

SUMMARY OF FINANCIAL STATEMENTS (CONSOLIDATED)

For the Full Year Ended March 31, 2010

Presented April 26, 2010

MACNICA, Inc.

Listed Market	Tokyo Stock Exchange
Stock Code	7631
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General meeting of stockholders	June 24, 2010
Scheduled date to payment of dividends	June 25, 2010
Scheduled date for filing of quarterly financial report	June 24, 2010

1. Financial Results for FY2010 (April 1, 2009 to March 31, 2010)

(1) Consolidated Operating Results

(Millions of yen)

	April 1, 2009 to March 31, 2010		April 1, 2008 to March 31, 2009	
	Amount	% Change	Amount	% Change
Net Sales	149,263	13.5	131,532	(14.7)
Operating Income	3,314	86.5	1,777	(59.4)
Ordinary Income	3,350	111.2	1,586	(31.3)
Net Income	1,767	—	(143)	—
Net Income per Share (yen)	99.82		(8.08)	
Potential post-adjustment net income value per share (yen)	—		—	
Return on Equity (ROE)(%)	3.2		(0.3)	
Return on Assets (%)	3.6		1.9	
Operating Income to Net Sales (%)	2.2		1.4	

Equity method investment profit / loss: Year ended March 31, 2010: — mil yen; Year ended March 31, 2009: — mil yen

(2) Consolidated Financial Position

(Millions of yen)

	As of March 31, 2010	As of March 31, 2009
Total Assets	101,807	82,748
Shareholders' Equity	56,687	54,748
Equity Ratio (%)	54.3	66.2
Shareholders' Equity per Share (yen)	3,122.50	3,092.44

Equity (consolidated): Year ended March 31, 2010: 55,280 mil yen; Year ended March 31, 2009: 54,748 mil yen

(3) Consolidated Cash Flows

(Millions of yen)

	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Cash Flows from Operating Activities	(4,702)	11,010
Cash Flows from Investing Activities	24	(6,177)
Cash flows from Financing Activities	(642)	3,330
Cash and cash Equivalents, End of Year	15,044	20,022

2. Dividends

	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009	2011 (Est.)
Annual Dividends per Share (yen)	30.00	30.00	30.00
End of Term (yen)	15.00	15.00	15.00
Mid Term (yen)	15.00	15.00	15.00
Total Dividends (millions of yen)	531	531	—
Payout ratio	30.1%	—	21.7%
Shareholders' equity dividend yield	1.0%	1.0%	—

3. Consolidated Profit Forecast for the Year Ending March 31, 2011

(Millions of yen)

	Half Ending Sept. 30, 2010		Year Ending March 31, 2011	
Net Sales	81,600	15.2%	160,000	7.2%
Operating Income	2,150	92.8%	4,050	22.2%
Ordinary Income	2,110	52.0%	4,000	19.4%
Net Income	1,330	109.4%	2,450	38.7%
Net income per share (yen)	75.12		138.39	

4. Additional Notes

(1) Transfers of important subsidiaries during the fiscal period (moves of specific subsidiary due to change in scope of consolidation): Yes (GALAXY FAR EAST CORPORATION)

* Please refer to "II. The Macnica Group" on page 9 for more details.

(2) Changes in principles, procedures and presentation of accounting treatment in preparing consolidated financial statements (changes described in "Important items that are fundamental to the preparation of consolidated financial statements"):

(i) Changes resulting from revisions to accounting standards, etc.: Yes

(ii) Changes other than (i) No

* Please refer to "Significant Items in the Preparation of the Consolidated Full Year Financial Statements" on page 22 for more details.

(3) Number of shares issued (common shares)

(i) Number of shares issued end of fiscal period (including treasury stock):

March 2010	18,110,252 shares	March 2009	18,110,252 shares
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(ii) Number of treasury stock at end of fiscal period

March 2010	406,473 shares	March 2009	406,330 shares
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* Please refer to "Per Share Information" on page 29 for the number of shares used as the basis for calculating net income (consolidated) per share for the term.

(Reference) Non-consolidated performance summary

1. Financial Results for FY2010 (April 1, 2009 to March 31, 2010)

(1) Consolidated Operating Results

(Millions of yen)

	April 1, 2009 to March 31, 2010		April 1, 2008 to March 31, 2009	
	Amount	% Change	Amount	% Change
Net Sales	88,747	10.8	80,062	(17.6)
Operating Income	(116)	—	(589)	—
Ordinary Income	856	—	(405)	—
Net Income	610	—	(1,094)	—
Net Income per Share (yen)	34.48		(61.80)	
Potential post-adjustment net income value per share (yen)	—		—	

(2) Non-consolidated Financial Position

(Millions of yen)

	As of March 31, 2010	As of March 31, 2009
Total Assets	69,435	63,732
Shareholders' Equity	43,403	43,382
Equity Ratio (%)	62.5	68.0
Shareholders' Equity per Share (Yen)	2,451.66	2,450.47

Equity (non-consolidated): Year ended March 31, 2010: 43,403 mil yen; Year ended March 31, 2009: 43,382 mil yen

Notes:

Profit forecasts are based on the information available to management at the time they are made. Actual results can differ materially from forecasts for a number of reasons. Please consult "I. Business Results and Financial Position (1) Business Results" on page 5 of this document for additional discussion concerning forecasts.

I. Business Results and Financial Position

(1) Business Results

1) Overview of Consolidated Fiscal Year

During the fiscal year under review, exports to Asian countries such as China remained firm, driven by stimulus measures implemented by various countries. The Japanese economy, particularly the manufacturing industry, showed signs of recovery due to a boost from stimulus measures, machinery orders hitting bottom, and domestic private demand for products such as industrial equipment and cars rapidly increasing in various Asian countries, including China. However, the Japanese economic recovery did not fully take off as corporate capital expenditures failed to improve—although there was an upward trend in earnings for some companies—and consumers continued to economize as a result of deterioration in employment conditions and incomes.

The Macnica Group is active in the electronics industry, and there were various developments in this industry. The consumer electronics market was robust as sales of digital still cameras remained firm for several reasons including the year-end sales season and sales of LCD TVs rose dramatically in both China and Japan because governments implemented measures to stimulate demand—the eco-point system in Japan and subsidies provided to rural households in China. The personal computer market was also firm since demand in emerging markets and replacement demand in advanced regions increased, driven by the introduction of netbooks and new OSs. Furthermore, demand for mobile phones such as smart phones improved as the Chinese and Indian economies recovered. On the other hand, there

was only a slight improvement in the markets for OA peripheral equipment and industrial equipment, which are strongly tied to corporate earnings and capital expenditures.

Therefore, net sales for the fiscal year increased 13.5% year on year to 149,263 million yen, operating income rose 86.5% year on year to 3,314 million yen, and ordinary income also rose 111.2% year on year to 3,350 million yen. The Group recorded a net income of 1,767 million yen, compared to net loss of 143 million yen for the previous fiscal year.

IC and Electronic Devices Business

For the IC and electronic devices business, sales of application specific standard products (ASSPs) grew as the overseas market for mobile phones expanded. There were also firm sales of products such as programmable logic devices (PLDs) for communications infrastructure since capital expenditures related to mobile phone base stations both in Japan and overseas temporarily recovered. Turning to consumer electronics, sales of products related to LCD TVs and digital still cameras rose as a result of economic stimulus measures implemented by the various countries and the year-end sales season. As for industrial equipment, after declining during the first half as companies restrained capital expenditures, sales recovered in the second half with those of analog ICs used in cars growing due to the vibrant Chinese market. Sales for the business rose 15.4% year on year to 137,440 million yen and operating income was 1,594 million yen, compared to operating loss of 576 million yen for the previous fiscal year.

Network-related Products Business

Sales of Internet equipment and communication switchboards were firm, but those of other corporate products such as security software contracted since IT investments fell sharply due to the stagnant economy. Sales for the business fell 4.7% year on year to 11,823 million yen and operating income decreased 34.5% year on year to 1,462 million yen.

The following is a summary of performance by geographic areas.

Japan

As for PLDs, Macnica's core product, sales of ones for flat-screen TVs were healthy due to the eco-point system and there was a solid recovery in the market for industrial equipment in the second half even though a full recovery in investments for mobile phone base stations failed to materialize. Turning to analog ICs, sales of ones used in cars, digital still cameras, and notebook PCs, mainly netbooks, were firm. Sales of network related products did not fully recover as corporations restrained both capital expenditures and IT investments.

As a result, sales in Japan increased 6.1% year on year to 134,609 million yen and operating income rose 44.6% to 2,096 million yen.

Asia

Sales of PLDs for mobile phone base stations were strong, particularly in China. As for ASSPs used in communications equipment, sales of those used for mobile phones increased due to growth in mobile phone markets overseas. There were also many instances where the manufacturing of

products such as printers that use the company's ASSPs was transferred outside of Japan. The custom IC business targeting Taiwanese liquid crystal panel manufacturers was firm as the Chinese market expanded although parts of the business shrank since suppliers moved to directly sell their products to major clients. There was also an increase in orders of analog ICs used for digital still cameras and cars.

As a result, sales in Asia increased 99.4% year on year to 40,709 million yen and operating income rose 305.4% year on year to 1,216 million yen.

Note: Consumption tax is not included in the above figures.

2. Outlook for the Fiscal Year

During the coming fiscal year, the Group's export business is projected to recover because of firm exports to Asia even though the manufacturing business may once again decline as the impact from government measures to support the economy fade. In addition to a rebound in the economy and production, corporate capital expenditures and incomes are projected to gradually improve; however, conditions will likely remain uncertain as a full economic recovery is unlikely.

Under these conditions, within the market for consumer electronics such as digital home electronic appliances, the Group's integrated circuits and electronic devices business is projected to continue to record firm earnings in China and other regions although demand for flat-screen TVs may decline as the eco-point system is discontinued. As for personal

computers, both new and replacement demand are expected to be strong in emerging market countries as new OSs are introduced. With an improvement in both business conditions and production, products used in industrial equipment, particularly production equipment, which has been stagnant due to restrained corporate capital expenditures, is forecast to gradually recovery. The Group will work to expand its market share, and these efforts will include focusing on Asia, which is projected to continue to experience strong economic growth, and markets and product lines that can be expected to be profitable; appropriately allocating resources; and conducting strategic sales activities related to products lines that can generate even more sales.

Therefore, for the next fiscal year, consolidated sales are expected to grow 7.2% year on year to 160,000 million yen, operating income to rise 22.2% to 4,050 million yen, ordinary income to increase 19.4% to 4,000 million, and the Group is projected to record 2,450 million yen in net income, an increase of 38.7% from the previous fiscal year.

(2) Financial Situation

1) Assets, Liabilities, and Net Assets

In the current consolidated fiscal period, total assets rose 19,058 million yen compared with the end of the previous consolidated fiscal year; net assets increased 1,939 million yen, and the equity ratio was 54.3%.

2) Cash flows

Cash and cash equivalents in the current consolidated fiscal period were 15,044 million yen, a decline of 4,977 million yen, as compared to

20,022 million yen at the end of the previous consolidated fiscal year.

Cash flows from operating activities

Cash flows from operating activities decreased 4,702 million yen in the current consolidated fiscal period.

While inflows were affected by an increase in a 3,049 million yen of income before income taxes and minority interest, outflows were impacted by an increase in trade payable and inventories.

Cash flow from investing activities

In addition, there was an increase in a net cash inflow from investing activities of 24 million yen for numerous reasons including payments for purchases of shares of subsidiaries accompanying a change in consolidation.

Cash flows from financing activities

There was a net cash outflow from financing activities of 642 million yen for various reasons including mainly cash dividends paid.

Consolidated asset, liability and cash flow indicators

	FY ended March 31 '10	FY ended March 31 '09	FY ended March 31 '08	FY ended March 31 '07	FY ended March 31 '06
Equity ratio	54.3%	66.2%	69.7%	66.8%	59.1%
Equity ratio at market value	26.6%	24.4%	24.5%	74.3%	66.3%
Years to debt redemption	—	0.9 years	2.6 years	2.1 years	—
Interest coverage ratio	—	67.8	10.0	13.0	—

Notes:

Equity ratio :	shareholders' equity/total assets
Equity ratio at market value:	market capitalization/total assets
Years to debt redemption :	interest-bearing debt/operating cash flow
Interest coverage ratio:	operating cash flow/interest payments

1. All indicators are calculated on a consolidated basis. Market capitalization is the closing share price at the end of the period times the number of shares outstanding at the end of the period (excluding treasury stock).
2. Cash flow is cash from from operating activities. Interest-bearing debt is all liabilities posted on the full year balance sheets on which the Company pays interest. Interest payments is the amount posted on the consolidated statements of cash flow.
3. Years to debt redemption and interest coverage ratio for the fiscal years ended March 31, 2006 and 2010 are omitted due to negative cash flow from operating activities.

(3) Policy on Distribution of Profits and Dividend for the Current and the Next Period

The Macnica Group believes that respect for its shareholders and an emphasis on their importance is a key aspect of its management plan, and accordingly plans to make regular payment of stable cash dividends.

However, the integrated circuit, electronic device and network-related product businesses are very sensitive to changes in market trends and technological innovation. Accordingly, the role of retained earnings in preserving our financial strength must receive the most careful consideration. Dividend payments are therefore

made not only on the basis of consolidated and non-consolidated performance, but also from the perspective of the overall financial health of the Macnica Group.

Based on the above policy, the Group expects to pay an annual dividend of 30 yen per share (an interim dividend of 15 yen per share and a year-end dividend of 15 yen per share).

The Group plans to pay the same level of dividends as were paid this year, an annual dividend of 30 yen share (an interim dividend of 15 yen per share and a year-end dividend of 15 yen per share).

II. The Macnica Group

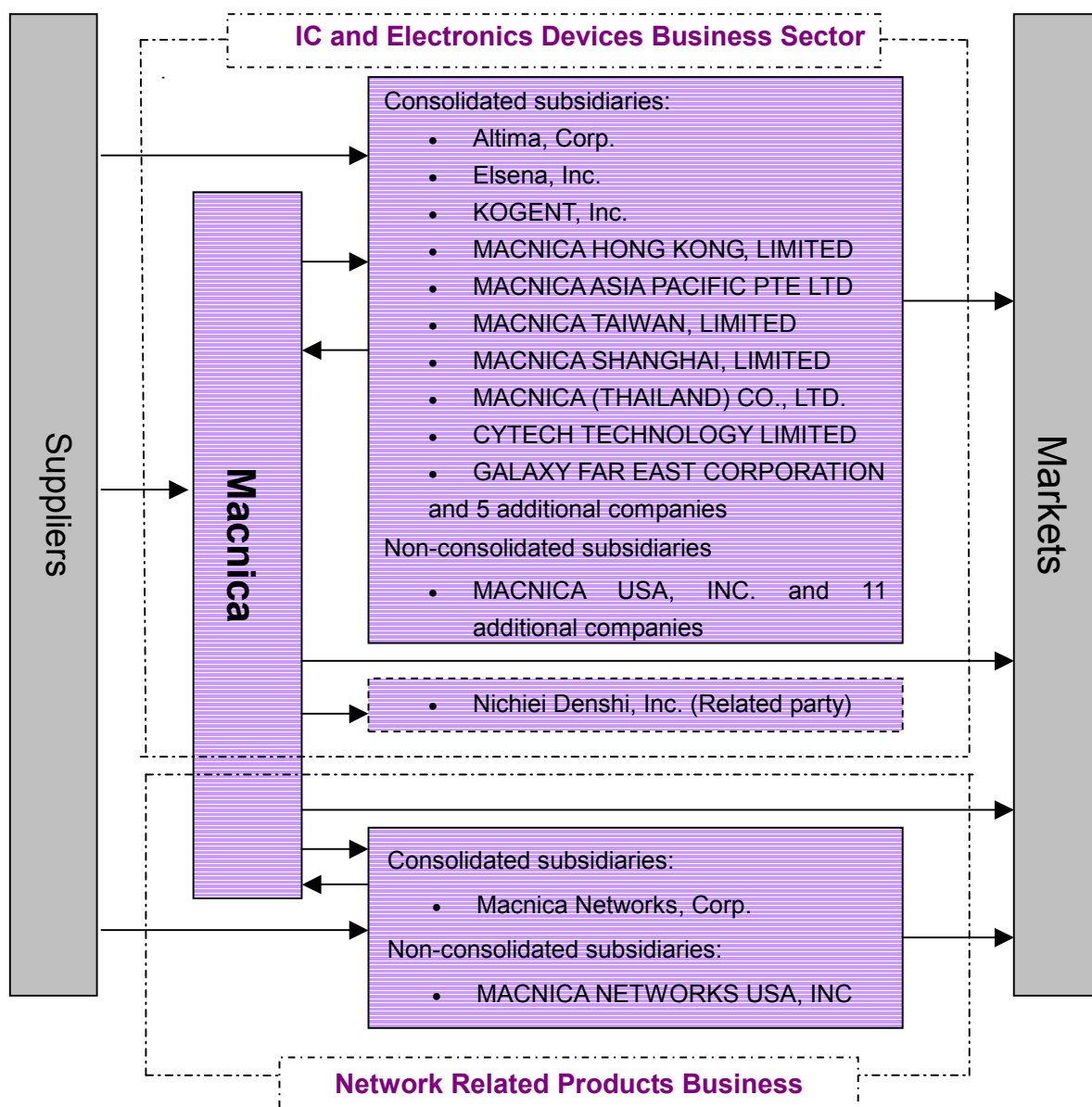
The Macnica Group consists of Macnica, Inc. and 30 subsidiaries. Group operating activities include the sales of, and market research for, integrated circuits (ICs), electronic devices and network-related products. The chart below shows the core operating activities of the Macnica Group's affiliated companies:

TYPE	COMPANY	BUSINESS AREA	ACTIVITIES
CONSOLIDATED SUBSIDIARIES	Altima, Corp.	IC and electronic devices	Semiconductor and electronic component sales
	Macnica Networks, Corp.	Network-related products	Network-related product sales
	Elsena, Inc.	IC and electronic devices	Semiconductor and electronic component sales
	KOGENT, Inc.	IC and electronic devices	Semiconductor and electronic component sales
	MACNICA HONG KONG, LIMITED	IC and electronic devices	Semiconductor and electronic component sales
	MACNICA ASIA PACIFIC PTE LTD	IC and electronic devices	Semiconductor and electronic component sales
	MACNICA TAIWAN, LIMITED	IC and electronic devices	Semiconductor and electronic component sales
	MACNICA SHANGHAI, LIMITED	IC and electronic devices	Semiconductor and electronic component sales
	MACNICA (THAILAND) CO, LTD	IC and electronic devices	Semiconductor and electronic component sales
	CYTECH TECHNOLOGY LIMITED	IC and electronic devices	Semiconductor and electronic component sales
	CYTECH TECHNOLOGY INTERNATIONAL TRADING (SHANGHAI) LTD.	IC and electronic devices	Semiconductor and electronic component sales
	SHENZEN CYTECH ELECTRONIC CO. LTD.	IC and electronic devices	Semiconductor and electronic component sales
	GALAXY FAR EAST CORPORATION	IC and electronic devices	Semiconductor and electronic component sales
	GFE INTERNATIONAL (HONGKONG) LTD.	IC and electronic devices	Semiconductor and electronic component sales
	GALAXY TECHNOLOGY HOLDINGS CO., LTD.	IC and electronic devices	Investment advertising
	MACNICA CHUNGJU CO., LTD.	IC and electronic devices	Investment advertising
A	MACNICA USA, INC.	ICs and electronic devices	Computer and communications market research, Semiconductor and electronic component sales
B	Nichiei Denshi, Inc.	—	Electronic components and equipment, related product sales

(Note) A: Non-consolidated Subsidiary

B: Related party

Business flow among Macnica group companies:



Note: There is an additional non-consolidated subsidiary, an investment association for the purpose of managing Group assets.

III. Management Policy

(1) Basic Management Policy

Macnica does much more than simply distribute electronics, information and communications products. We also provide engineering services offering the technical support needed in a continually changing and growing market, a role that clearly differentiates us from the competition. Our cutting-edge technology and expertise make us the “intelligent technology company” in our targeted high added-value markets.

The Macnica Group’s basic management policies are: customers first, innovation, profitability, solid business methodology, and prioritization. Basing the Group’s strategies for long-term development and growth on these principles, Macnica Group companies strive to benefit all stakeholders, be they shareholders, employees, customers, local regions or Japan itself.

(2) Performance Indicators

The group has set the following targets for business indicators related to consolidated earnings.

- Ratio of Ordinary Income to Net Sales: over 5%
- Return on equity (ROE): over 10%

The Group will not only ensure stable income but also work to increase income through aggressive efforts related to the IC, electronic device, and network-related product businesses. In addition, the Group is working to make effective use of its resources and increase profits by reforming inventory management, improving business processes, from receiving orders through distribution, and increasing business efficiency.

(3) Medium to Long-Term Strategies and Other Business Issues

In regards to the environment that the Group is in and outlook for the future, it is unavoidable that the Group will experience both good and bad economic conditions as a result of trends in capital investments, particularly for communication

infrastructure both within Japan and overseas, and medium- and long-term demand-supply conditions in the electronics industry, particularly for computers, digital home appliances, and industrial equipment. The electronics industry is projected to see slower market growth within Japan, and in order to further expand earnings, a global strategy is necessary. In particular, focus is on the Asia Pacific region, particularly China. Not only are electronics and IT equipment manufacturers from throughout the world shifting manufacturing to mainland China, but local companies are also recording remarkable growth, and there are hopes that the region will become a major semiconductor market.

Under these conditions, the Group has established local subsidiaries in Singapore, Hong Kong, Taiwan, Shanghai, and Thailand, and responds to the needs of mainly Japanese manufacturers relocating production.

As one part of efforts to strength its ability to handle the demands of local companies, the Group made a tender offer for Galaxy Far East Corporation, a semiconductor trading company listed on the Taiwan Stock Exchange, and turned the company into a consolidated subsidiary during the current fiscal year. Through this acquisition, the Group would like to accelerate its strategic expansion into the Taiwanese market. In the Chinese market, the Group is working to expand its business with local companies mainly through Cytech Technology Limited. In the future, the Group will make use of each Group company’s advanced technical support abilities and broad customer base; generate synergies by melding its technical support capabilities with its powerful product lineup, a strength of the Group; provide unique value to customers in the Asian-Pacific market, such as China and Taiwan; and further develop its business.

In addition, amidst fiercer competition with rival companies on various fronts including price, the Group will take the following steps. The Business Development Division will be transformed into the

Strategic Technology Division in this fiscal year and the Group's in-house technical level will be raised even further to differentiate the Group from its rivals and clarify its superiority. At the same time, the whole Group will strive to generate profits and increase earnings by sharing the technological know-how, which has been spread throughout various departments, through this new division, and appropriately allocating technical resources to products that are projected to increase earnings.

IV. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2009
ASSETS		
Current assets		
Cash and deposits	15,141	20,432
Notes & accounts receivable	38,567	24,256
Securities	757	13
Products	28,338	19,843
Deferred tax assets	1,320	943
Uncollected tax refunds	161	109
Other current assets	4,316	3,428
Allowance for doubtful accounts	(130)	(109)
Total current assets	88,474	68,918
Fixed assets		
Buildings and structures	5,434	5,294
Accumulated depreciation	(2,146)	(1,986)
Buildings and structures (Net)	3,288	3,307
Equipment and fittings	120	120
Accumulated depreciation	(98)	(97)
Equipment and fittings (Net)	21	23
Land	2,746	2,745
Leased assets	225	52
Accumulated depreciation	(27)	(10)
Leased assets (Net)	197	42
Other fixed assets	2,660	2,426
Accumulated depreciation	(2,004)	(1,699)
Other fixed assets (Net)	655	727
Tangible assets	6,909	6,846
Goodwill	1,998	2,035
Other	1,500	1,763
Intangible assets	3,499	3,799
Investment in securities	1,242	1,418
Deferred tax assets	1,016	1,134
Other	890	755
Allowance for doubtful accounts	(225)	(123)
Investments and other assets	2,924	3,184
Total fixed assets	13,332	13,830
Total Assets	101,807	82,748

(Millions of yen)

	As of March 31, 2010		As of March 31, 2009
LIABILITIES			
Current liabilities			
Notes & accounts payable		22,632	8,963
Short-term loans payable		12	87
Lease obligation		199	18
Accrued income taxes		677	702
Accrued bonuses		1,141	613
Reserve for bonuses to directors		7	—
Reserve for loss on guarantees		—	13
Other current liabilities		7,700	5,117
Total current liabilities		32,372	15,516
Long-term liabilities			
Long-term debt		10,000	10,012
Lease obligation		7	26
Accrued retirement benefits		2,088	1,827
Retirement benefits for directors		415	398
Other current liabilities		235	219
Total long-term liabilities		12,746	12,484
Total Liabilities		45,119	28,000
Shareholders Equity			
Paid-in capital		11,194	11,194
Additional paid-in capital		19,476	19,476
Retained earnings		26,406	25,246
Treasury stock		(1,089)	(1,088)
Total shareholders' equity		55,987	54,828
Appraisal and translation differences			
Unrealized holding gain on securities		(75)	(41)
Gain(loss) on deferred hedge		(296)	—
Translation adjustments		(335)	(38)
Total appraisal and translation differences		(707)	(80)
Minority interest		1,407	—
Total net assets		56,687	54,748
Total Liabilities & Net Assets		101,807	82,748

(2) Consolidated Statements of Income

(Millions of yen)

	April 1, 2009- March 31, 2010	April 1, 2008- March 31, 2009
Net sales	149,263	131,532
Cost of sales	127,575	111,997
Gross profit	21,688	19,535
Selling, general & administrative expenses	18,373	17,757
Operating income	3,314	1,777
Non-operating income		
Interest income	33	76
Dividend income	41	44
Insurance fee gains	—	2
Gain on translation	255	—
Right of indemnification for product loss	100	—
Gain on investment in investment association	—	45
Amortization of negative goodwill	—	187
Other	115	252
Total non-operating income	545	609
Non-operating expenses		
Interest paid	222	187
Loss on transfer of receivables	86	149
Loss on translation	—	321
Expense for business compensation	91	85
Other	106	56
Total non-operating expenses	508	800
Ordinary income	3,350	1,586
Extraordinary income		
Proceeds from sales of fixed assets	1	0
Proceeds from sale of investment securities	4	48
Gain on redemption of investment securities	29	10
Allowance for bad debt	—	43
Other	—	10
Total extraordinary income	35	113

(Millions of yen)

	April 1, 2009- March 31, 2010		April 1, 2008- March 31, 2009
Extraordinary losses			
Loss on disposal of fixed assets		26	8
Impairment loss		38	—
Provision for allowance for bad debt		99	163
Provision for reserve for loss on guarantees		—	13
Loss on sale of investment securities		—	0
Loss on valuation of investment securities		84	105
Loss on valuation of claim of affiliates		52	61
Unrealized loss on investment securities		34	533
Loss on revaluation of inventories		—	214
Other		1	203
Total extraordinary losses		337	1,304
Income before income taxes and minority Interests		3,049	395
Corporate, inhabitant and enterprise taxes		1,289	1,052
Income tax adjustment		(7)	(513)
Total corporate tax etc.		1,281	538
Net income (loss)		1,767	(143)

(3) Consolidated Statements of Changes to Shareholders' Equity

(Millions of yen)

	April 1, 2009- March 31, 2010	April 1, 2008- March 31, 2009
1. Shareholders' Equity		
Paid-in capital		
Balance at start of period	11,194	11,194
Balance at end of period	11,194	11,194
Additional paid-in capital		
Balance at start of period	19,476	19,476
Changes in the fiscal year :		
Disposal of treasury stock	—	(0)
Changes in the fiscal year (Total)	—	(0)
Balance at end of period	19,476	19,476
Consolidated retained earnings		
Balance at start of period	25,246	26,186
Changes in the fiscal year :		
Dividends	(531)	(796)
Net income (loss)	1,767	(143)
Change in scope of consolidation	(76)	—
Changes in the fiscal year (Total)	1,159	(939)
Balance at end of period	26,406	25,246
Treasury stock		
Balance at start of period	(1,088)	(1,088)
Changes in the fiscal year :		
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	—	0
Changes in the fiscal year (Total)	(0)	(0)
Balance at end of period	(1,089)	(1,088)
Total shareholders' equity		
Balance at start of period	54,828	55,768
Changes in the fiscal year :		
Dividends	(531)	(796)
Net income (loss)	1,767	(143)
Change in scope of consolidation	(76)	—
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	—	0
Changes in the fiscal year (Total)	1,159	(940)
Shareholders' equity	55,987	54,828

(Millions of yen)

	April 1, 2009- March 31, 2010	April 1, 2008- March 31, 2009
2. Appraisal and Translation Differences		
Unrealized holding gains on other securities		
Balance at start of period	(41)	(35)
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	(33)	(5)
Changes in the fiscal year (Total)	(33)	(5)
Balance at end of period	(75)	(41)
Gain(loss) on deferred hedge		
Balance at start of period	—	—
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	(296)	—
Changes in the fiscal year (Total)	(296)	—
Balance at end of period	(296)	—
Translation adjustments		
Balance at start of period	(38)	76
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	(296)	(114)
Changes in the fiscal year (Total)	(296)	(114)
Balance at end of period	(335)	(38)
Total appraisal and translation differences		
Balance at start of period	(80)	40
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	(627)	(120)
Changes in the fiscal year (Total)	(627)	(120)
Balance at end of period	(707)	(80)
Minority interest		
Balance at start of period	—	—
Changes in the fiscal year :		
Changes in minority interest due to increase of consolidated subsidiaries	1,407	—
Changes in the fiscal year (Total)	1,407	—
Balance at end of period	1,407	—

(Millions of yen)

	April 1, 2009- March 31, 2010	April 1, 2008- March 31, 2009
Total Net Assets		
Balance at start of period	54,748	55,808
Changes in the fiscal year :		
Dividends	(531)	(796)
Net income (loss)	1,767	(143)
Change in scope of consolidation	(76)	—
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	—	0
Changes in minority interest due to increase of consolidated subsidiaries	1,407	—
Changes other than shareholders' equity (Net)	(627)	(120)
Changes in the fiscal year (Total)	1,939	(1,060)
Balance at end of period	56,687	54,748

(4) Consolidated Statements of Cash Flow

(Millions of yen)

	April 1, 2009- March 31, 2010	April 1, 2008- March 31, 2009
1. Operating activities		
Income before income taxes and minority interest	3,049	395
Depreciation and amortization	1,083	1,070
Amortization of goodwill	66	—
Amortization of negative goodwill	—	(187)
Change in allowance for doubtful accounts	120	94
Change in accrued bonuses	515	47
Change in accrued retirement benefits	207	115
Change in retirement benefits for directors	17	20
Interest and dividend income	(74)	(120)
Interest expense	222	187
Loss (gain) on translation	(91)	169
Gain on investment in investment association	—	(45)
Valuation loss (gain) on interest swap	—	(17)
Loss (gain) on sale of fixed assets	(1)	0
Loss (gain) on sale of investment securities	(4)	(48)
Loss (gain) on valuation of investment securities	84	105
Loss on valuation of claim of affiliates	52	61
Unrealized loss on investment securities	34	533
Change in notes and accounts receivable, trade	(13,078)	4,948
Change in inventories	(7,109)	4,455
Changes in trade payable	12,769	(1,790)
Change in accrued consumption tax	(801)	389
Change in other current assets	(112)	321
Change in other current liabilities	(257)	765
Other	52	(161)
Sub-total	(3,254)	11,308
Interest and dividends received	66	112
Interest paid	(209)	(162)
Corporate tax Payment (refund)	(1,305)	(247)
Net cash provided by (used in) operating activities	(4,702)	11,010

(Millions of yen)

	April 1, 2009- March 31, 2010	April 1, 2008- March 31, 2009
2. Investing Activities		
Increase in time deposits	(109)	(477)
Decrease in time deposits	449	—
Disbursement of loans	(563)	(1,131)
Proceeds from collection of loans	114	920
Purchases of property and equipment	(400)	(322)
Proceeds from sales of property and equipment	4	0
Purchases of intangible assets	(168)	(873)
Purchases of investment securities	(9)	(129)
Proceeds from sales of investment securities	9	60
Purchases of shares of affiliated companies	(230)	—
Investment in affiliated companies	(131)	(614)
Payments for purchases of shares of consolidated subsidiaries	—	(3,609)
Proceeds from purchases of shares of consolidated subsidiaries	1,355	—
Other	(296)	—
Net cash provided by (used in) investing activities	24	(6,177)
3. Financing activities		
Change in short-term loans	(67)	(2,248)
Proceeds from long-term debt	—	10,000
Repayment of long-term debt	(25)	(3,625)
Acquisition of treasury stock	(0)	(0)
Gain from sale of treasury stock	—	0
Cash dividends paid	(531)	(795)
Other	(18)	—
Net cash provided by (used in) financing activities	(642)	3,330
4. Translation adjustments on cash and cash equivalents	(150)	(81)
5. Net increase (decrease) in cash and cash equivalents	(5,471)	8,083
6. Cash and cash equivalents at beginning of the year	20,022	11,938
7. Cash and cash equivalents of newly consolidated subsidiary	494	—
8. Cash and cash equivalents at year end	15,044	20,022

(5) Notes Regarding Going Concern

None

(6) Significant Items in the Preparation of the Consolidated Full Year Financial Statements

1) Scope of Consolidation

The Macnica Group has 16 consolidated subsidiaries:

ALTIMA, CORP.

MACNICA NETWORKS CORP.

ELSENA, Inc.

KOGENT, Inc.

MACNICA HONG KONG, LIMITED

MACNICA ASIA PACIFIC PTE LTD

MACNICA TAIWAN, LIMITED

MACNICA SHANGHAI, LIMITED

MACNICA (THAILAND) Co., LTD

CYTECH TECHNOLOGY LIMITED

CYTECH TECHNOLOGY INTERNATIONAL TRADING (SHANGHAI) LTD.

SHENZEN CYTECH ELECTRONIC CO. LTD.

GALAXY FAR EAST CORPORATION

GFE INTERNATIONAL (HONGKONG) LTD.

GALAXY TECHNOLOGY HOLDINGS CO., LTD.

MACNICA CHUNGJU CO., LTD.

GALAXY FAR EAST CORPORATION, GFE INTERNATIONAL (HONGKONG) LTD., and GALAXY TECHNOLOGY HOLDINGS CO., LTD., were included within the scope of consolidation starting this fiscal year as a result of the purchase of their shares in March 2010.

During the current fiscal year, both KOGENT, Inc. and MACNICA CHUNGJU CO.,LTD., were included within the scope of consolidation since they became material. On the other hand, ASIA TECSTAR PTE LTD., was removed from the scope of consolidation as the company was liquidated.

2) Accounting Principles and Methods

Accounting standards for significant reserves

- Change in accrued retirement benefits

To cover retirement benefits of employees, the Group records the expected amount of retirement benefit obligations and pension assets as of the end of the fiscal year. For the comprehensive employee pension fund that the company has adopted, the required contributions to the pension fund are recorded as retirement benefit expenses. The full amount of actuarial gains and losses and past service liabilities are accounted for as expenses in the fiscal year they accrue.

(Change in Accounting Principles)

Starting from the current fiscal year, Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) (Accounting Standards No. 19, July 31, 2008) were applied.

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

3) Amortization of goodwill and negative goodwill

Goodwill is amortized equally over the period that the benefits of the investment are projected to be realized. However, if the monetary amount is immaterial, the goodwill is fully amortized in the year it is accrued.

The item has been omitted because except for the above, there have been no material changes since the most recent securities report, which was submitted June 23, 2009.

(7) Significant Items in the Preparation of the Consolidated Full Year Financial Statements

- Application of accounting standard for construction contracts

While traditionally the completed contract method 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 this consolidated 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 this consolidated fiscal year is considered certain, and the completed contract method is applied to other contracts received.

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

Segment Information

(1) Segment Information by Business Type

Current Consolidated Full Year (April 1, 2009 – March 31, 2010)

(Millions of yen)

	IC and electronic devices business	Network- related products business	Total	Cancellation or general	Consolidated
Sales					
(1) Sales to external customers	137,440	11,823	149,263	—	149,263
(2) Internal sales between segments or exchanges	—	—	—	—	—
Total	137,440	11,823	149,263	—	149,263
Sales expenses	135,845	10,360	146,206	(256)	145,949
Operating income	1,594	1,462	3,057	256	3,314
Assets, depreciation, impairment loss and capital expenditure					
Assets	91,637	8,755	100,392	1,414	101,807
Depreciation	664	419	1,083	—	1,083
Impairment loss	38	—	38	—	38
Capital expenditure	549	306	856	—	856

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

3. Within assets, the total amount under Cancellation or general is 1,659 million yen, mainly investment securities.

Previous Consolidated Full Year (April 1, 2008 – March 31, 2009)

(Millions of yen)

	IC and electronic devices business	Network- related products business	Total	Cancellation or general	Consolidated
Sales					
(1) Sales to external customers	119,123	12,409	131,532	—	131,532
(2) Internal sales between segments or exchanges	—	—	—	—	—
Total	119,123	12,409	131,532	—	131,532
Sales expenses	119,699	10,177	129,876	(121)	129,755
Operating income (loss)	(576)	2,232	1,655	121	1,777
Assets, depreciation, impairment loss and capital expenditure					
Assets	72,413	8,604	81,017	1,731	82,748
Depreciation	691	379	1,070	—	1,070
Capital expenditure	540	335	875	—	875

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

3. Within assets, the total amount under Cancellation or general is 1,928 million yen, mainly investment securities.

4. Change in Accounting Principles

Adaptation of new accounting standards regarding revaluation of inventories

Prior to April 1, 2008, inventories held for sale in the ordinary course of business were stated at cost, determined by moving average method. The Accounting Standard Board of Japan (ASBJ) issued ASBJ Statement No.9, July 5, 2006, "Accounting Standard for Measurement of Inventories", which is effective for fiscal years beginning on or after April 1, 2008, which requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value. The Company adopted the new accounting standard for measurement of inventories from this first quarter. The effect of adopting this standard was decreased operating income in IC and electronic devices business by 298 million yen and operating income in network-related products business by 1 million yen, respectively.

(2) Segment Information by Geographical Area

Current Consolidated Full Year (April 1, 2009 – March 31, 2010)

(Millions of yen)

	Japan	Asia	Total	Eliminations and Corporate	Consolidated
Sales					
(1) Sales to external customers	108,554	40,709	149,263	—	149,263
(2) Internal sales between segments or exchanges	26,055	0	26,055	(26,055)	—
Total	134,609	40,709	175,319	(26,055)	149,263
Sales expenses	132,512	39,493	172,006	(26,057)	145,949
Operating income	2,096	1,216	3,312	1	3,314
Assets	92,328	23,164	115,492	(13,685)	101,807

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 Full Year (April 1, 2008 – March 31, 2009)

(Millions of yen)

	Japan	Asia	Total	Eliminations and Corporate	Consolidated
Sales					
(1) Sales to external customers	111,112	20,419	131,532	—	131,532
(2) Internal sales between segments or exchanges	15,721	—	15,721	(15,721)	—
Total	126,834	20,419	147,254	(15,721)	131,532
Sales expenses	125,384	20,119	145,503	(15,748)	129,755
Operating income	1,450	299	1,750	26	1,777
Assets	79,804	10,209	90,013	(7,265)	82,748

Notes:

1. Countries and regions classified by geographical proximity.
2. Countries and regions belonging to each classification:

Asia: China, Hong Kong, Taiwan, Singapore.

3. Change in Accounting Principles

Adaptation of new accounting standards regarding revaluation of inventories

Prior to April 1, 2008, inventories held for sale in the ordinary course of business were stated at cost, determined by moving average method. The Accounting Standard Board of Japan (ASBJ) issued ASBJ Statement No.9, July 5, 2006, "Accounting Standard for Measurement of Inventories", which is effective for fiscal years beginning on or after April 1, 2008, which requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value. The Company adopted the new accounting standard for measurement of inventories from this first quarter.

The effect of adopting this standard was decreased operating income in Japan by 280 million yen and operating income in Asia by 20 million yen, respectively.

(3) Overseas Sales

Current Consolidated Full Year (April 1, 2009 – March 31, 2010)

(Millions of yen)

	Asia	Other	Total
I. Overseas sales	43,357	382	43,740
II. Consolidated sales	—	—	149,263
III. Overseas sales ratio (%)	29.1	0.2	29.3

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 Full Year (April 1, 2008 – March 31, 2009)

(Millions of yen)

	Asia	Other	Total
I. Overseas sales	23,691	857	24,548
II. Consolidated sales	—	—	131,532
III. Overseas sales ratio (%)	18.0	0.7	18.7

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.

Per Share Information

	Current year April 1, 2009 to March 31, 2010	Previous year April 1, 2008 to March 31, 2009
Net assets per share	3,122.50 yen	3,092.44 yen
Net income per share	99.82 yen	8.08 yen
Fully diluted net income per share	The item has been omitted since there are no shares that could dilute earnings.	The Group recorded a net loss for the fiscal year, but the item has been omitted since there are no shares that could dilute earnings.

Basis for calculation of net income per share

1. Net assets per share

	Current fiscal year ended March 31, 2010	Previous fiscal year ended March 31, 2009
Total listed under net assets in full year consolidated balance sheet	56,687 million yen	54,748 million yen
Net assets relating to common stock	55,280 million yen	54,748 million yen
Difference - Minority interest	1,407 million yen	—
Number of common shares outstanding	18,110,252 shares	18,110,252 shares
Number of treasury stock making up common stock	406,473 shares	406,330 shares
Number of common shares used to calculate net assets per share	17,703,779 shares	17,703,922 shares

2. Basis for calculation of net income per share and diluted net income per share

	Current fiscal year April 1, 2009 to March 31, 2010	Previous fiscal year April 1, 2008 to March 31, 2009
Net income per share		
Net income for the fiscal year	1,767 million yen	(143) million yen
Amount not returned to common stock shareholders	—	—
Net income relating to common stock	1,767 million yen	(143) million yen
Average number of shares of common stock during the period	17,703,864 shares	17,703,980 shares
Diluted net income per share		
Adjustment to net income for the fiscal year	—	—
Increase in number of common stock	—	—
Outline of stock not included in diluted net income per share due to lack of dilutive effect	<p>Ordinary shares as of June 29, 2005</p> <p>Main stock options approved by the General Shareholders' Meeting</p> <p>New share reservation rights: 3,353 (represents 335,300 common shares)</p>	<p>Ordinary shares as of June 29, 2005</p> <p>Main stock options approved by the General Shareholders' Meeting</p> <p>New share reservation rights: 3,430 (represents 343,000 common shares)</p>

Subsequent Events

None

Omissions

Notes on lease transactions, transactions with related businesses, tax effect accounting, financial instruments, investment securities, derivative transactions, retirement benefits, stock

options and corporate bonds, real estate rentals etc., have been omitted as their inclusion was not deemed necessary in this earnings report.

V. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2009
ASSETS		
Current assets		
Cash and deposits	3,812	8,137
Trade notes receivable	699	544
Accounts receivable	19,975	13,500
Securities	—	13
Inventories	8,545	8,956
Advances	754	721
Prepaid expenses	208	220
Deferred tax assets	817	705
Receivables	768	805
Uncollected tax refunds	160	105
Accrued consumption taxes	189	—
Short-term loans	7,855	9,617
Other current assets	183	128
Allowance for doubtful accounts	(16)	(45)
Total current assets	43,955	43,411
Fixed assets		
Buildings	5,310	5,168
Accumulated depreciation	(2,058)	(1,910)
Buildings (Net)	3,252	3,258
Structures	15	15
Accumulated depreciation	(11)	(10)
Structures (Net)	3	4
Machinery & equipment	102	102
Accumulated depreciation	(84)	(81)
Machinery & equipment (Net)	18	21
Tools & supplies	720	670
Accumulated depreciation	(558)	(487)
Tools & supplies (Net)	162	183
Land	2,746	2,745
Leased assets	225	52
Accumulated depreciation	(27)	(10)
Leased assets (Net)	197	42
Tangible assets	6,380	6,256

(Millions of yen)

	As of March 31, 2010		As of March 31, 2009
Software		1,371	1,654
Telephone subscription rights		8	8
Other		0	1
Intangible assets		1,380	1,664
Investment securities		514	670
Equity in affiliates		15,070	9,518
Other securities in affiliates		365	339
Investments		94	99
Investments in affiliates		540	409
Long-term prepaid expenses		6	61
Deferred tax assets		912	1,087
Deposit guarantees		129	125
Other		96	110
Allowance for doubtful accounts		(10)	(20)
Investments and other assets		17,718	12,401
Total fixed assets		25,479	20,321
Total Assets		69,435	63,732

(Millions of yen)

	As of March 31, 2010		As of March 31, 2009
LIABILITIES			
Current liabilities			
Notes payable		688	399
Accounts payable		9,503	4,699
Long-term debt to be repaid within one year		12	25
Lease obligation		199	18
Accrued payable		890	976
Accrued expenses		407	287
Accrued income taxes		60	50
Advance payments received on contracts		831	862
Deposits received		51	44
Accrued bonuses		588	334
Reserve for bonuses to directors		7	—
Reserve for loss on guarantees		—	13
Other current liabilities		263	416
Total current liabilities		13,505	8,127
Long-term liabilities			
Long-term debt		10,000	10,012
Lease obligation		7	26
Accrued retirement benefits		2,034	1,695
Retirement benefit for directors		415	398
Other		67	89
Total long-term liabilities		12,525	12,222
Total liabilities		26,031	20,350

(Millions of yen)

	As of March 31, 2010		As of March 31, 2009
Shareholders Equity			
Paid-in capital		11,194	11,194
Additional paid-in capital			
Capital reserve		20,333	20,333
Other capital surplus		0	0
Total capital surplus		20,333	20,333
Retained earnings			
Earned surplus reserves		95	95
Other surplus income			
Reserve for special depreciation		12,630	14,260
Surplus at the beginning of period		351	(1,357)
Total retained earnings		13,076	12,997
Treasury stock		(1,089)	(1,088)
Total shareholders' equity		43,515	43,436
Appraisal and translation differences			
Unrealized holding gain on securities		(75)	(53)
Loss on deferred hedge		(36)	—
Total appraisal and translation differences		(112)	(53)
Total net assets		43,403	43,382
Total Liabilities & Net Assets		69,435	63,732

(2) Non-Consolidated Statements of Income

(Millions of yen)

	April 1, 2009- March 31, 2010	April 1, 2008- March 31, 2009
Net sales	88,747	80,062
Cost of sales		
Beginning inventory	8,956	10,062
Purchases during the period	79,791	70,633
Total	88,748	80,695
Transfer to other accounts	(48)	145
Closing inventory	8,545	8,956
Total	80,251	71,593
Gross profit	8,496	8,468
Selling, general & administrative expenses	8,613	9,057
Operating loss	(116)	(589)
Non-operating income		
Interest income	93	177
Dividend income	742	518
Rents received	222	206
Gain on translation	94	—
Others	299	258
Total non-operating income	1,452	1,160
Non-operating expenses		
Interest paid	209	178
Sales discount	68	—
Loss of transfer of receivables	49	85
Loss on translation	—	603
Product compensation charges	83	71
Other	68	38
Total non-operating expenses	479	977
Ordinary income (loss)	856	(405)
Extraordinary income		
Proceeds from sale of investment securities	4	48
Gain on redemption of investment securities	29	10
Reversal from allowance for bad debt	60	2
Total extraordinary income	94	61

(Millions of yen)

	April 1, 2009- March 31, 2010		April 1, 2008- March 31, 2009
Extraordinary losses			
Loss on disposal of fixed assets		9	6
Impairment loss		38	—
Provision for allowance for bad debt		—	53
Provision for reserve for loss on guarantees		—	13
Loss on valuation of investment securities		84	105
Loss on valuation of claim of affiliates		52	58
Unrealized loss on investment securities		34	533
Loss on revaluation of inventories		—	180
Other		1	203
Total extraordinary losses		222	1,154
Income before income taxes and minority interests		728	(1,499)
Corporate, inhabitant and enterprise taxes		15	24
Income tax adjustment		102	(430)
Total corporate tax etc.		118	(405)
Net income (loss)		610	(1,094)

(3) Non-consolidated Statements of Changes to Shareholders' Equity

(Millions of yen)

	April 1, 2009- March 31, 2010	April 1, 2008- March 31, 2009
1. Shareholders' Equity		
Paid-in Capital		
Balance at start of period	11,194	11,194
Balance at end of period	11,194	11,194
Additional Paid-in Capital		
Capital Reserve		
Balance at start of period	20,333	20,333
Balance at end of period	20,333	20,333
Other Capital Surplus		
Balance at start of period	0	0
Changes in the fiscal year		
Disposal of treasury stock	—	(0)
Changes in the fiscal year (Total)	—	(0)
Balance at end of period	0	0
Total Capital Surplus		
Balance at start of period	20,333	20,333
Changes in the fiscal year		
Disposal of treasury stock	—	(0)
Changes in the fiscal year (Total)	—	(0)
Balance at end of period	20,333	20,333
Additional Paid-in Capital		
Earned surplus		
Balance at start of period	95	95
Balance at end of period	95	95
Other Surplus Income		
Contingent Reserves		
Balance at start of period	14,260	14,300
Changes in the fiscal year		
Draw-down of contingent reserves	(1,630)	(40)
Changes in the fiscal year (Total)	(1,630)	(40)
Balance at end of period	12,630	14,260

(Millions of yen)

	April 1, 2009- March 31, 2010	April 1, 2008- March 31, 2009
Earned Surplus Carried Forward		
Balance at start of period	(1,357)	493
Changes in the fiscal year		
Dividends	(531)	(796)
Full year net income (loss)	610	(1,094)
Draw-down of contingent reserves	1,630	40
Changes in the fiscal year (Total)	1,709	(1,850)
Balance at end of period	351	(1,357)

(Millions of yen)

	April 1, 2009- March 31, 2010	April 1, 2008- March 31, 2009
Total earned surplus		
Balance at start of period	12,997	14,888
Changes in the fiscal year		
Dividends	(531)	(796)
Full year net income (loss)	610	(1,094)
Draw-down of contingent reserves	—	—
Changes in the fiscal year (Total)	79	(1,890)
Balance at end of period	13,076	12,997
Treasury shares		
Balance at start of period	(1,088)	(1,088)
Changes in the fiscal year		
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	—	0
Changes in the fiscal year (Total)	(0)	(0)
Balance at end of period	(1,089)	(1,088)
Total shareholders' equity		
Balance at start of period	43,436	45,327
Changes in the fiscal year		
Dividends	(531)	(796)
Full year net income (loss)	610	(1,094)
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	—	0
Changes in the fiscal year (Total)	79	(1,891)
Balance at end of period	43,515	43,436

(Millions of yen)

	April 1, 2009- March 31, 2010	April 1, 2008- March 31, 2009
Appraisal and Translation Differences		
Unrealized holding gains on other securities		
Balance at start of period	(53)	(35)
Changes in the fiscal year		
Changes other than shareholders' equity (Net)	(21)	(17)
Changes in the fiscal year (Total)	(21)	(17)
Balance at end of period	(75)	(53)
Gain(loss) on deferred hedge		
Balance at start of period	—	—
Changes in the fiscal year		
Changes other than shareholders' equity (Net)	(36)	—
Changes in the fiscal year (Total)	(36)	—
Balance at end of period	(36)	—
Total appraisal and translation differences		
Balance at start of period	(53)	(35)
Changes in the fiscal year		
Changes other than shareholders' equity (Net)	(58)	(17)
Changes in the fiscal year (Total)	(58)	(17)
Balance at end of period	(112)	(53)
Total Net Assets		
Balance at start of period	43,382	45,292
Changes in the fiscal year		
Dividends	(531)	(796)
Full year net income (loss)	610	(1,094)
Acquisition of treasury stock	(0)	(0)
Disposal of treasury stock	—	0
Changes other than shareholders' equity (Net)	(58)	(17)
Changes in the fiscal year (Total)	20	(1,909)
Balance at end of period	43,403	43,382

(4) Notes Regarding Going Concern

None

VI. Other Matters

Changes in directors

Changes in the directors will be announced as soon as it is available.