SUMMARY OF FINANCIAL STATEMENTS (CONSOLIDATED)

For the Full Year Ended March 31, 2011

Presented April 25, 2011

MACNICA, Inc.

Listed Market	Tokyo Stock Exchange
Stock Code	7631
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General meeting of stockholders	June 28, 2011
Scheduled date to payment of dividends	June 29, 2011
Scheduled date for filing of quarterly financial report	June 28, 2011

1. Financial Results for FY2011 *(April 1, 2010 to March 31, 2011)*

(1) Consolidated Operating Results

(Millions of yen)

	April 1, 2010 to March 31, 2011		April 1, 2009 to March 31, 2010	
	Amount	% Change	Amount	% Change
Net Sales	188,440	26.2	149,263	13.5
Operating Income	6,360	91.9	3,314	86.5
Ordinary Income	6,395	90.8	3,350	111.2
Net Income	4,476	153.3	1,767	—
Net Income per Share (yen)	252.89		99.82	
Potential post-adjustment net income value per share (yen)	252.89		—	
Return on Equity (ROE)(%)	7.9		3.2	
Return on Assets (%)	6.2		3.6	
Operating Income to Net Sales (%)	3.4		2.2	

Comprehensive income: Year ended March 31, 2011: 3,767 mil yen (230.6 %); Year ended March 31, 2010: 1,139 mil yen (- %)

Equity method investment profit / loss: Year ended March 31, 2011: — mil yen; Year ended March 31, 2010: — mil yen

(2) Consolidated Financial Position

(Millions of yen)

	As of March 31, 2011	As of March 31, 2010
Total Assets	103,305	101,807
Shareholders' Equity	59,719	56,687
Equity Ratio (%)	56.6	54.3
Shareholders' Equity per Share (yen)	3,303.13	3,122.50

Equity (consolidated): Year ended March 31, 2011: 58,476 mil yen; Year ended March 31, 2010: 55,280 mil yen

(3) Consolidated Cash Flows

(Millions of yen)

	April 1, 2010 to March 31, 2011	April 1, 2009 to March 31, 2010
Cash Flows from Operating Activities	(2,842)	(4,702)
Cash Flows from Investing Activities	(4,842)	24
Cash flows from Financing Activities	5,012	(642)
Cash and cash Equivalents, End of Year	11,910	15,044

2. Dividends

	April 1, 2010 to March 31, 2011	April 1, 2009 to March 31, 2010	2012 (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%	11.9%	12.5%
Shareholders' equity dividend yield	1.0%	0.9%	—

3. Consolidated Profit Forecast for the Year Ending March 31, 2012

(Millions of yen)

	Half Ending Sept. 30, 2011		Year Ending March 31, 2012	
Net Sales	92,100	(1.4%)	200,000	6.1%
Operating Income	2,750	(7.8%)	6,500	2.2%
Ordinary Income	2,700	(14.5%)	6,400	0.1%
Net Income	1,780	(17.1%)	4,260	(4.8%)
Net income per share (yen)	100.54		240.63	

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

(3) Changes in accounting principles, procedures and methods of presentation

(i) Changes accompanying amendments to accounting standards: Yes

(ii) Changes other than those in (i) above: None

* Please refer to “(6) Significant Items in the Preparation of the Quarterly Consolidated Financial Statements ” on page 21 for more information.

(4) Number of outstanding shares (common shares)

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

End Fiscal Year 2011: 18,110,252 shares End Fiscal Year 2010: 18,110,252 shares

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

End Fiscal Year 2011: 406,749 shares End Fiscal Year 2010: 406,473 shares

(iii) Average number of treasury stock during the period

End Fiscal Year 2011: 17,703,606 shares End Fiscal Year 2010: 17,703,864 shares

(Reference) Non-consolidated performance summary

1. Financial Results for FY2011 *(April 1, 2010 to March 31, 2011)*

(1) Consolidated Operating Results

(Millions of yen)

	April 1, 2010 to March 31, 2011		April 1, 2009 to March 31, 2010	
	Amount	% Change	Amount	% Change
Net Sales	88,636	(0.1)	88,747	10.8
Operating Income	114	—	(116)	—
Ordinary Income	1,012	18.2	856	—
Net Income	605	(0.9)	610	—
Net Income per Share (yen)	34.18		34.48	
Potential post-adjustment net income value per share (yen)	34.18		—	

(2) Non-consolidated Financial Position

(Millions of yen)

	As of March 31, 2011	As of March 31, 2010
Total Assets	80,714	69,435
Shareholders’ Equity	43,548	43,403
Equity Ratio (%)	53.9	62.5
Shareholders` Equity per Share (Yen)	2,458.70	2,451.66

Equity (non-consolidated): Year ended March 31, 2011: 43,527 mil yen; Year ended March 31, 2010: 43,403 mil yen

Note on the status of audit procedures:

This summary of financial statements is exempt from the audit procedures based on "Financial Instruments and Exchange Act", while the consolidated financial statements are being reviewed at the time of disclosure of this report.

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, the Japanese economy showed a recovery trend in the first half, backed by the increasing exports to Asian countries and favorable effects of domestic policies. The speed of recovery slowed down after autumn, due to round effects of policies, inventory adjustment among major exporters mainly in China, and weakening exports caused by the strong yen. In 2011, there was a sign of the economy's finding a way out of temporary lull as it saw the recovery in the World economy, exports to emerging markets including Asia, and in some manufacturing. However, the economy experienced a sharp downturn after the March 11 east Japan earthquake.

The Macnica Group is active in the electronics industry. The consumer electronics market, including LCD TVs and digital still cameras, was firm, as a result of government stimulus measures, both domestic and international from last year, and the economic recovery as a consequence. The mobile phone and computer markets were also firm, as the mobile computing products, such as smart phones and tablet PCs, became popular. Furthermore, the industrial equipment market was also firm, as there was the demand in Japan to replace automobiles stimulated by domestic measures, and there was the growing demand in emerging markets including China.

Therefore, net sales for the fiscal year increased 26.2% year on year to 188,440 million yen, operating income rose 91.9% year on year to 6,360 million yen, and ordinary income also rose 90.8% year on year to 6,395 million yen. The Group recorded a net income of 4,476 million yen, 153.3% year on year increase from the previous fiscal year.

IC, Electronic Devices and Other Business

The communication infrastructure market was firm, reflecting the favorable sales of programmable logic devices (PLDs) in booming mobile phone base stations in China and the expansion of communication systems for these stations. In addition, favorable demand for PLDs and application specific standard products (ASSPs) for optical transmission devices pushed up the sales. In the computer market, sales of ASSPs for storage devices were strong. However, analog ICs orders for notebooks battery packs declined, due to the production adjustment of notebooks. Turning to the consumer electronics market, although sales of PLDs for LCD TVs and analog ICs for digital still cameras remained steady as a result of economic stimulus measures and economic recovery, sales on the whole declined, affected by the Company's termination of business for Taiwanese LCD panel makers. As for the industrial equipment, the demand for semiconductors increased as the economy recovered. Sales of PLDs and analog ICs continued to be strong in various fields including semiconductor manufacturing equipment, and sales for vehicles also remained steady. Sales for the business rose 27.7% year on year to 175,958 million yen and operating income also rose 185.2% year on year to 5,123 million yen.

Network Business

The government and financial markets remained strong, and IT investments by some companies, influenced by economy recovery, picked up. Sales of Internet-related products and enterprise software for these markets remained steady. Sales for the business rose 9.4% year on year to 12,504 million yen and operating income increased 18.7% year on year to 1,838 million yen.

2. Outlook for the Fiscal Year

During the coming fiscal year, the economy is expected to be sluggish. Due to the March 11 east Japan earthquake, operations have been suspended at factories in disaster areas, and the production in the manufacturing declined nationwide. Furthermore, this is projected to affect the exports which were previously expected to boom. Under these circumstances, capital expenditures are projected to grow rapidly mainly in public sector businesses, and there is likely to be a tendency toward gradual recovery; however, conditions will likely remain uncertain as a full economic recovery is unlikely.

Under such circumstances, in the IC, Electronic Devices and Other Business, sales are forecast to slow down in the first half, mainly in vehicles and consumer electronics markets, due to the parts shortages caused by the earthquake. In the communications infrastructure market, on the other hand, sales are expected to remain strong, as the demand for mobile phone base stations in China remains firm, and the domestic market is likely to see active investments in LTEs for the second half. In the industrial market, demand is projected to remain firm, with solid demand in China and emerging countries. The Company continues to focus on booming Asian markets, high-revenue markets and lines, and strives to expand market shares.

As for network business, the situation is expected to remain challenging, as it is highly likely for the corporate IT investments to take a while to recover from the effects of the earthquake and others. In the middle- and long-term prospect, however, there is likely to be the increased demands for cloud computing and disaster recovery security software and communications equipment. The Company continues to focus on high-revenue markets and lines, and strives to expand market shares.

Therefore, for the next fiscal year, consolidated sales are expected to grow 6.1% year on year to 200,000 million yen, operating income to rise 2.2% to 6,500 million yen, ordinary income to increase 0.1% to 6,400 million, and the Group is projected to record 4,260 million yen in net income, a decrease of 4.8% from the previous fiscal year.

(2) Financial Situation

1) Assets, Liabilities, and Net Assets

In the current consolidated fiscal period, total assets rose 1,498 million yen compared with the end of the previous consolidated fiscal year; net assets increased 3,031 million yen, and the equity ratio was 56.6%.

2) Cash flows

Cash and cash equivalents in the current consolidated period were 11,910 million yen, a decline of 3,133 million yen, compared to 15,044 million yen at the end of the previous consolidated fiscal year.

Cash flows from operating activities

Cash flows from operating activities decreased 2,842 million yen in the current consolidated fiscal period.

While inflows were impacted by a decrease in a 6,283 million yen of income before income taxes and notes and accounts receivable, trade, outflows were affected by an increase in inventories and a decrease in trade payable.

Cash flow from investing activities

In addition, there was a net cash outflow from investing activities of 4,842 million yen for numerous reasons including payments for purchases of shares of Galaxy Far East Corporation, a consolidated subsidiary, acquired at the end of the last fiscal year.

Cash flows from financing activities

There was a net cash inflow from financing activities of 5,012 million yen for various reasons including mainly long-term debt.

Consolidated asset, liability and cash flow indicators

	FY ended March 31 '11	FY ended March 31 '10	FY ended March 31 '09	FY ended March 31 '08	FY ended March 31 '07
Equity ratio	56.6%	54.3%	66.2%	69.7%	66.8%
Equity ratio at market value	35.2%	26.6%	24.4%	24.5%	74.3%
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 liabilites 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, 2010 and 2011 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. Management Policy

(1) Basic Magement 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. Furthermore, the Company seeks to create value itself, not only as "technology company" but "demand creation company," by deepening the Company's strong technology, and strives to seek high quality technology and service, and improve the quality of added value.

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 a part of efforts to strength its ability to handle the demands of local companies, the Group is working to expand its business with local companies mainly through Cytech Technology Limited in China and GalaxyFar East Corporation in Taiwan. 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 Group will raise its in-house techinical level even further, and share the technological know-how amoung the group, including in Asia Pacific region, and improve the quality of products to differentiate the Group from its rivals and clarify its superiority. At the same time, the Group will strive to generate profits and increase earnings, making use of the Company's strength such as product quality, product discovery, and technical support.

III. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2010
ASSETS		
Current assets		
Cash and deposits	11,910	15,141
Notes & accounts receivable	35,665	38,567
Securities	622	757
Products	35,491	28,338
Deferred tax assets	1,360	1,320
Uncollected tax refunds	5	161
Other current assets	4,108	4,316
Allowance for doubtful accounts	(133)	(130)
Total current assets	**89,031**	**88,474**
Fixed assets		
Buildings and structures	5,463	5,434
Accumulated depreciation	(2,309)	(2,146)
Buildings and structures (Net)	3,153	3,288
Equipment and fittings	120	120
Accumulated depreciation	(96)	(98)
Equipment and fittings (Net)	24	21
Land	3,866	2,746
Leased assets	322	225
Accumulated depreciation	(93)	(27)
Leased assets (Net)	228	197
Other fixed assets	2,959	2,660
Accumulated depreciation	(2,274)	(2,004)
Other fixed assets (Net)	685	655
Tangible assets	**7,958**	**6,909**
Goodwill	1,770	1,998
Other	1,361	1,500
Intangible assets	**3,131**	**3,499**
Investment in securities	1,160	1,242
Deferred tax assets	1,246	1,016
Other	960	890
Allowance for doubtful accounts	(182)	(225)
Investments and other assets	**3,184**	**2,924**
Total fixed assets	**14,274**	**13,332**
Total Assets	**103,305**	**101,807**

(Millions of yen)

	As of March 31, 2011	As of March 31, 2010
LIABILITIES		
Current liabilities		
Notes & accounts payable	15,184	22,632
Short-term loans payable	11,500	12
Lease obligation	56	199
Accrued income taxes	1,409	677
Accrued bonuses	1,381	1,141
Reserve for bonuses to directors	32	7
Other current liabilities	6,579	7,700
Total current liabilities	**36,143**	**32,372**
Long-term liabilities		
Long-term debt	4,500	10,000
Lease obligation	3	7
Accrued retirement benefits	2,288	2,088
Retirement benefits for directors	432	415
Other current liabilities	217	235
Total long-term liabilities	**7,442**	**12,746**
Total Liabilities	**43,585**	**45,119**
Shareholders Equity		
Paid-in capital	11,194	11,194
Additional paid-in capital	19,476	19,476
Retained earnings	30,419	26,406
Treasury stock	(1,089)	(1,089)
Total shareholders' equity	60,000	55,987
Other comprehensive income		
Unrealized holding gain on securities	(30)	(75)
Gain(loss) on deferred hedge	(85)	(296)
Translation adjustments	(1,407)	(335)
Total comprehensive income	(1,523)	(707)
Stock acquisition right	20	—
Minority interest	1,221	1,407
Total net assets	59,719	56,687
Total Liabilities & Net Assets	**103,305**	**101,807**

(2) Consolidated Statements of Income

(Millions of yen)

	April 1, 2010- March 31, 2011	April 1, 2009- March 31, 2010
Net sales	188,440	149,263
Cost of sales	161,171	127,575
Gross profit	27,268	21,688
Selling, general & administrative expenses	20,908	18,373
Operating income	6,360	3,314
Non-operating income		
Interest income	28	33
Dividend income	22	41
Gain on translation	12	255
Right of indemnification for product loss	105	100
Gain on investment in investment association	144	—
Other	190	115
Total non-operating income	**504**	**545**
Non-operating expenses		
Interest paid	252	222
Loss on transfer of receivables	112	86
Expense for business compensation	54	91
Other	50	106
Total non-operating expenses	**469**	**508**
Ordinary income	**6,395**	**3,350**
Extraordinary income		
Proceeds from sales of fixed assets	1	1
Proceeds from sale of investment securities	2	4
Gain on redemption of investment securities	—	29
Allowance for bad debt	34	—
Total extraordinary income	**38**	**35**

(Millions of yen)

	April 1, 2010- March 31, 2011	April 1, 2009- March 31, 2010
Extraordinary losses		
Loss on disposal of fixed assets	15	26
Impairment loss	—	38
Provision for allowance for bad debt	—	99
Loss on valuation of investment securities	50	84
Loss on valuation of claim of affiliates	12	52
Unrealized loss on investment securities	70	34
Other	0	1
Total extraordinary losses	**149**	**337**
Income before income taxes	**6,283**	**3,049**
Corporate, inhabitant and enterprise taxes	2,103	1,289
Income tax adjustment	(403)	(7)
Total corporate tax etc.	**1,700**	**1,281**
Income before minority interests	**4,583**	—
Minority interests in net income	**106**	—
Net income	**4,476**	**1,767**
Income before minority interests	**4,583**	—
Other comprehensive income		
Unrealized holding gain on securities	**44**	—
Gain(loss) on deferred hedge	**211**	—
Translation adjustments	**(1,071)**	—
Total comprehensive income	**(816)**	—
Comprehensive income	**3,767**	—
(Breakdown of comprehensive income)		
Comprehensive income attributable to the shareholders of the parent company	**3,749**	—
Comprehensive income attributable to minority shareholders	**18**	—

(3) Consolidated Statements of Changes to Shareholders' Equity

(Millions of yen)

	April 1, 2010-March 31, 2011	April 1, 2009-March 31, 2010
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
Balance at end of period	19,476	19,476
Consolidated retained earnings		
Balance at start of period	26,406	25,246
Changes in the fiscal year :		
Dividends	(531)	(531)
Net income	4,476	1,767
Change in scope of consolidation	—	(76)
Changes in minority interest due to increase of consolidated subsidairies	67	—
Changes in the fiscal year (Total)	4,013	1,159
Balance at end of period	30,419	26,406
Treasury stock		
Balance at start of period	(1,089)	(1,088)
Changes in the fiscal year :		
Acquisition of treasury stock	(0)	(0)
Changes in the fiscal year (Total)	(0)	(0)
Balance at end of period	(1,089)	(1,089)
Total shareholders' equity		
Balance at start of period	55,987	54,828
Changes in the fiscal year :		
Dividends	(531)	(531)
Net income	4,476	1,767
Change in scope of consolidation	—	(76)
Change due to a change in the accounting period of consolidated subsidiaries	67	—
Acquisition of treasury stock	(0)	(0)
Changes in the fiscal year (Total)	4,012	(1,159)
Shareholders' equity	60,000	55,987

(Millions of yen)

	April 1, 2010- March 31, 2011	April 1, 2009- March 31, 2010
2. Other comprehensive income		
Unrealized holding gains on other securities		
Balance at start of period	(75)	(41)
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	44	(33)
Changes in the fiscal year (Total)	44	(33)
Balance at end of period	(30)	(75)
Gain(loss) on deferred hedge		
Balance at start of period	(296)	—
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	211	(296)
Changes in the fiscal year (Total)	211	(296)
Balance at end of period	(85)	(296)
Translation adjustments		
Balance at start of period	(335)	(38)
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	(1,071)	(296)
Changes in the fiscal year (Total)	(1,071)	(296)
Balance at end of period	(1,407)	(335)
Total comprehensive income		
Balance at start of period	(707)	(80)
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	(816)	(627)
Changes in the fiscal year (Total)	(816)	(627)
Balance at end of period	(1,523)	(707)
Stock acquisition right		
Balance at start of period	—	—
Changes in the fiscal year :		
Changes in minority interest due to increase of consolidated subsidairies	20	—
Changes in the fiscal year (Total)	20	—
Balance at end of period	20	—

	April 1, 2010- March 31, 2011	April 1, 2009- March 31, 2010
Minority interest		
Balance at start of period	1,407	—
Changes in the fiscal year :		
Changes in minority interest due to increase of consolidated subsidairies	—	1,407
Changes other than shareholders' equity (Net)	(185)	—
Changes in the fiscal year (Total)	(185)	1,407
Balance at end of period	1,221	1,407

(Millions of yen)

	April 1, 2010- March 31, 2011	April 1, 2009- March 31, 2010
Total Net Assets		
Balance at start of period	56,687	54,748
Changes in the fiscal year :		
Dividends	(531)	(531)
Net income	4,476	1,767
Change in scope of consolidation	—	(76)
Change due to a change in the accounting period of consolidated subsidiaries	67	—
Changes in minority interest due to increase of consolidated subsidairies	—	1,407
Acquisition of treasury stock	(0)	(0)
Changes other than shareholders' equity (Net)	(981)	(627)
Changes in the fiscal year (Total)	3,031	1,939
Balance at end of period	59,719	56,687

(4) Consolidated Statements of Cash Flow

(Millions of yen)

	April 1, 2010- March 31, 2011	April 1, 2009- March 31, 2010
1. Operating activities		
Income before income taxes	6,283	3,049
Depreciation and amortization	1,164	1,083
Amortization of goodwill	231	66
Change in allowance for doubtful accounts	(60)	120
Change in accrued bonuses	240	515
Change in accrued retirement benefits	202	207
Change in retirement benefits for directors	17	17
Interest and dividend income	(51)	(74)
Interest expense	252	222
Loss (gain) on translation	187	(91)
Gain on investment in investment association	(144)	—
Loss (gain) on sale of fixed assets	(1)	(1)
Loss (gain) on sale of investment securities	(2)	(4)
Loss (gain) on valuation of investment securities	50	84
Loss on valuation of claim of affiliates	12	52
Unrealized loss on investment securities	70	34
Change in notes and accounts receivable, trade	2,016	(13,078)
Change in inventories	(7,575)	(7,109)
Changes in trade payable	(6,806)	12,769
Change in accrued consumption tax	665	(801)
Change in other current assets	189	(112)
Change in other current liabilities	1,563	(257)
Other	73	52
Sub-total	**(1,420)**	**(3,254)**
Interest and dividends received	50	66
Interest paid	(260)	(209)
Corporate tax Payment (refund)	(1,212)	(1,305)
Net cash provided by (used in) operating activities	**(2,842)**	**(4,702)**

(Millions of yen)

	April 1, 2010-March 31, 2011	April 1, 2009-March 31, 2010
2. Investing Activities		
Increase in time deposits	—	(109)
Decrease in time deposits	83	449
Disbursement of loans	(832)	(563)
Proceeds from collection of loans	276	114
Purchases of property and equipment	(1,607)	(400)
Proceeds from sales of property and equipment	7	4
Purchases of intangible assets	(488)	(168)
Purchases of investment securities	(17)	(9)
Proceeds from sales of investment securities	186	9
Purchases of shares of affiliated companies	(2,352)	(230)
Investment in affiliated companies	(194)	(131)
Proceeds from purchases of shares of consolidated subsidiaries	—	1,355
Other	96	(296)
Net cash provided by (used in) investing activities	**(4,842)**	**24**
3. Financing activities		
Change in short-term loans	—	(67)
Proceeds from long-term debt	7,500	—
Repayment of long-term debt	(1,512)	(25)
Acquisition of treasury stock	(0)	(0)
Gain from sale of subsidiaries' treasury stock	(122)	—
Cash dividends paid	(531)	(531)
Cash dividends paid to minority shareholders	(73)	—
Other	(248)	(18)
Net cash provided by (used in) financing activities	**5,012**	**(642)**
4. Translation adjustments on cash and cash equivalents	**(578)**	**(150)**
5. Net increase (decrease) in cash and cash equivalents	**(3,251)**	**(5,471)**
6. Cash and cash equivalents at beginning of the year	**15,044**	**20,022**
7. Cash and cash equivalents of newly consolidated subsidiary	**—**	**494**
8. Increase (decrease) in cash and cash equivalents due to a change in the accounting period of consolidated subsidiaries	**117**	**—**
9. Cash and cash equivalents at year end	**11,910**	**15,044**

(5) Notes Regarding Going Concern Assumption

Not applicable

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

1) Adaptation of new accounting standard for asset retirement obligations

From the first quarter of fiscal year 2011, the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No.18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No.21, March 31, 2008) were adopted.

The effect of this adoption was not material.

2) Adoption of accounting standard for business combinations and other standards

The Company has adopted the following standards from the current fiscal year: "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008); "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, December 26, 2008); "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008); "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, December 26, 2008); and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008).

(7) Additional Information

The Company applied "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, June 30, 2010) from this fiscal year. The amount of Accumulated Other Comprehensive Income and Total Accumulated Other Comprehensive Income for the year ended March 31, 2010 represents the amounts of Valuation and Translation Adjustments and Total Valuation and Translation Adjustments, respectively.

(8) Notes to Consolidated Financial Statements

(Consolidated Statements of Comprehensive Income)

Current Fiscal Year (April 1, 2010 - March 31, 2011)

1. Comprehensive income for the year ended March 31, 2010

(Millions of yen)

Attributable to:	Amount
The Company's shareholders	1,139
Minority interests	—
Total	1,139

2. Other comprehensive income for the year ended March 31, 2010

(Millions of yen)

Net unrealized gains (losses) on investment securities, net of taxes	(33)
Gain (loss) on deferred hedge	(296)
Foreign currency translation adjustments	(296)
Total	(627)

Segment Information

(1) Segment Information by Business Type

Previous 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.

(2) Segment Information by Geographical Area

Previous 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.

(3) Overseas Sales

Previous 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.

Segment Information

1. Segment outline

Segment are parts of the business for which it is possible to obtain separate financial information and that the board of directors regularly examines in order to evaluate decisions on allocation of business resources and earnings.

The Group has operations related to integrated circuits, electronic devices, networks, and other operations, and the company and its subsidiaries were established based on the products and services they handle. Each is an independent business unit, develops comprehensive strategies for both Japan and overseas, and undertakes business activities.

Therefore, the Group is composed of two business segments according to the particular products and services they handle–the IC and electronic device business and the network business.

The IC and electronic device business handles the sales of products such as ICs and electronic devices and the network business is responsible for the sales of network-related hardware, software, and services.

2. Sales and profit by segment

Current Consolidated Full Year (April 1, 2010 – March 31, 2011) *(Millions of yen)*

	Segment			Other	Total
	IC, electronic devices and other business	Network business	Sub-total		
Sales (1) Sales to external customers	175,958	12,481	188,440	—	188,440
(2) Internal sales or transfers between segments	—	23	23	—	23
Total	175,958	12,504	188,463	—	188,463
Operating income by segment	5,123	1,838	6,962	—	6,962
Assets by segment	95,122	11,488	106,611	—	106,611
Others					
Depreciation	745	419	1,164	—	1,164
Amortization of goodwill	231	—	231	—	231
Increase of tangible and intangible assets	653	355	1,008	—	1,008

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

(Millions of yen)

	Segment			Other	Total
	IC, electronic devices and other business	Network business	Sub-total		
Sales (1) Sales to external customers	137,843	11,420	149,263	—	149,263
(2) Internal sales or transfers between segments	—	8	8	—	8
Total	137,843	11,428	149,272	—	149,272
Operating income by segment	1,796	1,548	3,345	—	3,345
Assets by segment	92,194	8,767	100,961	—	100,961
Others					
Depreciation	664	419	1,083	—	1,083
Amortization of goodwill	66	—	66	—	66
Increase of tangible and intangible assets	549	306	856	—	856

3. Main differences between the sum of profits for the various segments and the profit appearing in the quarterly consolidated statement of income (adjustments for differences)

(Millions of yen)

Sale	Current Consolidated Full Year	Previous Consolidated Full Year
Total segment income	188,463	149,272
Elimination of intersegment income	(23)	(8)
Sale in the consolidated statements of income	188,440	149,263

(Millions of yen)

Income	Current Consolidated Full Year	Previous Consolidated Full Year
Total segment income	6,962	3,345
Elimination of intersegment income	123	245
Corporate-wide expenses *	(725)	(276)
Operating income in the consolidated statements of income	6,360	3,314

* Corporate-wide expenses mainly refers to "general & administrative expenses," not included in segment.

(Millions of yen)

Asset	Current Consolidated Full Year	Previous Consolidated Full Year
Total segment income	106,611	100,961
Elimination of intersegment income	(5,320)	(245)
Corporate-wide expenses	2,013	1,090
Asset in the consolidated statements of income	103,305	101,807

* Corporate-wide expenses mainly refers to "land" and "investment securities", not included in segment.

(Millions of yen)

	Segment Total		Other		Amount of adjustment *		Amount on the statements of income	
	Current Consolidated Full Year	Previous Consolidated Full Year	Current Consolidated Full Year	Previous Consolidated Full Year	Current Consolidatd Full Year	Previous Consolidatd Full Year	Current Consolidatd Full Year	Previous Consolidate Full Year
Depreciation	1,164	1,083	—	—	—	—	1,164	1,083
Amortization of goodwill	231	66	—	—	—	—	231	66
Increase of tangible and intangible assets	1,008	856	—	—	1,119	—	2,128	856

* Amount of adjustment for increase of tangible and intangible assets refers to investment in land.

Additional Information

Effective from the first quarter of the fiscal year ended March 31, 2011, the Company adopted "Accounting Standard for Disclosures about Segments of an Enterprises and Related Information" (ASBJ Statement No. 17, March 27, 2009) and its accompanying Guidance on "Accounting Standard for Disclosures about Segement of an Enterprise and Related Information" (ASBJ Statement No. 20, March 21, 2008).

Per Share Information

	Current year April 1, 2010 to March 31, 2011	Previous year April 1, 2009 to March 31, 2010
Net assets per share	3,303.13 yen	3,122.50 yen
Net income per share	252.89 yen	99.82 yen
Fully diluted net income per share	252.89 yen	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, 2011	Previous fiscal year ended March 31, 2010
Total listed under net assets in full year consolidated balance sheet	59,719 million yen	56,687 million yen
Net assets relating to common stock	58,476 million yen	55,280 million yen
Difference - Minority interest - Minority shareholder equity	20 million yen 1,221 million yen	-- 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	406,749 shares	406,473 shares
Number of common shares used to calculate net assets per share	17,703,503 shares	17,703,779 shares

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

	Current fiscal year April 1, 2010 to March 31, 2011	Previous fiscal year April 1, 2009 to March 31, 2010
Net income per share		
Net income for the fiscal year	4,476 million yen	1,767 million yen
Amount not returned to common stock shareholders	—	—
Net income relating to common stock	4,476 million yen	1,767 million yen
Average number of shares of common stock during the period	17,703,606 shares	17,703,864 shares
Diluted net income per share		
Adjustment to net income for the fiscal year	—	—
Increase in number of common stock	37 shares	—
Outline of stock not included in diluted net income per share due to lack of dilutive effect	Ordinary shares as of June 29, 2005 Main stock options approved by the General Shareholders' Meeting New share reservation rights: 3,328 (represents 332,800 common shares)	Ordinary shares as of June 29, 2005 Main stock options approved by the General Shareholders' Meeting New share reservation rights: 3,353 (represents 335,300 common shares)

Subsequent Events

Not applicable