan. The outline of the content of such agreement is as follows:
  - If any external Statutory Auditor is liable to the Company for any damage arising from a default in his duties, he shall be liable within the liability amount as provided for in laws or ordinances.
  - The above-mentioned liability limitation shall apply only if and when the external Statutory Auditor is in good faith and with no gross negligence in the performance of his duties that caused such liability.
6. Mr. Makoto Yamada meets the requirements as an independent officer as stipulated by Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. and the Company will register him with both exchanges as such.

- END -