(Translation)

Securities Code: 6767
June 6, 2014

To the Shareholders:

NOTICE OF THE 69TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Please take notice that the 69th 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 24 (Tuesday), 2014.

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 25 (Wednesday), 2014, 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 69th fiscal year (from April 1, 2013 to March 31, 2014)

   2. Report on the non-consolidated financial statements for the 69th fiscal year (from April 1, 2013 to March 31, 2014)

   Matters to be resolved:

   Proposition No. 1: Appropriation of retained earnings

   Proposition No. 2: Election of eight (8) Directors

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(Provided document)

BUSINESS REPORT

(April 1, 2013 to March 31, 2014)

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, in the United States, there was a slow recovery due to strong consumer spending. Europe remained in a prolonged economic stagnancy though its economy showed a sign of recovery. Additionally, due to a moderate economic growth in the emerging countries, the global economy generally has been in the phase of a modest recovery. In Japan, with the effect of the weaker yen and rising stock prices, there was an improvement in corporate performances and capital spending and consumer spending have begun to show an upturn.

In our electronic parts industry, while the market for products related to digital cameras and PCs has flagged, the market for growth products, including smart phones and tablet devices, and car-mounted devices has continued to expand.

Under these circumstances, the Mitsumi Group experienced an increase in sales of smart phone-related products and products related to car-mounted devices while sales of amusement-related products, among others, decreased. As a result, for the fiscal year under review, on a consolidated basis, net sales amounted to ¥157,360 million (103.5% in comparison with the previous fiscal year).

With regard to profits and losses, as a result of its measures to increase sales and improvements to reform its business structure, among others, the Company registered an operating income of ¥629 million (operating loss of ¥4,382 million for the previous fiscal year) and a recurring income of ¥2,632 million (recurring loss of ¥3,274 million for the previous fiscal year). Net income amounted to ¥3,228 million (net loss of ¥11,545 million for the previous fiscal year).

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

Semiconductor devices:

Orders received by the Group for module-related products decreased but orders received for semiconductors for power units and battery cells increased. As a result, consolidated net sales of semiconductor devices amounted to ¥25,515 million (100.5% in comparison with the previous fiscal year).

Optical devices:

Orders received by the Group for camera modules for smart phones and car-mounted devices increased but orders received for camera modules for amusement-related products decreased. As a result, consolidated net sales of optical devices amounted to ¥11,495 million (88.1% in comparison with the previous fiscal year).

System parts:

Orders received by the Group for system parts for amusement-related products decreased but orders received by the Group for general-purpose items, such as actuators for camera modules increased. As a result, consolidated net sales of system parts amounted to ¥78,555 million (105.9% in comparison with the previous fiscal year).

High-frequency parts:

Orders received by the Group for high-frequency parts for use in car-mounted devices increased. As a result, consolidated net sales of high-frequency parts amounted to ¥20,579 million (123.6% in comparison with previous fiscal year).

Power-unit parts:

Orders received by the Group for power-unit parts for amusement-related products decreased. As a result, consolidated net sales of power-unit parts amounted to ¥21,215 million (92.9% in comparison with the previous fiscal year).

"Information communications equipment", which has been classified separately until the previous fiscal year, is stated by inclusion in "System parts" as from the first quarter of the fiscal year under review. The comparison with the previous fiscal year is made by reclassification of the figures for the previous fiscal year to the reclassified division.

(ii) Investment in plant and equipment:

Investment in plant and equipment during the fiscal year under review totaled ¥10,623 million, which was spent mainly to develop new products and replace machinery and equipment and molds in the division of system parts, among others.

(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 consolidated fiscal years:

Item \ Fiscal year	66th April 1, 2010 - Mar. 31, 2011	67th April 1, 2011 - Mar. 31, 2012	68th April 1, 2012 - Mar. 31, 2013	69th (current year) April 1, 2013 - Mar. 31, 2014
Net sales (million yen)	187,418	167,207	152,098	157,360
Recurring income (loss) (million yen)	(6,387)	(8,234)	(3,274)	2,632
Net income (loss) (million yen)	(3,541)	(28,335)	(11,545)	3,228
Net income (loss) per share (yen)	(40.49)	(324.01)	(132.02)	36.92
Total assets (million yen)	191,827	152,660	140,611	142,981
Net assets (million yen)	139,659	109,087	101,521	102,992
Net assets per share (yen)	1,596.96	1,247.40	1,160.88	1,177.71

(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 CO., LTD.	HK$8,000 thousand	100.0	Sale of electronic parts
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 devices 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 its 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 further 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, 2014)

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 and power unit parts, and in other businesses pertaining or relating thereto.

(6) Main business offices, plants and factories (as of March 31, 2014)

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

(7) State of employees (as of March 31, 2014)

(i) Employees of the Group:

Division	Number of employees (persons)	Comparison with the end of the previous fiscal year (+ or -) (persons)
Semiconductor devices	2,776	- 183
Optical devices	1,386	- 415
System parts	25,595	+ 3,117
High-frequency parts	2,447	+ 38
Power-unit parts	2,623	- 669
Group-wide (common)	1,590	- 38
Total	36,417	+ 1,850

(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.
3. "Information communications equipment", which has been classified separately until the previous fiscal year, is stated by inclusion in "System parts" as from the first quarter of the fiscal year under review. The comparison with the previous fiscal year is made by reclassification of the figures for the previous fiscal year to the reclassified 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)
2,571	- 19	42.8	16.8

(Note) The above number of employees excludes 166 employees of the Company who are temporarily sent to other companies.

(8) **Principal lenders** (as of March 31, 2014)

(million yen)

Lender	Balance of borrowings
Sumitomo Mitsui Banking Corporation	2,187
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,482
Mizuho Bank, Ltd.	1,250
The Yamanashi Chuo Bank, Limited	885
The Yamagata Bank, Ltd.	473

(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, 2014)

(i) Total number of issuable shares: 200,000,000 shares

(ii) Total number of issued shares: 87,498,119 shares

(iii) Number of shareholders: 19,965 persons

(iv) Principal shareholders (top ten):

Name	Number of shares held (thousand shares)	Equity position (%)
Japan Master Trust Bank of Japan, Ltd. (Trust account)	12,896	14.75
Japan Trustee Services Bank, Ltd. (Trust account)	7,536	8.62
BNP Pariba Securities	3,428	3.92
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	2,692	3.08
Masako Moribe	2,477	2.83
Trust & Custody Services Bank, Ltd. (Security investment trust account)	2,227	2.55
Societe Generale Securities North Pacific Limited	1,361	1.56
The Nomura Trust and Banking Co., Ltd. (Trust account)	1,178	1.35
Itsuo Moribe	1,087	1.24
BNP Pariba Arbitrage SNC	1,007	1.15

(Notes) 1. The equity position is calculated by excluding the shares of treasury stock (46,958 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, 2014):

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, 2014):

Name	Position in the Company	Business in charge and important concurrent office
Shigeru Moribe	President and Representative Director	
Yasuo Hirose	Senior Managing Director	General Manager, Sales & Marketing Division
Fujio Furukawa	Managing Director	General Manager, R&D Division and General Manager, Electronic Devices Business Headquarters
Megumi Yamada	Director	General Manager, Quality & Environment Headquarters and in charge of Procurement Division and MPS Division and
Motomu Saito	Director	In charge of Corporate Administration and General Manager, Accounting
Hiroshi Aso	Director	General Manager, Semiconductor Devices Business Headquarters
Keishou Fujiwara	Director	Deputy General Manager, Electronic Devices Business Headquarters
Koichi Seno	Director	General Manager Component Devices Business Headquarters
Hidetoshi Hamai	Director	Deputy General Manager, Electronic Devices Business Headquarters
Tetsuya Sekimoto	Director	Attorney at law (representative, Del Sole Sakura Law Office) External Statutory Auditor, Koyo Chemical Kabushiki Kaisha Representative Director, Del Sole Consulting Corporation External Director, SBS Holdings Inc.
Kenji Shinya	Full-time Statutory Auditor	
Shizuumi Nojima	Full-time Statutory Auditor	
Makoto Yamada	Full-time Statutory Auditor	
Tateru Sugio	Statutory Auditor	Certified tax accountant (representative, Tateru Sugio Certified Tax Accountant Office) External Statutory Auditor, Asuka Pharmaceutical Co., Ltd.

(Notes)

1. Director Mr. Tetsuya Sekimoto is an external director as provided for in Article 2, item 15 of the Companies Act of Japan.

2. Full-time Statutory Auditors Messrs. Kenji Shinya and Makoto Yamada and Statutory Auditor Mr. Tateru Sugio are external auditors as provided for in Article 2, item 16 of the Companies Act of Japan.

3. Full-time Statutory Auditor Mr. Shizuumi Nojima, who served in the Accounting Division of the Company for some significant period of time and engaged in closing processes and the preparation of financial statements for many years, has considerable knowledge of financing and accounting.

   Statutory Auditor Mr. Tateru Sugio, who is qualified as a certified tax accountant, has considerable knowledge of financing and accounting.

4. At the 68th Ordinary General Meeting of Shareholders held on June 25, 2013, Mr. Tetsuya Sekimoto was newly elected as Director and assumed office and Mr. Tateru Sugio was newly elected as Statutory Auditor and assumed office.

5. The Company has designated Director Mr. Tetsuya Sekimoto, full-time Statutory Auditors Messrs. Kenji Shinya and Makoto Yamada and Statutory Auditor Mr. Tateru Sugio as independent officers as stipulated by Tokyo Stock Exchange, Inc. and registered them with the exchange as such.

6. The Company introduced a corporate officer system as of April 1, 2014. Accordingly, the status of the Directors has changed as follows:

Name	Position in the Company	Business in charge and important concurrent office
Shigeru Moribe	President and Representative Director	
Yasuo Hirose	Senior Managing Director	
Fujio Furukawa	Managing Director, Managing Executive Officer	General Manager, R&D Division and in charge of Automotive Devices Business Division
Megumi Yamada	Director	
Motomu Saito	Director, Managing Executive Officer	In charge of Corporate Administration
Hiroshi Aso	Director, Executive Officer	General Manager, Semiconductor Devices Business Division
Keishou Fujiwara	Director, Executive Officer	General Manager, Quality & Environment Headquarters and in charge of Procurement Department
Koichi Seno	Director, Managing Executive Officer	General Manager, Component Devices Business Headquarters and in charge of MPS Division
Hidetoshi Hamai	Director, Managing Executive Officer	General Manager, Electronic Devices Business Headquarters
Tetsuya Sekimoto	Director	Attorney at law (representative, Del Sole Sakura Law Office) External Statutory Auditor, Koyo Chemical Kabushiki Kaisha Representative Director, Del Sole Consulting Corporation External Director, SBS Holdings Inc.

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

Statutory Auditor Mr. Miyuki Hara retired from office upon expiration of the term of office at the close of the 68th Ordinary General Meeting of Shareholders held on June 25, 2013.

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

Category	Number	Amount of payments
Directors	10	¥122 million
Statutory Auditors	5	¥48 million
Total	15	¥170 million

(Notes)
1. The above number of Directors and Statutory Auditors includes one Statutory Auditor who retired from office as at the close of the 68th Ordinary General Meeting of Shareholders held on June 25, 2013.
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.
5. The total amount of remuneration, etc. of external officers was ¥37 million, for one Director and four Statutory Auditors.

(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:

External Director Mr. Tetsuya Sekimoto is concurrently serving as Representative Director of Del Sole Consulting Co., Ltd., which has no business relationship with the Company.

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

External Director Mr. Tetsuya Sekimoto is concurrently serving as external Statutory Auditor of Koyo Chemical Kabushiki Kaisha and external Director of SBS Holdings, Inc., both of which have no business relationship with the Company.

External Director Mr. Tateru Sugio is concurrently serving as external Statutory Auditor of Asuka Pharmaceutical Co., Ltd., which has no business relationship with the Company.

(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 Statutory Auditors	
	Number of attendance	Ratio of attendance	Number of attendance	Ratio of attendance
Director Tetsuya Sekimoto	12/12	100%	-	-
Statutory Auditor Kenji Shinya	16/16	100%	17/17	100%
Statutory Auditor Makoto Yamada	16/16	100%	17/17	100%
Statutory Auditor Tateru Sugio	11/12	92%	11/12	92%

(Note) 1. Director Mr. Tetsuya Sekimoto and Statutory Auditor Mr. Tateru Sugio, who assumed office at the 68th Ordinary General Meeting of Shareholders, had 12 meetings of the Board of Directors and the Board of Statutory Auditors, respectively, available for their attendance.

- Speech at meetings of the Board of Directors

Director Mr. Tetsuya Sekimoto, principally with regard to matters concerning important contracts, provided advice and recommendations from the perspective of the validity and appropriateness thereof by taking advantage of his specialized knowledge as an attorney at law and the experience accumulated as officers and advisors of other companies, and participated in decision-making on the matters submitted to the Board of Directors.

Full-time Statutory Auditors Messrs. Kenji Shinya and Makoto Yamada 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 Companies Act and other laws and 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.

Statutory Auditor Mr. Tateru Sugio, 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, the above-mentioned Statutory Auditors 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 Companies Act of Japan, the Company has entered into an agreement with the external Director and each external Statutory Auditor to limit the liability for any damage as provided for in Article 423, paragraph 1 of the said act. The outline of the content of such agreement is as follows:

・ If any external Director or 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 Director or 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:	¥69 million
Total amount of money and other proprietary benefits payable by the Company and its subsidiaries to the account auditors:	¥69 million

(Notes) 1. The amount of remuneration payable to the account auditors for their audits under the Companies Act of Japan and the amount of remuneration payable for their audits under the Financial Instruments and Exchange Act 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 CO., LTD.	:	Deloitte Touche Tohmatsu Certified Public Accountants LLP
MITSUMI PHILIPPINES, INC. and CEBU MITSUMI, INC.	:	Diaz Murillo Dalupan and Company

Zhuhai Mitsumi Electric Co., Ltd.	:	BDO CHINA DAHUA Certified Public Accountants Co., Ltd.
Qingdao Mitsumi Electric Co., Ltd.	:	SHANDONG DESHENG CERTIFIED PUBLIC ACCOUNTANTS
Tianjin Mitsumi Electric Co., Ltd.	:	Deloitte Touche Tohmatsu Certified Public Accountants LLP

(iii) Content of non-auditing services:

The Company has not entrusted the account auditors with any service other than audit certification provided for in Article 2, paragraph 1 of the Certified Public Accountant Act of Japan.

(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 Companies Act 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 and ordinances and the Articles of Incorporation:

- The Directors and employees shall comply with laws and 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 and ordinances, the Articles of Incorporation and its internal rules.
- A whistle-blowing acceptance office is established in the General Affairs Division 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 the 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 takeover 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 Act and other laws and 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, 2014)

(million yen)

ASSETS:	
Current assets:	111,977
Cash and deposits	46,317
Trade notes and trade accounts receivable	36,692
Finished products	2,832
Work in process	8,057
Raw materials and storage	16,737
Deferred tax assets	109
Other assets	1,256
Allowance for doubtful receivables	(25)
Fixed assets:	31,003
Tangible fixed assets:	27,797
Buildings and structures	9,915
Machinery and equipment and motor vehicles	8,486
Tools, furniture and fixtures	2,925
Lands	5,490
Construction in progress	979
Intangible fixed assets:	1,322
Investments and other assets:	1,882
Investment securities	919
Deferred tax assets	357
Other investments and other assets	723
Allowance for doubtful receivables	(118)
TOTAL ASSETS	142,981

(million yen)

LIABILITIES:	
Current liabilities:	33,956
Trade notes and trade accounts payable	18,309
Short-term borrowings	6,278
Accrued expenses	3,450
Accrued corporate taxes, etc.	534
Allowance for bonuses	1,315
Other current liabilities	4,067
Long-term liabilities:	6,033
Deferred tax liabilities	1,363
Net defined benefit liability	4,459
Other long-term liabilities	210
TOTAL LIABILITIES	39,989
NET ASSETS:	
Shareholders' equity:	116,783
Capital	39,890
Additional paid-in capital	43,252
Retained earnings	33,733
Treasury stock	(92)
Accumulated other comprehensive income:	(13,790)
Valuation difference of other securities	49
Foreign exchange translation adjustment	(9,698)
Accumulated adjustments to employee retirement benefit	(4,142)
TOTAL NET ASSETS	102,992
TOTAL LIABILITIES AND NET ASSETS	142,981

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

CONSOLIDATED STATEMENT OF INCOME

(April 1, 2013 through March 31, 2014)

(million yen)

Net sales		157,360
Cost of sales		146,253
Gross profit on sales		11,107
Selling, general and administrative expenses		10,477
Operating income		629
Non-operating income		
Interest income	95	
Royalties earned	75	
Foreign exchange income	1,709	
Other income	469	2,377
Non-operating expenses		
Interest expense	45	
Loss from disposition of fixed assets	85	
Payment compensation	203	
Other expenses	41	375
Recurring income		2,632
Special income:		
Insurance claims received	1,768	1,768
Special loss:		
Impairment loss on fixed assets	366	
Special retirement benefits	8	
Business restructuring expenses	272	
Revaluation loss on investment securities	76	723
Income before income taxes and others		3,678
Corporate, inhabitant and enterprise taxes	538	
Interperiod tax allocation adjustment	(89)	449
Net income		3,228

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

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY, ETC.

(April 1, 2013 through March 31, 2014)

(million yen)

Item	Shareholders' equity				
	Capital	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2013	39,890	43,252	30,532	(91)	113,583
Changes during the year					
Distribution of retained earnings			-		-
Net income			3,228		3,228
Acquisition of treasury stock				(0)	(0)
Decrease of retained earnings according to the change in scope of consolidation			(27)		(27)
Changes in items other than shareholders' equity during the year – net					
Total changes during the year	-	-	3,200	(0)	3,199
Balance as of March 31, 2014	39,890	43,252	33,733	(92)	116,783

Item		Accumulated other comprehensive income			Total net assets
	Valuation difference of other securities	Foreign exchange translation adjustment	Accumulated adjustments to employee retirement benefit	Total accumulated other comprehensive income	
Balance as of April 1, 2013	29	(12,090)	-	(12,061)	101,521
Changes during the year					
Distribution of retained earnings					-
Net income					3,228
Acquisition of treasury stock					(0)
Decrease of retained earnings according to the change in scope of consolidation					(27)
Changes in items other than shareholders' equity during the year – net	20	2,392	(4,142)	(1,729)	(1,729)
Total changes during the year	20	2,392	(4,142)	(1,729)	1,470
Balance as of March 31, 2014	49	(9,698)	(4,142)	(13,790)	102,992

(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: 18 companies

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

  MITSUMI AUTOMOTIVE de MEXICO, S.A. de C.V. is included in the scope of consolidation as from the fiscal year under review because of its increased importance.

(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 six other consolidated subsidiaries is December 31 of each year. For the purpose of consolidated accounting, the accounts of such consolidated subsidiaries are settled provisionally as of the consolidated balance sheet date.

(4) Matters concerning accounting standards:

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

a. Securities:

Other securities:

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

b. Inventories:

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

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

(ii) Method of depreciation of important depreciable assets:

a. Tangible fixed assets (excluding lease assets):

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

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

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

b. Intangible fixed assets (excluding lease assets):

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

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

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

c. Lease assets:

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

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

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

(iv) Basis for providing for important reserves:

a. Allowance for doubtful receivables:

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

b. 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 under review.

(v) Method of important hedge accounting:

a. Method of hedge accounting:

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

b. Hedging instruments and hedged items:

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

c. Hedging policy:

To hedge risks of currency fluctuations in foreign currency transactions, the Company engages in forward exchange dealing.

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 standard for net defined benefit liability:

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

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.

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

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

The unappropriated amount of unrecognized actuarial differences, unrecognized prior service cost and difference upon restatement of the accounts, after adjusting for taxes, is recognized as accumulated adjustments to employee retirement benefit under accumulated other comprehensive income in the net assets section.

(vii) Accounting treatment of consumption taxes:

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

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

(Change in the accounting policy)

Effective from the end of the fiscal year under review, the Company has applied the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan ("ASBJ") Statement No. 26, May 17, 2012; the "Retirement Benefit Accounting Standard") and "Implementation Guidance on Accounting Standard for Retirement Benefits" (ASBJ Implementation Guidance No. 25, May 17, 2012; the "Retirement Benefit Implementation Guidance"), except for the provisions set forth in the main clauses of paragraph 35 of the Retirement Benefit Accounting Standard and paragraph 67 of the Retirement Benefit Implementation Guidance. Accordingly, the Company has shifted to an accounting policy that recognizes the difference between retirement benefit obligations and the amount of plan assets as a net defined benefit liability, and records the unappropriated amount of unrecognized actuarial differences, unrecognized prior service costs and difference upon restatement of the accounts under the net defined benefit liability.

The application of the Retirement Benefit Accounting Standard and Retirement Benefit Implementation Guidance conforms to the transitional treatment set forth in paragraph 37 of the Retirement Benefit Accounting Standard, and the effect of the change has been added to or deducted from accumulated adjustments to employee retirement benefit under accumulated other comprehensive income at the end of the fiscal year under review.

As a result of the change, at the end of the fiscal year under review, a net defined benefit liability of ¥4,459 million was recorded. Accumulated other comprehensive income decreased by ¥4,142 million.

2. Notes to consolidated balance sheet

Accumulated depreciation of tangible fixed assets: ¥122,792 million

3. Notes to consolidated statement of income

(1) Insurance claims received:

¥1,768 million of insurance claims received is insurance claims for damages incurred from anti-Japan demonstrations in China that were recorded as a loss from disaster for the previous fiscal year.

(2) Impairment loss on fixed assets:

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

Usage	Item	Location
Business-use asset	Buildings and structures	Japan
Business-use asset	Machinery and equipment and motor vehicles	Japan, China and the Philippines
Business-use asset	Tools, furniture and fixtures	Japan, China, Thailand and the Philippines
Business-use asset	Construction in progress	Japan
Business-use asset	Intangible fixed assets	Japan and China

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

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

(iii) Amount of impairment losses:

Buildings and structures	¥27 million
Machinery and equipment and motor vehicles	¥131 million
Tools, furniture and fixtures	¥131 million
Construction in progress	¥42 million
Intangible fixed assets	¥32 million
Total	¥366 million

(iv) Method of the grouping of assets:

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

(v) Method of the calculation of recoverable values:

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

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

(3) Business restructuring expenses:

¥272 million of business restructuring expenses is expenses with respect to the restructuring of the Company's bases for manufacturing semiconductor devices.

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

(1) Total number of issued shares:

Class	Number of shares as of April 1, 2013	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, 2014
Shares of common stock	87,498 thousand shares	-	-	87,498 thousand shares

(2) Matters concerning the distribution of retained earnings:

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

Not applicable.

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

The following matters will be submitted to the 69th Ordinary General Meeting of Shareholders to be held on June 25, 2014:

• Aggregate amount of dividends	¥437 million
• Source of dividends	Retained earnings
• Amount of dividend per share	¥5
• Record date	March 31, 2014
• Effective date	June 26, 2014

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 administrative task rules, credit management rules and related 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, 2014, along with their fair values and the variances; however, the chart does not include any item the fair value of which is recognized as being extremely difficult to determine:

(million yen)

	Balance sheet amount*	Fair value*	Variance
(1) Cash and deposits	46,317	46,317	-
(2) Trade notes and trade accounts receivable	36,692	36,692	-
(3) Investment securities: Other marketable securities	52	52	-
(4) Trade notes and trade accounts payable	(18,309)	(18,309)	-
(5) Short-term borrowings	(6,278)	(6,278)	-

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

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

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

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

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

2. Unlisted shares and convertible-bonds-type bonds with stock acquisition rights (¥867 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: ¥1,177.71

(2) Net income per share: ¥36.92

NON-CONSOLIDATED BALANCE SHEET

(as of March 31, 2014)

(million yen)

ASSETS

Current assets:	77,282
Cash and deposits	20,801
Trade notes receivable	169
Trade accounts receivable	35,236
Trade receivables on supply of raw materials	1,531
Merchandise and finished products	123
Work in process	7,418
Raw materials and storage	12,630
Prepaid expenses	38
Other accounts receivable	463
Other current assets	361
Allowance for doubtful receivables	(1,491)
Fixed assets:	54,591
Tangible fixed assets:	17,474
Buildings and structures	4,067
Machinery and equipment	5,924
Motor vehicles	7
Tools, furniture and fixtures	2,015
Lands	5,226
Construction in progress	233
Intangible fixed assets:	600
Utility rights	4
Software	317
Telephone rights	30
Goodwill	248
Investments and other fixed assets:	36,516
Investment securities	869
Investment in related companies' stock	17,497
Investment capital in related companies' stock	17,525
Prepaid pension cost	491
Other investments and other assets	249
Allowance for doubtful receivables	(118)
TOTAL ASSETS	131,874

(million yen)

LIABILITIES:

Current liabilities:	31,738
Trade notes payable	1,331
Trade accounts payable	18,408
Short-term loans payable	6,278
Other accounts payable	1,278
Accrued expenses	2,349
Accrued corporate income taxes, etc.	229
Accrued bonuses	1,201
Notes payable relating to facilities	330
Other current liabilities	331
Long-term liabilities:	1,380
Deferred tax liabilities	416
Allowance for operating loss	858
Other long-term liabilities	104
TOTAL LIABILITIES	33,118

NET ASSETS:

Shareholders' equity:	98,706
Capital	39,890
Additional paid-in capital	42,250
Capital reserve	42,250
Retained earnings	16,658
Earned surplus reserve	1,505
Other retained earnings	15,152
Reserve for deferred income tax on fixed assets	155
Retained earnings brought forward from the previous year	14,997
Treasury stock	(92)
Revaluation and exchange differences, etc.:	49
Valuation difference of other securities	49
TOTAL NET ASSETS	98,756
TOTAL LIABILITIES AND NET ASSETS	131,874

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

NON-CONSOLIDATED STATEMENT OF INCOME

(April 1, 2013 through March 31, 2014)

(million yen)

Net sales		144,653
Cost of sales		136,613
Gross profit on sales		8,040
Selling, general and administrative expenses		8,963
Operating loss		(923)
Non-operating income		
Interest and dividend income	13	
Royalties earned	75	
Foreign exchange income	1,326	
Other income	391	1,807
Non-operating expenses		
Interest expense	42	
Loss from disposition of fixed assets	34	
Compensation expenses	203	
Transfer to allowance for operating loss	311	
Other expenses	34	625
Recurring income		258
Special income		
Insurance claims received	719	719
Special loss		
Impairment loss on fixed assets	324	
Business restructuring expenses	272	
Revaluation loss on investment securities	76	672
Income before income taxes		304
Corporate, inhabitant and enterprise taxes	136	
Interperiod tax allocation adjustment	(127)	8
Net income		295

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

NON-CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY, ETC.

(April 1, 2013 through March 31, 2014)

(million yen)

Item	Shareholders' equity								Revaluation and exchange differences, etc.	Total net assets
	Capital	Additional paid-in capital	Retained earnings				Treasury stock	Total shareholders' equity		
		Capital reserve	Earned surplus reserve	Other retained earnings		Total retained earnings			Valuation difference of other securities	
				Reserve for deferred income tax on fixed assets	Retained earnings brought forward from the previous year					
Balance as of April 1, 2013	39,890	42,250	1,505	166	14,690	16,362	(91)	98,411	29	98,440
Changes during the year										
Distribution of retained earnings					-	-		-		-
Reversal of reserve for deferred income tax on fixed assets				(11)	11	-		-		-
Net income					295	295		295		295
Acquisition of treasury stock							(0)	(0)		(0)
Changes in items other than shareholders' equity during the year – net									20	20
Total changes during the year	-	-	-	(11)	306	295	(0)	295	20	315
Balance as of March 31, 2014	39,890	42,250	1,505	155	14,997	16,658	(92)	98,706	49	98,756

(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.

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

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

(iii) Lease assets:

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

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

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

(5) Basis for providing for reserves:

(i) Allowance for doubtful receivables:

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

(ii) Accrued bonuses:

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

(iii) Reserve for employee retirement benefits:

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

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.

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

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

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

(iv) Allowance for operating loss:

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

(6) Method of hedge accounting:

- Method of hedge accounting:

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

- Hedging instruments and hedged items:

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

- Hedging policy:

  To hedge risks of currency fluctuations in foreign currency transactions, the Company engages in forward exchange dealing.

- Method of evaluating the effectiveness of a hedge:

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

(7) Accounting treatment of employee retirement benefits:

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

(8) Accounting treatment of consumption taxes:

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

2. Notes to non-consolidated balance sheet

(1) Accumulated depreciation of tangible fixed assets: ¥89,518 million

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

(i) Short-term money debts due from related companies: ¥10,698 million

(ii) Short-term money debts payable to related companies: ¥5,953 million

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

Long-term money debts payable to Directors and Statutory Auditors: ¥95 million

3. Notes to non-consolidated statement of income

(1) Transactions with related companies:

(i) Sales: ¥42,420 million

(ii) Purchases: ¥56,751 million

(iii) Provision for value: ¥6,053 million

(iv) Transactions other than ordinary business: ¥1,145 million

(2) Insurance claims received:

¥719 million of insurance claims received is insurance claims for damages incurred from anti-Japan demonstrations in China that were recorded as a loss from disaster for the previous fiscal year.

(3) Impairment loss on fixed assets:

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

Usage	Item	Location
Business-use asset	Buildings and structures	Atsugi City, Kanagawa, etc.
Business-use asset	Machinery and equipment	Chitose City, Hokkaido, etc.
Business-use asset	Tools, furniture and fixtures	Atsugi City, Kanagawa, etc.
Business-use asset	Construction in progress	Chitose City, Hokkaido
Business-use asset	Intangible fixed assets	Chitose City, Hokkaido, 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.

(iii) Amount of impairment losses:

Buildings and structures	¥27 million
Machinery and equipment	¥128 million
Tools, furniture and fixtures	¥108 million
Construction in progress	¥42 million
Intangible fixed assets	¥16 million
Total	¥324 million

(iv) Method of the grouping of assets:

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

(v) Method of the calculation of recoverable values:

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

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

(4) Business restructuring expenses:

¥272 million of business restructuring expenses includes expenses with respect to the restructuring of the Company's bases for manufacturing semiconductor devices.

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, 2013	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, 2014
Shares of common stock	46 thousand shares	0 thousand shares	-	46 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	(29,584)
(ii)	Plan assets	26,919
(iii)	Unfunded retirement benefit obligations ((i)+(ii))	(2,665)
(iv)	Unappropriated difference upon restatement of the accounts	366
(v)	Unrecognized past service cost	(993)
(vi)	Unrecognized actuarial differences	3,784
(vii)	Net balance sheet amount ((iii)+(iv)+(v)+(vi))	491
(viii)	Prepaid pension cost	491
(ix)	Reserve for employee retirement benefits ((vii)-(viii))	-

(3) Matters concerning retirement benefit cost (April 1, 2013 to March 31, 2014)

(million yen)

(i)	Service cost	1,277
(ii)	Interest cost	421
(iii)	Expected investment yields	(480)
(iv)	Appropriated cost of difference upon restatement of the accounts	366
(v)	Appropriated cost of past service cost	(122)
(vi)	Appropriated cost of actuarial differences	474
(vii)	Retirement benefit cost ((i)+(ii)+(iii)+(iv)+(v)+(vi))	1,936

(Note) In addition to the retirement benefit cost listed above, ¥243 million of additional retirement payments included in business restructuring expenses 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	1.3%
(iii)	Rate of expected long-term investment yields	2.0%
(iv)	Years of appropriation of the difference upon restatement of the accounts	15 years
(v)	Years of appropriation of past service cost	10 years
(vi)	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	428
Non-admitted revaluation loss of inventories	413
Non-admitted accrued expenses	269
Foreign corporate taxes	46
Others	125
Sub-total	1,282
Valuation allowance	(1,271)
Balance of deferred tax assets	10
Offset against deferred tax liabilities	(10)
Net deferred tax assets	-
Deferred tax liabilities	
Reserve for deferred income tax on fixed assets	(10)
Total deferred tax liabilities	(10)
Offset against deferred tax assets	10
Net deferred tax liabilities	-
Fixed assets and long-term liabilities:	
Deferred tax assets	
Excess depreciation amount	561
Non-admitted impairment loss on fixed assets	1,540
Loss carry-forward	11,369
Valuation loss of investment in related companies' stock	523
Valuation loss of investment capital in related companies' stock	532
Reserve for employee retirement benefits	236
Others	736
Sub-total	15,500
Valuation allowance	(15,335)
Balance of deferred tax assets	164
Offset against deferred tax liabilities	(164)
Net deferred tax assets	-
Deferred tax liabilities	
Prepaid pension cost	(175)
Reserve for deferred income tax on fixed assets	(164)
Valuation loss of investment in related companies' stock	(213)
Others	(27)
Total deferred tax liabilities	(581)
Offset against deferred tax assets	164
Net deferred tax liabilities	(416)

(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:

Item	Tax charge rate
Statutory effective tax rate	**38.0%**
(Adjustment)	
Non-deductible entertainment expenses	3.4%
Exclusion of dividends received from gross profits	(1.4)%
Valuation allowance	(78.2)%
Inhabitant tax on a per capita basis	10.7%
Foreign corporate tax	30.8%
Others	(0.4)%
Corporate tax charge rate after application of tax effect accounting	**2.9%**

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

The "Act for Partial Amendment of the Income Tax Act, etc." was promulgated on March 31, 2014 and the special corporate tax for reconstruction has ceased to be imposed from the fiscal year commencing on or after April 1, 2014. Accordingly, the statutory effective tax rate used for the calculation of deferred tax assets and deferred tax liabilities for the fiscal year under review is changed from 38.0% for the previous fiscal year to 35.6% with regard to the temporary differences expected to be eliminated for the fiscal year commencing on April 1, 2014.

The tax rate revision has no effect on the amounts of deferred tax assets and deferred tax liabilities.

7. Notes on transactions with related parties

Subsidiaries, etc.

Attribute	Corporate name	Address	Capital stock or contribu-tion	Business	Ratio of voting rights held by (in) the Company	Relationship		Transaction	Transaction amount (million yen)	Account	Year-end balance (million yen)
						Number of interlocking officers	Business relationship				
Subsidiary	MITSUMI CO., LTD.	Hong Kong	HK$8,000 thousand	Sale of electronic and communications equipment parts	Held by the Company Direct: 100%	2	Sale of products of the Company	Sales of products	28,648	Trade accounts receivable	5,885
Subsidiary	CEBU MITSUMI, INC.	Danao City, Province of Cebu, the Philippines	PHP 1,145,683 thousand	Manufacture of electronic and communications equipment parts	Held by the Company Direct: 100%	1	Manufacture of semiconductor devices, optical devices and system parts of the Company	Sales of products	10,666	Trade accounts payable	1,480
Subsidiary	Zhuhai Mitsumi Electric Co., Ltd.	Zhuhai, Quangdong, the People's Republic of China	RMB 230,358 thousand	Manufacture of electronic and communications equipment parts	Held by the Company Direct: 100%	1	Manufacture of system parts, high-frequency parts and power-unit parts of the Company	Provision of raw materials for value Purchase of products	525 16,093	Trade receivables on supply of raw materials Trade accounts payable	46 822

(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.

8. Notes on information per share

(1)	Net assets per share:	¥1,129.27
(2)	Net income per share:	¥3.38

Account Auditors' Audit Report on Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

May 14, 2014

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 Kazunari Todoroki (seal)
Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant

In accordance with the provision of Article 444, paragraph 4 of the Companies Act 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, 2013 to March 31, 2014.

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 Act of Japan.

- END -

Account Auditors' Audit Report on Non-Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

May 14, 2014

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 Kazunari Todoroki (seal)
Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant

In accordance with the provision of Article 436, paragraph 2, item 1 of the Companies Act 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 69th fiscal year of Mitsumi Electric Co., Ltd. (the "Company") covering the period from April 1, 2013 to March 31, 2014.

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

We are of the opinion that the above non-consolidated financial statements and their accompanying supplemental schedules present properly the financial position and profit and loss for the period related to the non-consolidated financial statements and their accompanying supplemental schedules 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 Act of Japan.

- END -

Board of Statutory Auditors' Audit Report

AUDITORS' REPORT

We, the Board of Statutory Auditors of the Company, upon deliberation based upon the audit report prepared by each Statutory Auditor on the performance by the Directors of their duties during the 69th fiscal year from April 1, 2013 to March 31, 2014, 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 and 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 Companies Act 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 Companies Act, as described in the business report, we investigated their understanding 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 and 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, 2014

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

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

Shizuumi Nojima (seal)
Full-time Statutory Auditor

Makoto Yamada (seal)
Full-time Statutory Auditor
(External Statutory Auditor)

Tateru Sugio (seal)
Statutory Auditor
(External Statutory Auditor)

- END -

Reference Documents for the General Meeting of Shareholders

Proposition No. 1: Appropriation of retained earnings

The Company follows a fundamental policy of distributing profits based on its operating results and will endeavor to develop business to maintain the constant payment of dividends while aiming to maintain the dividend payout ratio at 30% or more based on its consolidated operating results.

Based on the aforementioned fundamental policy and by taking into consideration the operating results for the fiscal year under review and the future business development, management proposes the appropriation of retained earnings for the fiscal year under review, as set forth below:

Matters concerning the year-end dividends:

(i) Kind of the property to be distributed: Cash

(ii) Matter concerning the allocation of the property to be distributed and the aggregate amount thereof:

¥5 per share of common stock of the Company; in such case, the aggregate amount of the dividends will amount to ¥437,255,805.

(iii) Effective date of the distribution of retained earnings: June 26, 2014

Proposition No. 2: Election of eight (8) Directors

The term of office of all the (10) Directors will expire at the close of this Ordinary General Meeting of Shareholders and it is hereby proposed that eight (8) Directors be elected.

The candidates for Director are follows:

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
1	Shigeru Moribe (October 27, 1956)	March 1980	Joined the Company	318,800 shares
		May 1980	Sent on loan to MITSUMI ELECTRONICS CORP.	
		May 1990	General Manager, R&D Division	
		April 1991	Director; General Manager, Singapore Branch	
		February 1994	General Manager, Network Devices Business Headquarters	
		April 1994	Managing Director	
		October 1999	Senior Managing Director; General Manager, Sales & Marketing Division	
		April 2002	President and Representative Director, to date	
2	Fujio Furukawa (July 16, 1949)	March 1970	Joined the Company	4,600 shares
		March 1993	Sent on loan to TAIPEI MITSUMI CO., LTD.	
		August 1994	Deputy General Manager, Technology Department, AVC Business Division	
		January 1998	General Manager, Technology Department, AVC Business Division	
		December 2001	Deputy General Manager, AVC Business Division	
		April 2003	General Manager, AVC Business Division	
		April 2007	Deputy General Manager, Network Devices Business Headquarters	
		June 2007	Director	
		April 2008	General Manager, Network Devices Business Headquarters	
		April 2009	Deputy General Manager, Network Devices Business Headquarters	
		April 2010	General Manager, Atsugi Operation Base	
		June 2011	General Manager, R&D Division	
		April 2012	General Manager, Electronic Devices Business Headquarters	
		June 2012	Managing Director	
		April 2014	Managing Director, Managing Executive Officer, General Manager, R&D Division and in charge of Automotive Devices Business Division, to date	

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	Motomu Saito (March 22, 1956)	February 1980	Joined Yamagata Mitsumi Co., Ltd.	6,500 shares
		June 2000	Deputy Chief Engineer, Planning Department, R&D Division	
		July 2001	Chief Manager, Corporate Planning Division	
		September 2004	General Manager, Corporate Planning Division	
		December 2004	General Manager, Corporate Planning Division; Deputy General Manager, Chitose Business Division	
		March 2006	Deputy General Manager, Chitose Business Division	
		March 2007	General Manager, Corporate Planning Division	
		June 2010	Director; General Manager in charge of Accounting, General Affairs and Systems	
		April 2012	In charge of Administration of the Head Office; General Manager, Accounting Division	
		April 2014	Director, Managing Executive Officer, in charge of Corporate Administration, to date	
4	Hiroshi Aso (April 3, 1957)	March 1981	Joined Kyushu Mitsumi Co., Ltd.	6,500 shares
		April 2000	Deputy General Manager, PCA Production Department of Kyushu Mitsumi Co., Ltd.	
		November 2001	Chief Manager, PAD Development Group of Kyushu Mitsumi Co., Ltd.	
		January 2004	General Manager, SPS Production Department of Kyushu Mitsumi Co., Ltd.	
		February 2007	General Manager, SPS Business Division of Kyushu Mitsumi Co., Ltd.	
		October 2007	General Manager, Power Supply Business Division	
		April 2010	Deputy General Manager, Semiconductor Devices Business Headquarters	
		June 2010	Director; General Manager, Semiconductor Devices Business Headquarters, to date	
		October 2011	General Manager, Atsugi Operation Base, to date	
		April 2014	Director, Executive Director and General Manager, Semiconductor Devices Business Division, to date	

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
5	Koichi Seno (December 16, 1960)	March 1985	Joined Newtronics Co., Ltd. (Subsidiary of the Company)	6,500 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	
		October 2007	CEO, Zhuhai Mitsumi Electric Co., Ltd.	
		April 2010	General Manager, Optical Devices Business Division	
		April 2012	General Manager, Component Devices Business Division; General Manager, Yamagata Business Division, to date	
		June 2012	Director	
		September 2013	General Manager, Kyusyu Business Division, to date	
		April 2014	Director, Managing Executive Officer, General Manager, Component Devices Business Headquarters and in charge of MPS Division, to date	
6	Hidetoshi Hamai (February 7, 1961)	April 1983	Joined Kyushu Mitsumi Co., Ltd.	6,500 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	
		June 2012	Director	
		April 2014	Director, Managing Executive Officer, General Manager, Electronic Devices Business Headquarters, to date	

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
7	Tetsuya Sekimoto (February 26, 1956)	April 1989	Attorney at law registered with the Tokyo Bar Association	0 share
		April 1989	Joined Kita and Kimura Law and Tax Office	
		April 1991	Established Sakura Sogo Law and Accounting Office (currently, Del Sole Sakura Law Office)	
		January 2012	External Statutory Auditor, Koyo Chemical Kabushiki Kaisha, to date	
		November 2012	Representative Director, Del Sole Consulting Corporation, to date	
		June 2013	External Director of the Company, to date	
		March 2014	External Director, SBS Holdings Inc., to date	
		May 2014	External Auditor, Premium Value Bank, to date	
			(Important concurrent office) External Statutory Auditor, Koyo Chemical Kabushiki Kaisha Representative Director, Del Sole Consulting Corporation External Director, SBS Holdings Inc. External Auditor, Premium Value Bank	
8	* Masao Takamine (January 19, 1960)	April 1982	Joined Account Division of Tokyo Office, Peat Marwick Mitchell & Co	0 share
		March 1985	Registered as Certified Public Accountant	
		July 1986	Audit Senior, Stokes Kennedy Crowley, Dublin	
		July 1988	Japan Desk Manager, KPMG Peat Marwick GmbH, Dusseldorf	
		July 1991	Manager, International Tax, Peat Marwick	
		January 1992	Registered as Licensed Tax Accountant	
		October 1996	Partner, Tax part, Peat Marwick	
		June 1998	Managing Director and General Manager of Yokohama Office, KPMG BRM Co., Ltd.	
		January 2002	President and Representative Director, KPMG BRM Co., Ltd.	
		November 2013	Retired as President and Representative Director, KPMG BRM Co., Ltd.	
		January 2014	Established Certified Public Accountant and Licensed Tax Accountant, Takamine Masao Office	

(Notes)
1. There is no conflict of interest between each candidate and the Company.
2. * indicates a candidate for new Director.
3. Mr. Tetsuya Sekimoto and Mr. Masao Takamine are candidates for external Director.
4. The reason for selecting Mr. Tetsuya Sekimoto as a candidate for external Director is that the Company expects him to reflect his wide experience and expertise and ardent law-abiding spirit as an attorney in law on the improvement and operation of internal control of the Company and its management in compliance with law.

   In addition, he is involved in management of a company by concurrently serving as representative director of a consulting company. Hence, along with the reason stated above, the Company considers that he will duly perform the duties of external Director of the Company.
5. The reason for selecting Mr. Masao Takamine as a candidate for external Director is that the Company considers that he will duly perform the duties of external Director as he not only has accumulated experience and expertise as a certified public accountant and licensed tax accountant but also has been involved in management of a company by serving an audit firm and a related company of a tax accountant corporation as an employee and serving as representative director of a subsidiary of a tax accountant corporation.
6. When this proposition is approved and adopted as proposed and Mr. Tetsuya Sekimoto and Mr. Masao Takamine assume office as external Directors, the Company will enter into an agreement with each of them to limit his liabilities pursuant to the provision of Article 427, paragraph 1 of the Companies Act of Japan. The outline of the agreement is as follows:
   - When any external Director is liable to the Company for any damage for the failure to perform his/her duties, he/she shall be so liable within the amount as provided for in laws or ordinances.
   - The limitation of liabilities as stated above shall be applicable only if and when the external Director performs his/her duties for which he/she will become liable, in good faith or with no gross negligence.
7. The Company has registered Mr. Tetsuya Sekimoto as an independent officer as stipulated by Tokyo Stock Exchange, Inc.

   Mr. Masao Takamine meets the requirements as an independent officer as stipulated by Tokyo Stock Exchange, Inc. and the Company will register him with the exchange as such.
8. The Company has not entered, or does not plan to enter, into any advisory agreement or any other entrustment agreement with Mr. Tetsuya Sekimoto or his law office. The Company has not engaged, or does not plan to engage, in any consulting or other business with the consulting company that he is serving as representative director.
9. The Company has not entered, or does not plan to enter, into any advisory agreement or any other entrustment agreement with Mr. Masao Takamine or his office of certified public accountants or licensed tax accountants. The Company has not engaged, or does not plan to engage, in any engagement agreement or other business with the company, audit firm or tax accountant corporation that he has served as representative director or employee.
10. Mr. Tetsuya Sekimoto is currently external Director of the Company. He will have served as external Director of the Company for a year at the close of this General Meeting of Shareholders.

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