

(Excerpt translation)

November 4, 2011

**BRIEF ANNOUNCEMENT OF SETTLEMENT OF ACCOUNTS FOR  
THE SECOND QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2012**

(Based on Japanese GAAP) (Consolidated)

Name of listed company: MITSUMI ELECTRIC CO., LTD.

Listing exchange: Tokyo Stock Exchange and  
Osaka Securities Exchange

Code number: 6767

URL: <http://www.mitsumi.co.jp/>

Representative: Shigeru Moribe  
President and Representative Director

Person to contact: Kunihiro Noguchi  
General Manager of General Affairs Dept.

Scheduled date of submission of  
quarterly report: November 10, 2011

Scheduled date of payment of  
dividends: —

Quarterly supplemental  
explanatory material prepared: Yes

Quarterly results briefing held: Yes (results briefing for analysts and  
institutional investors )

(Figures are indicated by discarding fractions of a million  
yen.)

1. Consolidated business results for the second quarter of the fiscal year ending March 31, 2012 (April 1, 2011 through September 30, 2011):

(1) Consolidated operating results (cumulative):

(The percentages indicate the rates of increase (decrease)  
from the second quarter of the previous fiscal year.)

	Net sales		Operating income		Recurring income		Net income	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Second quarter of the year ending March 31, 2012	81,124	(-) 12.5	(4,627)	-	(5,353)	-	(5,599)	-
Second quarter of the year ended March 31, 2011	92,742	(-) 9.7	(2,422)	-	(3,234)	-	(1,923)	-

(Notes) Comprehensive income: Second quarter of the year ending March 31, 2012: (7,913) million yen  
Second quarter of the year ended March 31, 2011: (4,563) million yen

	Net income per share (basic)	Net income per share (diluted)
	(yen)	(yen)
Second quarter of the year ending March 31, 2012	(64.03)	-
Second quarter of the year ended March 31, 2011	(22.00)	-

(2) Consolidated financial condition:

	Total assets	Net assets	Net worth ratio
	(million yen)	(million yen)	(%)
Second quarter of the year ending March 31, 2012	188,139	129,996	69.1
Year ended March 31, 2011	191,827	139,659	72.8

(For reference) Net worth: Second quarter of the year ending March 31, 2012: 129,996 million yen  
 Year ended March 31, 2011: 139,659 million yen

2. State of dividends:

	Annual dividend (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended March 31, 2011	—	—	—	20.00	20.00
Year ending March 31, 2012	—	—			
Year ending March 31, 2012 (forecast)			—	0.00	0.00

(Note) Adjustment to the most recently publicized forecast of dividends: None

3. Forecast of consolidated business results for the fiscal year ending March 31, 2012 (April 1, 2011 through March 31, 2012):

(The percentages indicate the rates of increase (decrease) from the previous fiscal year.)

	Net sales		Operating income		Recurring income		Net income		Net income per share
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(yen)
Whole-year period	168,000	(-) 10.4	(8,500)	-	(9,500)	-	(10,000)	-	(114.35)

(Note) Adjustment to the most recently publicized forecast of consolidated business results: Yes

4. Others:

- (1) Changes in important subsidiaries (changes in specific subsidiaries involving a change in the scope of consolidation) during the period under review: None
- (2) Application of accounting treatments special to the preparation of the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and modifications and restatements:
- 1) Changes in accounting policies associated with changes in accounting standards: None
  - 2) Other changes in accounting policies: None
  - 3) Changes in accounting estimates: None
  - 4) Modifications and restatements: None
- (4) Number of issued shares (shares of common stock):
- 1) Number of issued shares (including shares of treasury stock) as of the end of the period:
 

Second quarter of the year ending March 31, 2012:	87,498,119 shares
Year ended March 31, 2011:	87,498,119 shares
  - 2) Number of shares of treasury stock as of the end of the period:
 

Second quarter of the year ending March 31, 2012:	45,387 shares
Year ended March 31, 2011:	44,839 shares
  - 3) Average number of shares during the period (quarterly cumulative period):
 

Second quarter of the year ending March 31, 2012:	87,453,091 shares
Second quarter of the year ended March 31, 2011:	87,454,395 shares

\* Statement on the state of performance of quarterly review procedures:

This brief announcement of settlement of accounts for the period under review is not subject to quarterly review procedures under the Financial Instruments and Exchange Law of Japan. The review of this brief announcement of settlement of accounts for the period under review in accordance with the Financial Instruments and Exchange Law has not been completed at the time of disclosure hereof.

\* Explanation for the appropriate use of the forecast of business results and other special instructions:

The description of the future in this material, including the forecast of business results, is based on the information currently available to the Company and certain assumptions

currently considered reasonable by the Company. The actual results may change depending on various factors. As for the conditions precedent to the forecasts of business results and the instructions on the use of the forecasts of business results, please refer to "Qualitative information on the forecasts of consolidated business results" on page 7 hereof.

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## 1 Qualitative Information on the Settlement of Accounts for the Quarter of the Fiscal Year under Review

### (1) Qualitative information on the consolidated operating results

To overview the global economic situations during the consolidated second-quarter cumulative period of the fiscal year under review, emerging countries have continued to remain on the phase of expansion. However, in developed countries, in spite of some favorable factors, including the continued expansion of the energy-related industry and the recovery of the automobile industry, the market has become markedly stagnant due to the high unemployment rate in the United States and actualized sovereign credit risks in Europe, among other things. Thus, the global economic growth as a whole has slowed down.

In Japan, in spite of demand for recovery from the Great East Japan Earthquake, corporate activities have become apparently stagnant due to higher prices of resources and the appreciation of the yen in the foreign exchange market and the scale of economy is anticipated to remain in the same with the previous year or less.

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 its major products, products related to flat-panel TVs and PCs, has slowed down. As the trends in world economies remain unforeseeable, demand does not appear to grow towards the year-end shopping season and growth has apparently become slow.

The Group has been affected by sluggish orders received for amusement-related products and net sales have decreased in value due to the appreciation of the yen, resulting in a decline in profit. As a result, for the second-quarter cumulative period of the fiscal year under review, on a consolidated basis, net sales amounted to ¥81,124 million (87.5% in comparison with the corresponding period of the previous fiscal year). With regard to profits and losses, in spite of its various measures to reduce cost, the Company has registered an operating loss of ¥4,627 million (operating loss of ¥2,422 million for the corresponding period of the previous fiscal year) and a recurring loss of ¥5,353 million (recurring loss of ¥3,234 million for the corresponding period of the previous fiscal year). Net loss amounted to ¥5,599 million (net loss of ¥1,923 million for the corresponding period of the previous fiscal year).

### (2) Qualitative information on the consolidated financial position

#### (i) Changes in the state of financial position for the second quarter of the fiscal year under review:

As of the end of the second quarter of the fiscal year under review, on a consolidated basis, total assets accounted for ¥188,139 million, down ¥3,688 million from the end of the previous fiscal year, principally due to a decrease of ¥11,023 million in trade notes and trade accounts receivable and a decrease of ¥2,389 million in tangible fixed assets in spite of an increase of ¥3,253 million in cash and deposits and an increase of ¥7,179 million in inventories.

Total liabilities accounted for ¥58,143 million, up ¥5,975 million from the end of the

previous fiscal year, principally due to an increase of ¥6,690 million in trade notes and trade accounts payable.

Total net assets accounted for ¥129,996 million, down ¥9,663 million from the end of the previous fiscal year, principally due to the payment of dividends during the first quarter of the fiscal year under review and a decrease of ¥7,348 million of retained earnings as a result of a net loss and a change of ¥2,307 million in foreign exchange translation adjustment as a result of the appreciation of the yen.

As a result, the net worth ratio as of the end of the second quarter of the fiscal year under review decreased by 3.7 points from the end of the previous fiscal year to 69.1%.

(ii) State of cash flows for the second quarter of the fiscal year under review:

Cash and cash equivalents ("net cash") at the end of the second quarter of the fiscal year under review increased by ¥3,050 million from the end of the previous fiscal year to account for ¥46,467 million on a consolidated basis.

The state of cash flows for the second quarter of the fiscal year under review is as follows:

(Cash flows from operating activities)

Cash flows from operating activities resulted in receipts of ¥10,167 million (receipts of ¥13,920 million for the corresponding period of the previous fiscal year) principally due to a decrease in trade accounts receivable and an increase in trade accounts payable, in spite of a loss of ¥5,180 million before income taxes and others and an increase in inventories.

(Cash flows from investing activities)

Cash flows from investing activities resulted in payments of ¥4,331 million (payments of ¥6,862 million for the corresponding period of the previous fiscal year) principally due to payments for the acquisition of tangible fixed assets and the placing of time deposits.

(Cash flows from financing activities)

Cash flows from financing activities resulted in payments of ¥1,749 million (payments of ¥3,056 million for the corresponding period of the previous fiscal year) principally due to the payment of dividends.

(3) Qualitative information on the forecasts of consolidated business results

Adjustment has herein been made to the forecast of consolidated business results for the fiscal year ending March 31, 2012, which was publicized on August 4, 2011.

For details, please refer to the "Notice on the Differences between the Forecasted Amounts and Actual Amounts of Consolidated Business Results for the Second-Quarter Cumulative Period of the Fiscal Year Ending March 31, 2012 and the Adjustment to the Forecast of Consolidated Business Results for the Whole-Year Period of the Fiscal Year

Ending March 31, 2012" publicized today (on November 4, 2011).

2. Matters Concerning Summary Information (Others)

(Translation omitted)



### 3. Consolidated Quarterly Financial Statements

#### (1) Consolidated quarterly balance sheets

(million yen)

	Year ended March 31, 2011 (as of March 31, 2011)	Second quarter of the year ending March 31, 2012 (as of September 30, 2011)
<b><u>ASSETS:</u></b>		
Current assets:		
Cash and deposits	45,115	48,368
Trade notes and trade accounts receivable	63,624	52,600
Finished products	2,572	2,586
Work in process	4,137	6,097
Raw materials and storage	23,596	28,800
Other assets	4,812	4,553
Allowance for doubtful receivables	(56)	(52)
Total current assets	143,800	142,955
Fixed assets:		
Tangible fixed assets	39,814	37,425
Intangible fixed assets	1,883	1,644
Investments and other assets	6,328	6,114
Total fixed assets	48,026	45,184
<b>TOTAL ASSETS</b>	<b>191,827</b>	<b>188,139</b>
<b><u>LIABILITIES:</u></b>		
Current liabilities:		
Trade notes and trade accounts payable	36,113	42,804
Short-term borrowings	5,072	4,675
Accrued corporate taxes, etc.	477	297
Allowance for bonuses	1,437	1,398
Other current liabilities	7,142	7,011
Total current liabilities	50,243	56,186
Long-term liabilities:		
Reserve for employee retirement benefits	607	621
Other long-term liabilities	1,316	1,334
Total long-term liabilities	1,924	1,956
<b>TOTAL LIABILITIES</b>	<b>52,167</b>	<b>58,143</b>
<b><u>NET ASSETS:</u></b>		
Shareholders' equity:		
Capital	39,890	39,890
Additional paid-in capital	43,252	43,252
Retained earnings	72,162	64,813
Treasury stock	(90)	(91)
Total shareholders' equity	155,214	147,864
Accumulated other comprehensive income:		
Valuation difference of other securities	6	(0)
Foreign exchange translation adjustment	(15,560)	(17,868)
Total accumulated other comprehensive income	(15,554)	(17,868)
<b>TOTAL NET ASSETS</b>	<b>139,659</b>	<b>129,996</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>191,827</b>	<b>188,139</b>

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income

Consolidated quarterly statements of income  
 (For the consolidated second-quarter cumulative period)

(million yen)

	Second-quarter cumulative period of the year ended March 31, 2011 (April 1, 2010 through September 30, 2010)	Second-quarter cumulative period of the year ending March 31, 2012 (April 1, 2011 through September 30, 2011)
Net sales	92,742	81,124
Cost of sales	88,730	79,889
Gross profit on sales	4,012	1,235
Selling, general and administrative expenses	6,435	5,863
Operating loss	(2,422)	(4,627)
Non-operating income		
Interest income	47	57
Royalty received	62	65
Returned patent fees	198	-
Other income	150	98
Total non-operating income	458	222
Non-operating expenses		
Interest expense	25	17
Loss on disposition of fixed assets	161	132
Foreign exchange loss	933	649
Other expenses	150	148
Total non-operating expenses	1,270	948
Recurring loss	(3,234)	(5,353)
Special income		
Gain on sales of fixed assets	-	173
Gain on sales of investment securities	-	1
Gain on insurance claims	63	-
Total special income	63	174
Special loss		
Special retirement benefits	-	1
Total special loss	-	1
Loss before income taxes and others	(3,170)	(5,180)
Corporate, inhabitant and enterprise taxes	(1,246)	418
Net loss	(1,923)	(5,599)

Consolidated quarterly statements of comprehensive income  
 (For the consolidated second-quarter cumulative period)

(million yen)

	Second-quarter cumulative period of the year ended March 31, 2011 (April 1, 2010 through September 30, 2010)	Second-quarter cumulative period of the year ending March 31, 2012 (April 1, 2011 through September 30, 2011)
Net loss	(1,923)	(5,599)
Other comprehensive income		
Valuation difference of other securities	(8)	(6)
Foreign exchange translation adjustment	(2,631)	(2,307)
Total other comprehensive income	(2,639)	(2,314)
Quarterly comprehensive income	(4,563)	(7,913)
(Items)		
Quarterly comprehensive income related to the shareholders of the parent company	(4,563)	(7,913)
Quarterly comprehensive income related to the minority shareholders	-	-

(3) Consolidated quarterly statements of cash flows

(million yen)

	Second-quarter cumulative period of the year ended March 31, 2011 (April 1, 2010 through September 30, 2010)	Second-quarter cumulative period of the year ending March 31, 2012 (April 1, 2011 through September 30, 2011)
Cash flows from operating activities:		
Loss before income taxes and others	(3,170)	(5,180)
Depreciation	4,989	5,652
Increase (decrease) in allowance for doubtful accounts	(36)	(126)
Increase (decrease) in reserve for employee retirement benefits	8	45
(Increase) decrease in prepaid pension cost	181	529
Interest and dividend income	(48)	(58)
Interest expenses	25	17
Foreign exchange (income) loss	(617)	(331)
(Gain) loss on sale of fixed assets	3	(176)
Loss from write-off and retirement of fixed assets	161	132
Gain on insurance claims	(63)	-
(Increase) decrease in trade accounts receivable	13,946	10,416
(Increase) decrease in inventories	(7,992)	(7,615)
Increase (decrease) in trade accounts payable	7,541	7,318
Others	(860)	(207)
Subtotal	14,067	10,414
Interest and dividends received	54	54
Interest paid	(24)	(17)
Special retirement benefits paid	-	(62)
Insurance claims received	285	-
Corporate taxes paid	(561)	(563)
Corporate taxes refunded	99	343
Net cash (used in) provided by operating activities	13,920	10,167
Cash flows from investing activities:		
Placing of time deposits	(674)	(419)
Withdrawal of time deposits	61	46
Acquisition of tangible fixed assets	(6,169)	(4,095)
Sale of tangible fixed assets	116	506
Acquisition of intangible fixed assets	(192)	(117)
Acquisition of investment securities	-	(299)
Sale of investment securities	-	25
Others	(3)	22
Net cash (used in) provided by investing activities	(6,862)	(4,331)
Cash flows from financing activities:		
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(3,055)	(1,748)
Net cash (used in) provided by financing activities	(3,056)	(1,749)
Translation gain/loss related to cash and cash equivalents	(961)	(1,036)
Net increase (decrease) in cash and cash equivalents	3,040	3,050
Cash and cash equivalents at beginning of the period	55,869	43,417
Cash and cash equivalents at end of the period	58,910	46,467

(4) Note on assumptions for going concern

Not applicable.

(5) Segment information

The business of the Group is comprised of a single segment of production and sale of parts of electronic and communications devices and equipment. Hence, the descriptions of segment information are omitted.

(6) Note on material change (if any) in the amount of shareholders' equity

Not applicable.

4. Supplementary Information

(1) Production, orders received and sales

(i) Production

Production by product division for the consolidated second-quarter cumulative period of the fiscal year ending March 31, 2012:

Division	Production	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)
Semiconductor Devices	15,739	81.0
Optical Devices	5,552	85.6
System Parts	35,145	97.5
High-Frequency Parts	14,840	86.2
Power-Unit Parts	8,539	81.0
Information Communications Equipment	1,334	47.9
Total	81,151	87.7

(ii) Orders received

Orders received by product division for the consolidated second-quarter cumulative period of the fiscal year ending March 31, 2012:

Division	Orders received	Comparison with the corresponding period of the previous fiscal year	Balance of orders received	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)	(million yen)	(%)
Semiconductor Devices	16,036	81.2	3,949	105.9
Optical Devices	5,882	91.2	1,455	88.8
System Parts	34,841	92.1	5,188	96.7
High-Frequency Parts	11,180	61.0	3,859	57.0
Power-Unit Parts	8,625	81.6	1,653	109.4
Information Communications Equipment	1,401	37.9	102	8.6
Total	77,967	80.7	16,208	80.2

(iii) Sales

Sales by product division for the consolidated second-quarter cumulative period of the fiscal year ending March 31, 2012:

Division	Sales	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)
Semiconductor Devices	15,781	81.6
Optical Devices	5,527	84.8
System Parts	35,300	97.3
High-Frequency Parts	14,590	85.0
Power-Unit Parts	8,500	80.4
Information Communications Equipment	1,423	50.0
Total	81,124	87.5

(2) Overseas net sales

For the consolidated second-quarter cumulative period of the fiscal year ending March 31, 2012 (April 1, 2011 through September 30, 2011):

(million yen)

	Asia	Europe	North America	Total
I. Overseas net sales	31,987	1,957	611	34,555
II. Consolidated net sales				81,124
III. Ratio of overseas net sales to consolidated net sales (%)	39.4	2.4	0.8	42.6

- END -