

(Excerpt translation)

August 2, 2013

**BRIEF ANNOUNCEMENT OF SETTLEMENT OF ACCOUNTS FOR
THE FIRST QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2014**

(Based on Japanese GAAP) (Consolidated)

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

Listing exchange: Tokyo Stock Exchange

Code number: 6767

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

Representative: Shigeru Moribe
President and Representative Director

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

Scheduled date of submission of quarterly report: August 9, 2013

Scheduled date of payment of dividends: -

Quarterly supplemental explanatory material prepared: None

Quarterly results briefing held: None

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

1. Consolidated business results for the first quarter of the fiscal year ending March 31, 2014 (April 1, 2013 through June 30, 2013):

(1) Consolidated operating results (cumulative):

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

	Net sales		Operating income		Recurring income		Net income	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
First quarter of the year ending March 31, 2014	29,209	3.9	(2,701)	-	(1,694)	-	(1,674)	-
First quarter of the year ended March 31, 2013	28,120	(-) 22.1	(3,331)	-	(3,893)	-	(3,927)	-

(Note) Comprehensive income:

First quarter of the year ending March 31, 2014: ¥(502) million (-%)
 First quarter of the year ended March 31, 2013: ¥(4,900) million (-%)

	Net income per share (basic)	Net income per share (diluted)
	(yen)	(yen)
First quarter of the year ending March 31, 2014	(19.15)	-
First quarter of the year ended March 31, 2013	(44.91)	-

(2) Consolidated financial condition:

	Total assets	Net assets	Net worth ratio
	(million yen)	(million yen)	(%)
First quarter of the year ending March 31, 2014	142,213	101,018	71.0
Year ended March 31, 2013	140,611	101,521	72.2

(For reference) Net worth: First quarter of the year ending March 31, 2014: ¥101,018 million
 Year ended March 31, 2013: ¥101,521 million

2. State of dividends:

	Annual dividend (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended March 31, 2013	—	—	—	0.00	0.00
Year ending March 31, 2014	—				
Year ending March 31, 2014 (forecast)		—	—	5.00	5.00

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

3. Forecast of consolidated business results for the fiscal year ending March 31, 2014 (April 1, 2013 through March 31, 2014):

(The percentages indicate the rates of increase (decrease) from the previous fiscal year in respect of the whole-year period, and from the second-quarter cumulative period of the previous fiscal year in respect of the second-quarter cumulative period, respectively.)

	Net sales		Operating income		Recurring income		Net income		Net income per share
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(yen)
Second-quarter (cumulative) period	75,000	9.8	(500)	-	(1,000)	-	(2,000)	-	(22.87)
Whole-year period	170,000	11.8	3,000	-	2,000	-	1,500	-	17.15

(Note) Adjustment to the most recently publicized forecast of consolidated business results: None

* Notes:

- (1) Changes in important subsidiaries (changes in specific subsidiaries associated with a change in the scope of consolidation) during the period under review: None
- (2) Application of accounting treatments special to the preparation of the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and modifications and restatements:
- 1) Changes in accounting policies associated with changes in accounting standards: None
- 2) Other changes in accounting policies: None
- 3) Changes in accounting estimates: None
- 4) Modifications and restatements: None
- (4) Number of issued shares (shares of common stock):
- 1) Number of issued shares (including shares of treasury stock) as of the end of the period:
- | | |
|--|-------------------|
| First quarter of the year ending March 31, 2014: | 87,498,119 shares |
| Year ended March 31, 2013: | 87,498,119 shares |
- 2) Number of shares of treasury stock as of the end of the period:
- | | |
|--|---------------|
| First quarter of the year ending March 31, 2014: | 46,236 shares |
| Year ended March 31, 2013: | 46,036 shares |
- 3) Average number of shares during the period (cumulative):
- | | |
|--|-------------------|
| First quarter of the year ending March 31, 2014: | 87,451,946 shares |
| First quarter of the year ended March 31, 2013: | 87,452,457 shares |

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

* Explanation for the appropriate use of the forecast of business results and other special instructions:
 The description of the future in this material, including the forecast of business results, is based on the information currently available to the Company and certain assumptions currently considered reasonable by the Company. The actual results may change depending on various factors. As for the conditions precedent to the forecasts of business results and the instructions on the use of the forecasts of business results, please refer to "1. Qualitative Information on the Settlement of Accounts for the Quarter of the Fiscal Year under Review: (3) Qualitative information on the forecasts of consolidated business results" on page 6 hereof.

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

(1) Qualitative information on the consolidated operating results

To overview the global economic situations during the consolidated first-quarter cumulative period of the fiscal year under review, in the United States, there was a slowdown in economic growth with the recovery of personal consumption decelerating. In Europe, the economy remained stagnant due to the implementation of austere fiscal policies. Additionally, due to the deceleration of economic growth in the emerging countries, the global economy has been in the phase of a very slow recovery.

In Japan, with the weaker yen and rising stock prices, corporate performances and consumer spending has begun to show an upturn in part.

In our electronic parts industry, while the market for products related to flat-panel TVs, 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 a decrease in sales of amusement-related products, while sales of smart phone-related products and products related to car-mounted devices increased. As a result, for the first-quarter cumulative period of the fiscal year under review, on a consolidated basis, net sales amounted to ¥29,209 million (103.9% in comparison with the corresponding period of the previous fiscal year).

With regard to profits and losses, in spite of its efforts to increase sales and produce improvement, including a reform of its business structure, the Company registered an operating loss of ¥2,701 million (an operating loss of ¥3,331 million for the corresponding period of the previous fiscal year) and a recurring loss of ¥1,694 million (a recurring loss of ¥3,893 million for the corresponding period of the previous fiscal year). Net loss amounted to ¥1,674 million (a net loss of ¥3,927 million for the corresponding period of the previous fiscal year).

(2) Qualitative information on the consolidated financial condition

As of the end of the first quarter of the fiscal year under review, on a consolidated basis, total assets accounted for ¥142,213 million, up ¥1,601 million from the end of the previous fiscal year, principally due to an increase of ¥5,273 million in inventories and an increase of ¥1,313 million in tangible fixed assets in spite of a decrease of ¥5,141 million in trade notes and trade accounts receivable.

Total liabilities accounted for ¥41,194 million, up ¥2,103 million from the end of the previous fiscal year, principally due to an increase of ¥1,778 million in other current liabilities.

Total net assets accounted for ¥101,018 million, down ¥502 million from the end of the previous fiscal year, principally due to a decrease of ¥1,674 million of retained earnings as a result of a net loss and a change of ¥1,160 million in foreign exchange translation adjustment arising from the depreciation of the yen.

As a result, the net worth ratio as of the end of the first quarter of the fiscal year under review decreased by 1.2 points from the end of the previous fiscal year to 71.0%.

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

With regard to the forecast of consolidated business results for the fiscal year ending March 31, 2014 (April 1, 2013 through March 31, 2014), no amendment has been made to the previous forecast publicized on May 9, 2013.

2. Matters Concerning Summary Information (Notes)

(Translation omitted)

3. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(million yen)

	Year ended March 31, 2013 (as of March 31, 2013)	First quarter of the year ending March 31, 2014 (as of June 30, 2013)
<u>ASSETS:</u>		
Current assets:		
Cash and deposits	45,907	45,732
Trade notes and trade accounts receivable	34,449	29,307
Finished products	2,452	2,675
Work in process	6,512	8,059
Raw materials and storage	20,171	23,674
Other assets	2,518	2,867
Allowance for doubtful receivables	(47)	(45)
Total current assets	111,962	112,272
Fixed assets:		
Tangible fixed assets	25,006	26,319
Intangible fixed assets	1,152	1,197
Investments and other assets	2,490	2,423
Total fixed assets	28,649	29,941
TOTAL ASSETS	140,611	142,213
<u>LIABILITIES:</u>		
Current liabilities:		
Trade notes and trade accounts payable	20,524	21,352
Short-term borrowings	5,737	6,013
Accrued corporate taxes, etc.	317	208
Allowance for bonuses	1,291	679
Other current liabilities	8,782	10,560
Total current liabilities	36,653	38,814
Long-term liabilities:		
Reserve for employee retirement benefits	810	855
Other long-term liabilities	1,626	1,523
Total long-term liabilities	2,437	2,379
TOTAL LIABILITIES	39,090	41,194
<u>NET ASSETS:</u>		
Shareholders' equity:		
Capital	39,890	39,890
Additional paid-in capital	43,252	43,252
Retained earnings	30,532	28,857
Treasury stock	(91)	(91)
Total shareholders' equity	113,583	111,908
Accumulated other comprehensive income:		
Valuation difference of other securities	29	40
Foreign exchange translation adjustment	(12,090)	(10,930)
Total accumulated other comprehensive income	(12,061)	(10,889)
TOTAL NET ASSETS	101,521	101,018
TOTAL LIABILITIES AND NET ASSETS	140,611	142,213

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

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

(million yen)

	First-quarter cumulative period of the year ended March 31, 2013 (April 1, 2012 through June 30, 2012)	First-quarter cumulative period of the year ending March 31, 2014 (April 1, 2013 through June 30, 2013)
Net sales	28,120	29,209
Cost of sales	28,896	29,294
Gross profit on sales	(776)	(84)
Selling, general and administrative expenses	2,555	2,616
Operating loss	(3,331)	(2,701)
Non-operating income		
Interest income	33	25
Royalties earned	10	10
Foreign exchange gains	-	909
Reversal of allowance for doubtful receivable	23	1
Other income	27	93
Total non-operating income	94	1,040
Non-operating expenses		
Interest expense	11	10
Loss on disposition of fixed assets	37	11
Payment compensation	6	8
Foreign exchange loss	594	-
Other expenses	6	2
Total non-operating expenses	657	33
Recurring loss	(3,893)	(1,694)
Special income	-	-
Special loss		
Impairment loss on fixed assets	-	44
Special retirement allowances	-	7
Total special loss	-	51
Loss before income taxes and others	(3,893)	(1,745)
Corporate, inhabitant and enterprise taxes	33	(70)
Net loss	(3,927)	(1,674)

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

(million yen)

	First-quarter cumulative period of the year ended March 31, 2013 (April 1, 2012 through June 30, 2012)	First-quarter cumulative period of the year ending March 31, 2014 (April 1, 2013 through June 30, 2013)
Net loss	(3,927)	(1,674)
Other comprehensive income		
Valuation difference of other securities	(3)	11
Foreign exchange translation adjustment	(968)	1,160
Total other comprehensive income	(972)	1,172
Quarterly comprehensive income	(4,900)	(502)
(Items)		
Quarterly comprehensive income related to the shareholders of the parent company	(4,900)	(502)
Quarterly comprehensive income related to the minority shareholders	-	-

(3) Note on assumptions for going concern

Not applicable.

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

Not applicable.

(5) Segment information

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

4. Supplementary Information

(1) Production, orders received and sales

(i) Production

Production by product division for the consolidated first-quarter cumulative period of the fiscal year ending March 31, 2014:

Division	Production	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)
Semiconductor Devices	6,004	82.6
Optical Devices	2,538	99.2
System Parts	11,512	110.0
High-Frequency Parts	4,495	116.5
Power-Unit Parts	4,616	110.3
Total	29,166	102.9

(ii) Orders received

Orders received by product division for the consolidated first-quarter cumulative period of the fiscal year ending March 31, 2014:

Division	Orders received	Comparison with the corresponding period of the previous fiscal year	Balance of orders received	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)	(million yen)	(%)
Semiconductor Devices	6,101	77.8	3,268	87.9
Optical Devices	4,352	139.5	2,338	185.4
System Parts	13,334	143.2	6,355	166.6
High-Frequency Parts	4,495	113.0	4,495	173.8
Power-Unit Parts	4,616	99.2	4,616	205.5
Total	32,899	113.8	21,073	154.7

(iii) Sales

Sales by product division for the consolidated first-quarter cumulative period of the fiscal year ending March 31, 2014:

Division	Sales	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)
Semiconductor Devices	5,929	82.0
Optical Devices	2,550	101.0
System Parts	11,618	112.4
High-Frequency Parts	4,495	115.8
Power-Unit Parts	4,616	111.4
Total	29,209	103.9

(2) Overseas net sales

For the consolidated first-quarter cumulative period of the fiscal year ended March 31, 2013 (April 1, 2012 through June 30, 2012):

(million yen)

	Asia	Europe	North America	Total
I Overseas net sales	13,326	816	489	14,632
II Consolidated net sales				28,120
III Ratio of overseas net sales to consolidated net sales (%)	47.4	2.9	1.7	52.0

For the consolidated first-quarter cumulative period of the fiscal year ending March 31, 2014 (April 1, 2013 through June 30, 2013):

(million yen)

	Asia	Europe	North America	Total
I Overseas net sales	15,792	822	909	17,524
II Consolidated net sales				29,209
III Ratio of overseas net sales to consolidated net sales (%)	54.1	2.8	3.1	60.0

- END -