

(Excerpt translation)

November 6, 2014

**BRIEF ANNOUNCEMENT OF SETTLEMENT OF ACCOUNTS FOR
THE SECOND QUARTER OF THE FISCAL YEAR ENDING MARCH 31, 2015**

(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: November 13, 2014

Scheduled date of payment of dividends: -

Quarterly supplemental explanatory material prepared: Yes

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

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

1. Consolidated business results for the second quarter of the fiscal year ending March 31, 2015 (April 1, 2014 through September 30, 2014):

- (1) Consolidated operating results:

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

	Net sales		Operating income		Recurring income		Net income	
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)
Second quarter of the year ending March 31, 2015	67,858	(10.8)	(2,414)	-	(1,606)	-	(1,859)	-
Second quarter of the year ended March 31, 2014	76,095	11.4	(1,682)	-	(697)	-	(1,251)	-

(Note) Comprehensive income:

Second quarter of the year ending March 31, 2015:	¥706 million	(-%)
Second quarter of the year ended March 31, 2014:	¥(229) million	(-%)

	Net income per share (basic)	Net income per share (diluted)
	(yen)	(yen)
Second quarter of the year ending March 31, 2015	(21.26)	-
Second quarter of the year ended March 31, 2014	(14.31)	-

(2) Consolidated financial condition:

	Total assets	Net assets	Net worth ratio
	(million yen)	(million yen)	(%)
Second quarter of the year ending March 31, 2015	164,937	105,691	64.1
Year ended March 31, 2014	142,981	102,992	72.0

(For reference) Net worth: Second quarter of the year ending March 31, 2015: ¥105,691 million
 Year ended March 31, 2014: ¥102,992 million

2. State of dividends:

	(yen)				
	Annual dividend				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended March 31, 2014	—	—	—	5.00	5.00
Year ending March 31, 2015	—	—			
Year ending March 31, 2015 (forecast)			—	7.00	7.00

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

3. Forecast of consolidated business results for the fiscal year ending March 31, 2015 (April 1, 2014 through March 31, 2015):

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

	Net sales		Operating income		Recurring income		Net income		Net income per share
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(yen)
Whole-year period	165,000	4.9	3,000	376.3	2,000	(24.0)	1,500	(53.5)	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: Yes
 - 2) Other changes in accounting policies: None
 - 3) Changes in accounting estimates: None
 - 4) Modifications and restatements: None
- (4) Number of issued shares (shares of common stock):
- 1) Number of issued shares (including shares of treasury stock) as of the end of the period:

Second quarter of the year ending March 31, 2015:	87,498,119 shares
Year ended March 31, 2014:	87,498,119 shares
 - 2) Number of shares of treasury stock as of the end of the period:

Second quarter of the year ending March 31, 2015:	47,417 shares
Year ended March 31, 2014:	46,958 shares
 - 3) Average number of shares during the period (cumulative):

Second quarter of the year ending March 31, 2015:	87,451,000 shares
Second quarter of the year ended March 31, 2014:	87,451,832 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 procedures of quarterly financial statements in accordance with the Financial Instruments and Exchange Act have 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) Explanations on the forecasts of consolidated business results and other future forecast information" 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) Explanations on the operating results

To overview the global economic situations during the consolidated second-quarter period of the fiscal year under review, the U.S. economy continued to show a tone of expansion due to strong consumer spending and an increase in corporate capital spending. In Europe, the economy continued to recover in a patchy fashion from country to country. In the emerging countries, there was a slowdown in economic growth. Thus, the global economy generally has been in the phase of a modest recovery.

In Japan, consumer spending has continued to remain depressed as a result of the rise in the consumption tax rate. However, there has been an improvement in companies' business performances and an increase in corporate capital spending. Thus, the Japanese economy has remained in the phase of slow recovery.

In our electronic parts industry, while the market for PCs and digital cameras has flagged, the market for information communications equipment, including smart phones and tablet devices, which integrate some functions of PCs and digital cameras, has continued to grow. The market for car-mounted devices has accelerated growth with more electronic components mounted on automobiles.

Under these circumstances, the Mitsumi Group experienced an increase in sales of products related to car-mounted devices, while sales of amusement-related products continued to decrease. As a result, for the second-quarter period of the fiscal year under review, on a consolidated basis, net sales amounted to ¥67,858 million (89.2% in comparison with the corresponding period of the previous fiscal year).

With regard to profits and losses, the Company registered an operating loss of ¥2,414 million (an operating loss of ¥1,682 million for the corresponding period of the previous fiscal year) and a recurring loss of ¥1,606 million (a recurring loss of ¥697 million for the corresponding period of the previous fiscal year). Net loss amounted to ¥1,859 million (a net loss of ¥1,251 million for the corresponding period of the previous fiscal year).

(2) Explanations on the financial condition

(i) State of assets, liabilities and net assets

As of the end of the second quarter of the fiscal year under review, on a consolidated basis, total assets accounted for ¥164,937 million, up ¥21,956 million from the end of the previous fiscal year, due principally to an increase of ¥9,568 million in trade notes and trade accounts receivable, an increase of ¥11,302 million in inventories and an increase of ¥3,426 million in tangible fixed assets in spite of a decrease in cash and deposits in ¥3,834 million.

Total liabilities accounted for ¥59,246 million, up ¥19,257 million from the end of the previous fiscal year, due principally to an increase of ¥17,752 million in trade notes and trade accounts payable.

Total net assets accounted for ¥105,691 million, up ¥2,698 million from the end of the previous fiscal year, due principally to an increase of ¥2,158 million in foreign exchange translation adjustment and an increase of ¥414 million in remeasurements of defined benefit plans.

As a result, the net worth ratio as of the end of the second quarter of the fiscal year under review decreased by 7.9 percentage points from the end of the previous fiscal year to 64.1%.

(ii) State of cash flows

Cash and cash equivalents ("net cash") on a consolidated basis at the end of the second-quarter cumulative period of the fiscal year under review decreased by ¥9,960 million in comparison with the previous fiscal year, accounting for ¥35,452 million.

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

(Cash flows from operating activities)

Cash flows from operating activities resulted in payments of ¥1,406 million (payments of ¥7,346 million for the corresponding period of the previous fiscal year) due principally to an increase in inventories and an increase in trade accounts receivable in spite of an increase in trade accounts payable.

(Cash flows from investing activities)

Cash flows from investing activities resulted in payments of ¥10,277 million (payments of ¥5,358 million for the corresponding period of the previous fiscal year) due principally to payments for placing of time deposits and payments for the acquisition of tangible fixed assets in spite of receipts from sale of tangible fixed assets.

(Cash flows from financing activities)

Cash flows from financing activities resulted in payments of ¥437 million (payments of ¥4 million for the corresponding period of the previous fiscal year) due principally to payments of dividends.

(3) Explanations on the forecasts of consolidated business results and other future forecast information

With regard to the forecast of consolidated business results for the fiscal year ending March 31, 2015, no amendment will be made to the forecast of consolidated business results publicized on May 12, 2014.

2. Matters Concerning Summary Information (Notes)

(Translation omitted)

3. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(million yen)

	Year ended March 31, 2014 (as of March 31, 2014)	Second-quarter period of the year ending March 31, 2015 (as of September 30, 2014)
ASSETS:		
Current assets:		
Cash and deposits	46,317	42,483
Trade notes and trade accounts receivable	36,692	46,260
Finished products	2,832	3,284
Work in process	8,057	16,454
Raw materials and storage	16,737	19,190
Other assets	1,366	3,117
Allowance for doubtful receivables	(25)	(98)
Total current assets	111,977	130,692
Fixed assets:		
Tangible fixed assets	27,797	31,223
Intangible fixed assets	1,322	1,274
Investments and other assets		
Others investments and other assets	2,001	1,935
Allowance for doubtful receivables	(118)	(188)
Total investments and other assets	1,882	1,747
Total fixed assets	31,003	34,244
TOTAL ASSETS	142,981	164,937
LIABILITIES:		
Current liabilities:		
Trade notes and trade accounts payable	18,309	36,062
Short-term borrowings	6,278	6,676
Accrued corporate taxes, etc.	534	505
Allowance for bonuses	1,315	1,306
Other current liabilities	7,518	11,070
Total current liabilities	33,956	55,620
Long-term liabilities:		
Net defined benefit liability	4,459	1,955
Other long-term liabilities	1,573	1,670
Total long-term liabilities	6,033	3,625
TOTAL LIABILITIES	39,989	59,246
NET ASSETS:		
Shareholders' equity:		
Capital	39,890	39,890
Additional paid-in capital	43,252	43,252
Retained earnings	33,733	33,867
Treasury stock	(92)	(92)
Total shareholders' equity	116,783	116,916
Accumulated other comprehensive income:		
Valuation difference of other securities	49	41
Foreign exchange translation adjustment	(9,698)	(7,539)
Remeasurements of defined benefit plans	(4,142)	(3,727)
Total accumulated other comprehensive income	(13,790)	(11,225)
TOTAL NET ASSETS	102,992	105,691
TOTAL LIABILITIES AND NET ASSETS	142,981	164,937

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

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

(million yen)

	Second-quarter period of the year ended March 31, 2014 (April 1, 2013 through September 30, 2013)	Second-quarter period of the year ending March 31, 2015 (April 1, 2014 through September 30, 2014)
Net sales	76,095	67,858
Cost of sales	72,472	64,516
Gross profit on sales	3,623	3,342
Selling, general and administrative expenses	5,305	5,757
Operating loss	(1,682)	(2,414)
Non-operating income		
Interest income	55	83
Royalties earned	21	2
Foreign exchange gains	779	946
Other income	245	339
Total non-operating income	1,100	1,372
Non-operating expenses		
Interest expense	21	25
Loss on disposition of fixed assets	25	27
Payment compensation	61	68
Provision of allowance for doubtful receivables	-	137
Foreign withholding tax	-	221
Other expenses	8	83
Total non-operating expenses	116	563
Recurring loss	(697)	(1,606)
Special income		
Gain on sale of fixed assets	-	764
Total special income	-	764
Special loss		
Impairment loss on fixed assets	149	541
Revaluation loss on investment securities	-	156
Special retirement allowances	8	-
Business restructuring expenses	272	-
Total special loss	430	697
Loss before income taxes and others	(1,128)	(1,539)
Corporate, inhabitant and enterprise taxes	123	319
Net loss	(1,251)	(1,859)

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

(million yen)

	Second-quarter cumulative period of the year ended March 31, 2014 (April 1, 2013 through September 30, 2013)	Second-quarter cumulative period of the year ending March 31, 2015 (April 1, 2014 through September 30, 2014)
Net loss	(1,251)	(1,859)
Other comprehensive income		
Valuation difference of other securities	6	(7)
Foreign exchange translation adjustment	1,015	2,158
Remeasurements of defined benefit plans	-	414
Total other comprehensive income	1,022	2,565
Quarterly comprehensive income	(229)	706
(Items)		
Quarterly comprehensive income related to the shareholders of the parent company	(229)	706
Quarterly comprehensive income related to the minority shareholders	-	-

(3) Consolidated quarterly statements of cash flows

(million yen)

	Second-quarter cumulative period of the year ended March 31, 2014 (April 1, 2013 through September 30, 2013)	Second-quarter cumulative period of the year ending March 31, 2015 (April 1, 2014 through September 30, 2014)
Cash flows from operating activities:		
Loss before income taxes and others	(1,128)	(1,539)
Depreciation	3,100	3,034
Impairment loss on fixed assets	149	541
Business restructuring expenses	272	-
Increase (decrease) in allowance for doubtful receivables	14	141
Increase (decrease) in reserve for employee retirement benefits	74	-
Increase (decrease) in net defined benefit liability	-	254
(Increase) decrease in prepaid pension cost	185	-
Interest and dividend income	(55)	(254)
Interest expenses	21	25
Foreign exchange (income) loss	283	380
(Gain) loss on sale of fixed assets	(37)	(807)
Loss from write-off and retirement of fixed assets	25	27
Revaluation (gain) loss on investment securities	-	156
(Increase) decrease in trade accounts receivable	(15,112)	(8,427)
(Increase) decrease in inventories	(9,694)	(10,794)
Increase (decrease) in trade accounts payable	14,336	16,610
Others	308	(621)
Subtotal	(7,256)	(1,272)
Interest and dividends received	54	227
Interest paid	(21)	(26)
Special retirement allowances paid	(61)	-
Insurance claims received	20	-
Business restructuring expenses paid	(262)	(91)
Corporate taxes paid	(85)	(282)
Corporate taxes refunded	266	40
Net cash (used in) provided by operating activities	(7,346)	(1,406)
Cash flows from investing activities:		
Placing of time deposits	(423)	(6,378)
Withdrawal of time deposits	225	276
Acquisition of tangible fixed assets	(5,649)	(4,810)
Sale of tangible fixed assets	748	785
Acquisition of intangible fixed assets	(123)	(94)
Acquisition of investment securities	(137)	(101)
Others	2	45
Net cash (used in) provided by investing activities	(5,358)	(10,277)

(million yen)

	Second-quarter cumulative period of the year ended March 31, 2014 (April 1, 2013 through September 30, 2013)	Second-quarter cumulative period of the year ending March 31, 2015 (April 1, 2014 through September 30, 2014)
Cash flows from financing activities:		
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(4)	(437)
Net cash (used in) provided by financing activities	(4)	(437)
Translation gain related to cash and cash equivalents	478	2,161
Net increase (decrease) in cash and cash equivalents	(12,231)	(9,960)
Cash and cash equivalents at beginning of the period	45,364	45,413
Cash and cash equivalents at end of the period	33,133	35,452

(4) Notes on consolidated quarterly statements

(Note on assumptions for going concern)

Not applicable.

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

Not applicable.

(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 second-quarter cumulative period of the fiscal year ending March 31, 2015:

Division	Production	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)
Semiconductor Devices	14,385	118.6
Optical Devices	4,010	59.8
System Parts	29,907	88.3
High-Frequency Parts	11,357	108.1
Power-Unit Parts	8,328	67.0
Total	67,989	89.9

(ii) Orders received

Orders received by product division for the consolidated second-quarter cumulative period of the fiscal year ending March 31, 2015:

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	13,943	110.5	2,931	89.2
Optical Devices	4,147	51.7	1,126	61.2
System Parts	34,187	96.2	9,039	151.0
High-Frequency Parts	11,671	107.7	3,171	107.7
Power-Unit Parts	10,168	85.7	3,237	129.5
Total	74,118	94.0	19,506	117.8

(iii) Sales

Sales by product division for the consolidated second-quarter cumulative period of the fiscal year ending March 31, 2015:

Division	Sales	Comparison with the corresponding period of the previous fiscal year
	(million yen)	(%)
Semiconductor Devices	14,548	117.1
Optical Devices	3,997	59.6
System Parts	29,855	87.3
High-Frequency Parts	11,158	107.3
Power-Unit Parts	8,298	67.2
Total	67,858	89.2

(2) Overseas net sales

For the consolidated second-quarter cumulative period of the fiscal year ended March 31, 2014 (April 1, 2013 through September 30, 2013):

(million yen)

	Asia	Europe	North America	Total
I Overseas net sales	37,874	1,743	2,016	41,633
II Consolidated net sales				76,095
III Ratio of overseas net sales to consolidated net sales (%)	49.8	2.3	2.6	54.7

For the consolidated second-quarter cumulative period of the fiscal year ending March 31, 2015 (April 1, 2014 through September 30, 2014):

(million yen)

	Asia	Europe	North America	Total
I Overseas net sales	38,921	1,478	2,581	42,981
II Consolidated net sales				67,858
III Ratio of overseas net sales to consolidated net sales (%)	57.3	2.2	3.8	63.3

- END -