SUMMARY OF FINANCIAL STATEMENTS (CONSOLIDATED)

For the First Quarter Ended June 30, 2009

Presented July 27, 2009

MACNICA, Inc.

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1. Financial Results for the First Quarter of Fiscal Year Ending March 31, 2010 – *(April 1, 2009 to June 30, 2009)*

(1) Consolidated Operating Results

(Millions of yen)

	April 1 to June 30, 2009		April 1 to June 30, 2008	
	Amount	% Change	Amount	% Change
Net Sales	32,249	(10.4)	35,999	—
Operating Income	151	(86.2)	1,103	—
Ordinary Income	401	(58.5)	967	—
Net Income	3	(99.3)	467	—
Net Income per Share (yen)	0.18		26.39	
Potential post-adjustment net income value per share (yen)	—		—	

(2) Consolidated Financial Position

(Millions of yen)

	As of June 30, 2009	As of March 31, 2009
Total Assets	85,316	82,748
Shareholders' Equity	54,462	54,748
Equity Ratio (%)	63.8	66.2
Shareholder's Equity per Share (yen)	3,076.30	3,092.44

Equity (consolidated): End of 1st quarter, FY2010: 54,462 million yen; End of FY2009: 54,748 million yen

2. Dividends

	April 1 to March 31,		
	2010	2009	2010 (forecast)
Annual Dividends per Share (yen)	—	30.00	30.00
First Quarter (yen)	—	—	—
Mid Term (yen)	—	15.00	15.00
Third Quarter (yen)	—	—	—
End of Term (yen)	—	15.00	15.00

Note: Revisions to dividend forecast in the quarter: None

3. Consolidated Profit Forecast for the Year Ending March 31, 2010

(Millions of yen)

	Millions of yen			
	Half Ending Sept. 30, 2009		Year Ending March 31, 2010	
Net Sales	64,300	(13.4%)	134,000	1.9%
Operating Income	480	(82.5%)	1,400	(21.2%)
Ordinary Income	440	(81.8%)	1,300	(18.0%)
Net Income	40	(97.0%)	550	—
Net income per share (yen)	2.26		31.07	

Note: Revisions to financial forecast in the quarter: None

4. Additional Notes

(1) Transfers of leading subsidiaries during the period (transfers of specified subsidiaries accompanies by changes in the scope of consolidation): None

(2) Application of simplified accounting treatment and unique accounting treatment when creating quarterly consolidated financial statements: Yes (please refer to page 5.)

(3) Changes in accounting principles, procedures and methods of presentation relating to the preparation of quarterly consolidated financial statements (Record under Changes to Significant Matters Forming the Basis for the Preparation of Quarterly Consolidated Financial Statements)

(i) Changes accompanying amendments to accounting standards: Yes

(ii) Changes other than those in (i) above: None (please refer to page 5.)

(4) Number of outstanding shares (common shares)

(i) Number of shares issued and outstanding at end of period (including treasury stock)

First Quarter FY2010:	18,110,252 shares	End Fiscal Year 2009:	18,110,252 shares

(ii) Number of shares of treasury stock issued and outstanding at end of period

First Quarter FY2010:	406,330 shares	End Fiscal Year 2009:	406,330 shares

(iii) Average number of treasury stock during the period

First Quarter FY2010:	17,703,922 shares	First Quarter FY2009:	17,704,137 shares

Note:

Profit forecasts are based on the information available to management at the time they are made, and assumptions which are considered to be reasonable. Actual results may differ materially from forecasts for a number of reasons. Please consult "I. Business Results, 3. Outlook for the Fiscal Year" on page 4 of this document for additional discussion concerning forecasts.

I. Business Results and Financial Position

1. Business Results

(1) Consolidated First Quarter Overview

During the first quarter, the Japanese economy experienced the severest downturn among developed countries as the global economy stagnated since last fall, but there were signs of a recovery, particularly in the manufacturing industry, as inventory corrections ran their course. In addition, exports to Asia, mainly China, expanded, and there was an improvement in consumer sentiment for various reasons including government efforts to stimulate the purchase of home electronic appliances through the introduction of eco-points. However, there is still deep uncertainty about the future since the recovery lacks the requirements for a self-sustaining improvement in final demand.

The Macnica Group is active in the electronics industry, and within the industry there were signs of a recovery in the market for consumer products such as flat-panel TVs and digital cameras as companies completed their inventory corrections and China introduced economic stimulus measures. Furthermore, buoyed by demand for low-cost notebook PCs called netbooks, the PC market was firm. As for the industrial equipment market, which includes products such as semiconductor manufacturing equipment and test equipment, corporate capital expenditures were weak, and the business environment remained harsh.

The above factors resulted in a 10.4% year-on-year decline in sales to 32,249 million yen, a 86.2% year-on-year decline in operating income to 151 million yen, and a 58.5% year-on-year decline in ordinary income to 401 million yen for the first quarter. Net income for the quarter declined 99.3% year-on-year to 3 million yen.

IC and Electronic Devices Business

In the communication infrastructure market, orders for ASSPs for next generation communication networks were firm. As for ASSPs for mobile phone base stations, there was a decline in capital investments, but investment in next generation mobile phone infrastructure in China was strong; there were also signs of a recovery in demand for semiconductors in the same market. Furthermore, orders for analog ICs for overseas mobile phones and laptop computer battery packs and for custom ICs from Taiwanese liquid crystal panel manufacturers expanded, and orders for ICs for applications recovered as corrections in inventories of products such as analog ICs for digital still cameras were completed. However, this recovery in orders was limited since it was the result of the completion of inventory corrections and government economic stimulus packages, and with no signs of a recovery in actual demand, the business environment remains harsh in various markets including the industrial equipment market.

The above factors resulted in a 10.2% year-on-year decline in sales for the first quarter of the current fiscal year to 29,553 million yen and operating losses of 198 million yen, compared with operating incomes of 492 million yen a year ago.

Network-related Products Business

Although sales of communication switchboards were strong, sales of both hardware and software declined as the number of large projects fell. On other hand, sales of service products continued to be firm.

The above factors resulted in a 12.5% year-on-year decrease in sales for the first quarter of the current fiscal year to 2,695 million yen and a 65.8% year-on-year decline in operating income to 198 million yen.

Japan

Even though there was an overall decline in orders for PLDs, the Group's main product, due to weakness in the industrial equipment market, there was a recovery in orders for some PLDs as capital expenditures for mobile phone base stations were brought forward. In addition, orders of ASSPs for communication equipment were firm as the market for next generation networks took off, and orders of analog ICs for notebook PCs recovered. However, the recovery was limited to parts of the market leaving the overall market down.

As a result, sales in Japan declined 17.6% year on year to 28,985 million yen and operating losses were 10 million yen, compared with operating incomes of 928 million yen a year ago.

Asia

There was a dramatic improvement in the custom IC business targeting Taiwanese liquid crystal panel manufacturers as demand strengthened due to various factors including the economic stimulus package in China. Furthermore, there were firm capital expenditures related to next generation mobile phones in China, and there was a recovery in production of various items including digital still cameras manufactured by Japanese companies in Asia.

As a result, sales in Asia increased 64.1% year on year to 8,866 million yen and operating incomes increased 106.3% year on year to 215 million yen.

(2) Consolidated Financial Position

Total assets as of the end of the first quarter of the current fiscal year rose 2,567 million yen compared with the end of the previous consolidated fiscal year; net assets fell 285 million yen, and the capital adequacy ratio was 63.8%.

Cash inflow from operating activities was 932 million yen. While various items weighted down the cash flow, including an increase in notes and accounts receivable trade and corporate tax payment, various other items boosted the cash flow, including a decrease in inventories and an increase in trade payable.

Cash outflow from investing activities was 47 million yen due to the purchase of intangible fixed assets.

Cash outflow from financing activities was 333 million yen due to the payment of dividends among other factors.

As a result, cash and cash equivalents at the end of this quarter were 20,961 million yen, a year-on-year increase of 476 million yen, resulting from an increase of 463 million yen due to the increase of newly consolidated subsidiaries.

(3) Outlook for the Fiscal Year

While there is a sense that some parts of the economy are recovering for several reasons including inventory corrections having run their course and governments introducing economic stimulus packages, uncertainty about the future remains deeply rooted as the requirements for a self-sustaining recovery in final demand are still lacking. Even though conditions surrounding the Company's earnings are also very uncertain, earnings for the first quarter were in line with projections; therefore, there have been no changes in projections for consolidated earnings for the second quarter and the full fiscal year released on April 27, 2009.

The Company will disclose information in a timely manner following the occurrence of facts that require disclosure.

(4) Other

1. Transfers of leading subsidiaries during the period (transfers of specified subsidiaries accompanies by changes in the scope of consolidation): None

2. Application of simplified accounting treatment and unique accounting treatment when creating quarterly consolidated financial statements:

i) Simplified accounting treatment:

- Inventories

Inventories write-down are based on the current net sales value of items on which profit margins have declined significantly.

ii) Unique accounting treatment when creating quarterly consolidated financial statements:

- Calculating tax expense:

A rational estimate is made of the effective tax rate following application of tax effect accounting to net income before income taxes for the consolidated fiscal year, which includes the current first quarter, and then the tax expense is calculated by multiplying the net income before income taxes by the estimated effective tax rate.

The given adjustment to corporate income tax includes corporate taxes.

3. Changes in accounting principles, procedures and methods of presentation relating to the preparation of quarterly consolidated financial statements:

i) Application of accounting standard for construction contracts:

While traditionally the inspection standard has been applied for the recording of revenue related to orders for the development of software, the Accounting Standard for Construction Contracts (Accounting Standard No. 15 released by the Accounting Standards Board of Japan (ASBJ) on December 27, 2007) and the Implementation Guidance on Accounting Standard for Construction Contracts (Implementation Guidance No. 18 released by the ASBJ on December 12, 2007) have been applied starting the first quarter of the fiscal year. The percentage-of-completion method (expected percent completed is calculated using the proportion-of-cost method) is applied to contracts whose portion completed through the first quarter is considered certain, and the inspection standard is applied to other contracts received.

This change has minor effect on the Company's gain and loss.

II. Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2009	As of March 31, 2009
ASSETS		
Current assets		
Cash and deposits	17,239	20,432
Notes & accounts receivable	27,893	24,256
Securities	4,010	13
Finished goods	18,545	19,843
Other current assets	4,244	4,481
Allowance for doubtful accounts	(145)	(109)
Total current assets	**71,787**	**68,918**
Fixed assets		
Buildings and structures (Net)	3,271	3,307
Machinery, equipment and vehicles (Net)	22	23
Land	2,745	2,745
Other fixed assets (Net)	755	769
Tangible assets	**6,795**	**6,846**
Goodwill	2,039	2,035
Other	1,647	1,763
Intangible assets	**3,687**	**3,799**
Investments and other assets		
Investment in securities	1,291	1,418
Other	1,870	1,889
Allowance for doubtful accounts	(116)	(123)
Investments and other assets	**3,045**	**3,184**
Total fixed assets	**13,528**	**13,830**
Total Assets	**85,316**	**82,748**

(Millions of yen)

	As of June 30, 2009	As of March 31, 2009
LIABILITIES		
Current liabilities		
Notes & accounts payable	12,865	8,963
Short-term loans payable	25	87
Accrued income taxes	278	702
Accrued bonuses	319	613
Other current liabilities	4,836	5,149
Total current liabilities	**18,324**	**15,516**
Long-term liabilities		
Long-term debt	10,000	10,012
Accrued retirement benefits	1,889	1,827
Retirement benefits for directors	402	398
Other current liabilities	237	245
Total long-term liabilities	**12,529**	**12,484**
Total Liabilities	**30,853**	**28,000**
Shareholders Equity		
Paid-in capital	11,194	11,194
Additional paid-in capital	19,476	19,476
Retained earnings	24,954	25,246
Treasury stock	(1,088)	(1,088)
Total shareholders' equity	54,536	54,828
Appraisal and translation differences		
Unrealized holding gain on securities	(13)	(41)
Gain on deferred hedge	23	—
Translation adjustments	(84)	(38)
Total appraisal and translation differences	(73)	(80)
Total net assets	54,462	54,748
Total Liabilities & Net Assets	**85,316**	**82,748**

2. Consolidated Statements of Income

(Millions of yen)

	April 1 – June 30, 2009	April 1 – June 30, 2008
Net sales	**32,249**	**35,999**
Cost of sales	27,682	30,378
Gross profit	4,567	5,620
Selling, general & administrative expenses	4,415	4,517
Operating income	**151**	**1,103**
Non-operating income		
Interest income	12	12
Amortization of negative goodwill	4	61
Translation gain	263	—
Gain on valuation of interest rate swap	—	73
Other	72	71
Total non-operating income	**353**	**218**
Non-operating income		
Interest paid	56	40
Loss on transfer of receivables	23	—
Translation loss	—	214
Other	23	98
Total non-operating expenses	**103**	**353**
Ordinary income	**401**	**967**
Extraordinary income		
Proceeds from sales of fixed assets	1	—
Proceeds from sale of investment securities	—	48
Total extraordinary income	**1**	**48**
Extraordinary losses		
Loss on valuation of inventories	—	214
Loss on valuation of investment securities	55	—
Other	7	4
Total extraordinary losses	**62**	**219**
Income before income taxes	**340**	**796**
Corporate, inhabitant and enterprise taxes	337	329
Total corporate tax etc.	**337**	**329**
Net income (loss)	**3**	**467**

3. Consolidated Statements of Cash Flow

(Millions of yen)

	April 1 – June 30, 2009	April 1 – June 30, 2008
1. Operating activities		
Income before income taxes	340	796
Depreciation and amortization	259	236
Interest and dividend income	(12)	(17)
Interest expense	56	40
Decrease (increase) in notes and accounts receivable trade	(3,347)	(4,777)
Decrease (increase) in inventories	1,370	(1,391)
Increase (decrease) in trade payable	3,905	3,937
Other	(719)	(448)
Sub-total	**1,851**	**(1,622)**
Interest and dividends received	15	25
Interest paid	(81)	(30)
Corporate tax Payment (refund)	(853)	(361)
Net cash provided by (used in) operating activities	**932**	**(1,989)**
2. Investing Activities		
Increase in time deposits	134	—
Disbursement of loans	(81)	(890)
Proceeds from collection of loans	32	901
Purchases of property and equipment	(95)	(108)
Proceeds from sales of property and equipment	4	—
Purchases of intangible assets	(48)	(389)
Purchases of marketable securities	—	(10)
Proceeds from sales of marketable securities	5	55
Other	0	(101)
Net cash provided by (used in) investing activities	**(47)**	**(542)**

(Millions of yen)

	April 1 – June 30, 2009	April 1 – June 30, 2008
3. Financing activities		
Change in short-term loans	(67)	0
Repayment of long-term debt	(12)	(12)
Cash dividends paid	(248)	(488)
Other	(4)	0
Net cash provided by (used in) financing activities	**(333)**	**(501)**
4. Effect of exchange rate changes on cash and cash equivalents	**(76)**	**12**
5. Net increase (decrease) in cash and cash equivalents	**476**	**(3,021)**
6. Cash and cash equivalents at beginning of the year	**20,022**	**11,938**
7. Increase in cash and cash equivalents due to the increase of newly consolidated subsidiaries	**463**	**—**
8. Cash and cash equivalents at year end	**20,961**	**8,917**

III. Notes regarding Going Concern

None

IV. Segment Information

1. Segment Information by Business Type

Current Consolidated First Quarter – (April 1, 2009 – June 30, 2009)

(Millions of yen)

	IC and electronic devices business	Network-related products business	Total	Eliminations or Corporate	Consolidated
Sales (1) Sales to external customers	29,553	2,695	32,249	—	32,249
(2) Internal sales or transfers between segments	—	—	—	—	—
Total	29,553	2,695	32,249	—	32,249
Operating income	(198)	198	(0)	152	151

Notes:
1. Business segments are segments the Company uses for internal management.
2. Main products in each segment:
  a) Integrated circuit and electronic device business: PLD, ASIC, ASSP, Analog IC, Memory, and other electronics devices
  b) Network-related products business: network-related hardware, software and services

Previous Consolidated First Quarter – (April 1, 2008 – June 30, 2008)

(Millions of yen)

	IC and electronic devices business	Network-related products business	Total	Eliminations or Corporate	Consolidated
Sales (1) Sales to external customers	32,918	3,080	35,999	—	35,999
(2) Internal sales or transfers between segments	—	—	—	—	—
Total	32,918	3,080	35,999	—	35,999
Operating income	492	580	1,072	30	1,103

Notes:
1. Business segments are segments the Company uses for internal management.
2. Main products in each segment:
  a) Integrated circuit and electronic device business: PLD, ASIC, ASSP, Analog IC, Memory, and other electronics devices
  b) Network-related products business: network-related hardware, software and services

2. Segment Information by Geographical Area

Current Consolidated First Quarter – (April 1, 2009 – June 30, 2009)

(Millions of yen)

	Japan	Asia	Total	Eliminations or Corporate	Consolidated
Sales					
(1) Sales to external customers	23,383	8,866	32,249	—	32,249
(2) Internal sales or transfers between segments	5,601	—	5,601	(5,601)	—
Total	28,985	8,866	37,851	(5,601)	32,249
Operating income	(10)	215	204	(52)	151

Notes:
1. Countries and regions classified by geographical proximity.
2. Countries and regions belonging to each classification:
   Asia: China, Hong Kong, Taiwan, Singapore.

Previous Consolidated First Quarter – (April 1, 2008 – June 30, 2008)

(Millions of yen)

	Japan	Asia	Total	Eliminations or Corporate	Consolidated
Sales					
(1) Sales to external customers	30,594	5,404	35,999	—	35,999
(2) Internal sales or transfers between segments	4,599	—	4,599	(4,599)	—
Total	35,193	5,404	40,598	(4,599)	35,999
Operating income	928	104	1,032	70	1,103

Notes:
1. Countries and regions classified by geographical proximity.
2. Countries and regions belonging to each classification:
   Asia: China, Hong Kong, Taiwan, Singapore.

3. Overseas Sales

Current Consolidated First Quarter – (April 1, 2009 – June 30, 2009) *(Millions of yen)*

	Asia	Other	Total
I. Overseas sales	9,436	167	9,604
II. Consolidated sales	—	—	32,249
III. Overseas sales ratio（%）	29.3	0.5	29.8

Notes:
1. Countries and regions classified by geographical proximity.
2. Countries and regions belonging to each classification:
   Asia: China, Hong Kong, Taiwan, Malaysia.
   Others: U.S.A.

Previous Consolidated First Quarter – (April 1, 2008 – June 30, 2008) *(Millions of yen)*

	Asia	Other	Total
I. Overseas sales	6,223	183	6,407
II. Consolidated sales	—	—	35,999
III. Overseas sales ratio（%）	17.3	0.5	17.8

Notes:
1. Countries and regions classified by geographical proximity.
2. Countries and regions belonging to each classification:
   Asia: China, Hong Kong, Taiwan, Singapore.
   Others: U.S.A.

V. Significant Change in Shareholder’s Equity

None