SUMMARY OF FINANCIAL STATEMENTS (CONSOLIDATED)

For the Full Year Ended March 31, 2012

Presented April 25, 2012

MACNICA, Inc.

Listed Market	Tokyo Stock Exchange
Stock Code	7631
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General meeting of stockholders	June 27, 2012
Scheduled date to payment of dividends	June 28, 2012
Scheduled date for filing of quarterly financial report	June 27, 2012

1. Financial Results for FY2011 *(April 1, 2011 to March 31, 2012)*

(1) Consolidated Operating Results

(Millions of yen)

	April 1, 2011 to March 31, 2012		April 1, 2010 to March 31, 2011	
	Amount	% Change	Amount	% Change
Net Sales	188,893	0.2	188,440	26.2
Operating Income	6,887	8.3	6,360	91.9
Ordinary Income	6,638	3.8	6,395	90.8
Net Income	3,337	(25.4)	4,476	153.3
Net Income per Share (yen)	188.53		252.89	
Potential post-adjustment net income value per share (yen)	—		—	
Return on Equity (ROE)(%)	5.6		7.9	
Return on Assets (%)	6.2		6.2	
Operating Income to Net Sales (%)	3.6		3.4	

Comprehensive income: Year ended March 31, 2012: 3,692 mil yen (-2.0%); Year ended March 31, 2011: 3,767 mil yen (230.6%)

Equity method investment profit / loss: Year ended March 31, 2012: — mil yen; Year ended March 31, 2011: — mil yen

(2) Consolidated Financial Position

(Millions of yen)

	As of March 31, 2012	As of March 31, 2011
Total Assets	110,979	103,305
Shareholders' Equity	62,724	59,719
Equity Ratio (%)	55.4	56.6
Shareholders' Equity per Share (yen)	3,474.04	3,303.13

Equity (consolidated): Year ended March 31, 2012: 61,501 mil yen; Year ended March 31, 2011: 58,476 mil yen

(3) Consolidated Cash Flows

(Millions of yen)

	April 1, 2011 to March 31, 2012	April 1, 2010 to March 31, 2011
Cash Flows from Operating Activities	17,907	(2,842)
Cash Flows from Investing Activities	(1,714)	(4,842)
Cash flows from Financing Activities	(4,007)	5,012
Cash and cash Equivalents, End of Year	24,222	11,910

2. Dividends

	April 1, 2011 to March 31, 2012	April 1, 2010 to March 31, 2011	2013 (Est.)
Annual Dividends per Share (yen)	40.00	30.00	40.00
End of Term (yen)	20.00	15.00	20.00
Mid Term (yen)	20.00	15.00	20.00
Total Dividends (millions of yen)	708	531	—
Payout ratio	21.2%	11.9%	16.2%
Shareholders' equity dividend yield	1.2%	0.9%	—

3. Consolidated Profit Forecast for the Year Ending March 31, 2013

(Millions of yen)

	Half Ending Sept. 30, 2012		Year Ending March 31, 2013	
Net Sales	98,000	0.8%	200,000	5.9%
Operating Income	3,300	(14.6%)	7,000	1.6%
Ordinary Income	3,180	(2.2%)	6,800	2.4%
Net Income	2,060	31.5%	4,370	30.9%
Net income per share (yen)	116.36		246.85	

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) Change in accounting policy, change in accounting estimates and restatement
- (i) Changes accompanying amendments to accounting standards: Yes
- (ii) Changes other than those in (i) above: None
- (iii) Change in accounting estimates: None
- (iv) Restatement: None

(3) Number of outstanding shares (common shares)

(i) Number of shares issued and outstanding at end of period (including treasury stock)
End Fiscal Year 2012: 18,110,252 shares End Fiscal Year 2011: 18,110,252 shares

(ii) Number of shares of treasury stock issued and outstanding at end of period
End Fiscal Year 2012: 406,963 shares End Fiscal Year 2011: 406,749 shares

(iii) Average number of treasury stock during the period
End Fiscal Year 2012: 17,703,397 shares End Fiscal Year 2011: 17,703,606 shares

(Reference) Non-consolidated performance summary

1. Financial Results for FY2012 *(April 1, 2011 to March 31, 2012)*

(1) Consolidated Operating Results

(Millions of yen)

	April 1, 2011 to March 31, 2012		April 1, 2010 to March 31, 2011	
	Amount	% Change	Amount	% Change
Net Sales	93,413	5.4	88,636	(0.1)
Operating Income	275	139.7	114	—
Ordinary Income	1,932	90.9	1,012	18.2
Net Income	991	63.8	605	(0.9)
Net Income per Share (yen)	55.98		34.18	
Potential post-adjustment net income value per share (yen)	—		—	

(2) Non-consolidated Financial Position

(Millions of yen)

	As of March 31, 2012	As of March 31, 2011
Total Assets	80,876	80,714
Shareholders' Equity	44,507	43,548
Equity Ratio (%)	55.0	53.9
Shareholders` Equity per Share (Yen)	2,510.88	2,458.70

Equity (non-consolidated): Year ended March 31, 2012: 44,450 mil yen; Year ended March 31, 2011: 43,527 mil yen

Implementation of quarterly review procedures:

The quarterly review procedures stipulated in the Financial Instruments and Exchange Act are not applicable to this quarterly financial result (abbreviated earnings report), but the procedures were being implemented when this quarterly financial result was released.

Note:

Profit forecasts are based on the information available to management at the time they are made, and assumptions which are considered to be reasonable. Actual results may differ materially from forecasts for a number of reasons. Please consult "I. Business Results and Financial Position, (1) Business Results" on pages 5 and 6 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 initially contracted after the Great East Japan Earthquake but rapidly recovered, particularly in the manufacturing industry, as supply chains were quickly restored. After that, the appreciation of the yen and a shortage of parts due to flooding in Thailand led to a slowdown in economic activity, but activity picked up once again as the yen-dollar exchange rate underwent a correction and the U.S. economy strengthened. Capital expenditures initially stagnated due to the earthquake but they grew in the second half for various reasons including efforts to restore production facilities damaged by the earthquake and the relaunch of investments that companies had refrained from making following the earthquake. Overall, consumer spending recovered—after declining immediately following the earthquake, it gradually improved as consumers' inclination to refrain from making purchases faded, demand for energy-saving goods rose, and restraints on the supply of cars lessened.

The Macnica Group is active in the electronics industry, and there were various developments in this industry. Sales of mobile computing related products, such as smartphones and tablet computers, were strong; sales in both the mobile phone market and computer market were also firm. In the consumer electronics market, sales of flat-screen TVs declined because the global economy weakened and flat-screen TVs have fully penetrated markets in advanced countries. Furthermore, sales of digital still cameras did not make a full recovery on account of not only the earthquake in Japan but also the floods in Thailand. In the industrial equipment market, sales of car related equipment was firm as the impact of the flooding in Thailand faded but sales of some other types of equipment declined because of tighter monetary policy in China and other reasons.

Therefore, net sales for the fiscal year increased 0.2% year on year to 188,893 million yen, operating income rose 8.3% year on year to 6,887 million yen, and ordinary income also rose 3.8% year on year to 6,638 million yen. Income before income taxes declined 0.9% year on year to 6,225 million yen since a loss on valuation of affiliated company's shares of 467 million yen was recorded as an extraordinary loss. Net income fell 25.4% year on year to 3,337 million yen for several reasons including the use of deferred tax assets accompanying changes in the corporate tax rate.

IC, Electronic Devices and Other Business

Sales of products in the communications market were firm, driven by sales of programmable logic devices (PLDs) and application specific standard products (ASSPs) for not only LTE base stations but also communications equipment since companies installed more of this type of equipment to handle the greater use of smartphones. An increase in sales of ASSPs for mobile devices also supported the market. In the computer market, sales of analog ICs for notebook computer battery packs and ASSPs for storage devices were lackluster on account of deteriorating economic conditions in Europe and floods in Thailand. In the consumer electronics market, sales of analog ICs for digital still cameras contracted on account of the earthquake in Japan and floods in Thailand. Sales also shrank because business with Taiwanese LCD panel manufacturers drew to an end. On the other hand, in the industrial equipment market, sales declined in the second half as the Chinese market cooled, but those of other products, particularly analog ICs for cars, were firm. Sales for the business decreased 0.6% year on year to 174,952 million yen and operating income rose 1.0% year on year to 5,172 million yen.

Network Business

Sales of products for communication equipment and switchboards were healthy as companies installed more of this type of equipment to handle the greater use of smartphones. Demand for data centers increased due to growth of cloud computing leading to firm sales of products used in communication equipment for these facilities. Sales for the business rose 11.5% year on year to 13,947 million yen and operating income increased 14.7% year on year to 2,109 million yen.

2) Outlook for the Fiscal Year

As for the coming fiscal year, the Japanese economy is expected to stagnate for the time being mainly because of weak exports due to slowing overseas economies; however, in the second half, economic activity is forecast to increase, particularly in the manufacturing industry, as it is expected that overseas economies will gradually strengthen and recovery related demand will kick in. Even so, it is likely that there will continue to be uncertainties related to various factors such as the possibility of the European debt crisis growing more serious and the supply of electricity becoming tight.

Under these conditions, the communication infrastructure market, which the Group's IC, electronic device, and other business are active in, is expected to be firm on account of the construction of LTE base stations. In the industrial equipment market, sales of products for cars are projected to be firm as the impact of the Great East Japan Earthquake and the floods in Thailand fade. In addition to continuing to focus on not only Asia, which is forecast to continue to grow, but also markets and product lines that the Group expects will generate sales, the Group will move forward by expanding its share.

As for the network business, sales activities will mainly target telecommunications companies and major corporations because of growing demand for advanced security equipment to prevent information leaks and unauthorized access. In the growing field of cloud computing, the Group will also strive to strengthen its product lineup and provide optimal solutions.

Therefore, for the next fiscal year, consolidated sales are expected to grow 5.9% year on year to 200,000 million yen, operating income to rise 1.6% to 7,000 million yen, ordinary income to increase 2.4% to 6,800 million, and the Group is projected to record 4,370 million yen in net income, an increase of 30.9% from the previous fiscal year.

(2) Financial Situation

1) Assets, Liabilities, and Net Assets

In the current consolidated fiscal period, total assets rose 7,674 million yen compared with the end of the previous consolidated fiscal year; net assets increased 3,004 million yen, and the equity ratio was 55.4%.

2) Cash flows

Cash and cash equivalents in the current consolidated period were 24,222 million yen, an increase of 12,311 million yen, compared to 11,910 million yen at the end of the previous consolidated fiscal year.

Cash flows from operating activities

Cash flows from operating activities increased 17,907 million yen in the current consolidated fiscal period for various reasons including a 6,225 million yen of income before income taxes, a decrease in inventories and an increase in trade payable.

Cash flow from investing activities

There was a net cash outflow from investing activities of 1,714 million yen for numerous reasons including payments for purchases of property and equipment and for purchases of shares of affiliated companies, and disbursement of loans.

Cash flows from financing activities

There was a net cash outflow from financing activities of 4,007 million yen for various reasons including mainly long-term debt.

Consolidated asset, liability and cash flow indicators

	FY ended March 31 '12	FY ended March 31 '11	FY ended March 31 '10	FY ended March 31 '09	FY ended March 31 '08
Equity ratio	55.4%	56.6%	54.3%	66.2%	69.7%
Equity ratio at market value	32.0%	35.2%	26.6%	24.4%	24.5%
Years to debt redemption	0.7 years	—	—	0.9 years	2.6 years
Interest coverage ratio	75.9	—	—	67.8	10.0

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 40 yen per share (an interim dividend of 20 yen per share and a year-end dividend of 20 yen per share). This is an annual dividend that is 10 yen more than that paid for the previous fiscal year.

The Group plans to pay an annual dividend of 40 yen per share (an interim dividend of 20 yen per share and a year-end dividend of 20 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 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 addition, Japanese companies are expected to accelerate their movement of production, design, and R&D functions overseas. At this time, the Asia Pacific region, including China and Taiwan, will likely become a major semiconductor market as manufacturers of electronic and IT related equipment throughout the world move production to the area and local Asian companies experience remarkable growth.

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 measure to strengthen the Group's ability to handle local overseas companies, the Group is building a system to accelerate its strategic expansion into the Asia Pacific region including penetrating local companies. These efforts have involved Cytech Technology Limited in China, Galaxy Far East Corporation in Taiwan, and Cytech Global Pte. Ltd., which was transformed into a consolidated subsidiary this fiscal year, in the ASEAN region, including India.

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, 2012	As of March 31, 2011
ASSETS		
Current assets		
Cash and deposits	24,222	11,910
Notes & accounts receivable	37,148	35,665
Securities	616	622
Products	29,247	35,491
Deferred tax assets	1,307	1,360
Other current assets	4,508	4,113
Allowance for doubtful accounts	(97)	(133)
Total current assets	**96,953**	**89,031**
Fixed assets		
Buildings and structures	5,525	5,463
Accumulated depreciation	(2,461)	(2,309)
Buildings and structures (Net)	3,063	3,153
Equipment and fittings	120	120
Accumulated depreciation	(101)	(96)
Equipment and fittings (Net)	19	24
Land	3,866	3,866
Leased assets	322	322
Accumulated depreciation	(156)	(93)
Leased assets (Net)	165	228
Other fixed assets	3,354	2,959
Accumulated depreciation	(2,539)	(2,274)
Other fixed assets (Net)	815	685
Tangible assets	**7,930**	**7,958**
Goodwill	1,541	1,770
Other	965	1,361
Intangible assets	**2,506**	**3,131**
Investment in securities	2,187	1,160
Deferred tax assets	662	1,246
Other	840	960
Allowance for doubtful accounts	(101)	(182)
Investments and other assets	**3,588**	**3,184**
Total fixed assets	**14,025**	**14,274**
Total Assets	**110,979**	**103,305**

(Millions of yen)

	As of March 31, 2012	As of March 31, 2011
LIABILITIES		
Current liabilities		
Notes & accounts payable	21,055	15,184
Short-term loans payable	4,000	11,500
Lease obligation	3	56
Accrued income taxes	1,210	1,409
Accrued bonuses	1,279	1,381
Reserve for bonuses to directors	26	32
Other current liabilities	8,722	6,579
Total current liabilities	**36,298**	**36,143**
Long-term liabilities		
Long-term debt	8,737	4,500
Accrued retirement benefits	2,518	2,288
Retirement benefits for directors	420	432
Other current liabilities	279	220
Total long-term liabilities	**11,956**	**7,442**
Total Liabilities	**48,255**	**43,585**
Shareholders Equity		
Paid-in capital	11,194	11,194
Additional paid-in capital	19,476	19,476
Retained earnings	33,125	30,419
Treasury stock	(1,089)	(1,089)
Total shareholders' equity	62,706	60,000
Other comprehensive income		
Unrealized holding gain on securities	562	(30)
Gain(loss) on deferred hedge	(330)	(85)
Translation adjustments	(1,436)	(1,407)
Total comprehensive income	(1,204)	(1,523)
Stock acquisition right	56	20
Minority interest	1,165	1,221
Total net assets	62,724	59,719
Total Liabilities & Net Assets	**110,979**	**103,305**

(2) Consolidated Statements of Income

(Millions of yen)

	April 1, 2011- March 31, 2012	April 1, 2010- March 31, 2011
Net sales	188,893	188,440
Cost of sales	160,801	161,171
Gross profit	28,091	27,268
Selling, general & administrative expenses	21,204	20,908
Operating income	6,887	6,360
Non-operating income		
Interest income	28	28
Dividend income	26	22
Right of indemnification for product loss	30	105
Gain on investment in investment association	6	144
Resersal of allowance for bad debt	56	—
Other	132	202
Total non-operating income	**280**	**504**
Non-operating expenses		
Interest paid	188	252
Loss on transfer of receivables	174	112
Translation adjustments	95	—
Expense for business compensation	22	54
Other	48	50
Total non-operating expenses	**529**	**469**
Ordinary income	**6,638**	**6,395**
Extraordinary income		
Proceeds from sales of fixed assets	0	1
Proceeds from sale of investment securities	54	2
Allowance for bad debt	—	34
Total extraordinary income	**54**	**38**

(Millions of yen)

	April 1, 2011- March 31, 2012	April 1, 2010- March 31, 2011
Extraordinary losses		
Loss on disposal of fixed assets	14	15
Loss on valuation of investment securities	9	50
Loss on valuation of claim of affiliates	425	12
Other	17	70
Total extraordinary losses	**467**	**149**
Income before income taxes	**6,225**	**6,283**
Corporate, inhabitant and enterprise taxes	2,414	2,103
Income tax adjustment	422	(403)
Total corporate tax etc.	**2,837**	**1,700**
Income before minority interests	**3,388**	**4,583**
Minority interests in net income	**51**	**106**
Net income	**3,337**	**4,476**
Income before minority interests	**3,388**	**4,583**
Other comprehensive income		
Unrealized holding gain on securities	**593**	**44**
Gain(loss) on deferred hedge	**(245)**	**211**
Translation adjustments	**(45)**	**(1,071)**
Total comprehensive income	**303**	**(816)**
Comprehensive income	**3,692**	**3,767**
(Breakdown of comprehensive income)		
Comprehensive income attributable to the shareholders of the parent company	**3,657**	**3,749**
Comprehensive income attributable to minority shareholders	**35**	**18**

(3) Consolidated Statements of Changes to Shareholders' Equity

(Millions of yen)

	April 1, 2011- March 31, 2012	April 1, 2010- March 31, 2011
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	30,419	26,406
Changes in the fiscal year :		
Dividends	(619)	(531)
Net income	3,337	4,476
Change in scope of consolidation	(12)	—
Changes in minority interest due to increase of consolidated subsidairies	—	67
Changes in the fiscal year (Total)	2,705	4,013
Balance at end of period	33,125	30,419
Treasury stock		
Balance at start of period	(1,089)	(1,089)
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	60,000	55,987
Changes in the fiscal year :		
Dividends	(619)	(531)
Net income	3,337	4,476
Change in scope of consolidation	(12)	—
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)	2,705	4,012
Shareholders' equity	62,706	60,000

(Millions of yen)

	April 1, 2011-March 31, 2012	April 1, 2010-March 31, 2011
2. Other comprehensive income		
Unrealized holding gains on other securities		
Balance at start of period	(30)	(75)
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	593	44
Changes in the fiscal year (Total)	593	44
Balance at end of period	562	(30)
Gain(loss) on deferred hedge		
Balance at start of period	(85)	(296)
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	(245)	211
Changes in the fiscal year (Total)	(245)	211
Balance at end of period	(330)	(85)
Translation adjustments		
Balance at start of period	(1,407)	(335)
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	(28)	(1,071)
Changes in the fiscal year (Total)	(28)	(1,071)
Balance at end of period	(1,436)	(1,407)
Total comprehensive income		
Balance at start of period	(1,523)	(707)
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	319	(816)
Changes in the fiscal year (Total)	319	(816)
Balance at end of period	(1,204)	(1,523)
Stock acquisition right		
Balance at start of period	20	—
Changes in the fiscal year :		
Changes in minority interest due to increase of consolidated subsidairies	35	20
Changes in the fiscal year (Total)	35	20
Balance at end of period	56	20

(Millions of yen)

	April 1, 2011- March 31, 2012	April 1, 2010- March 31, 2011
Minority interest		
Balance at start of period	1,221	1,407
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	(56)	(185)
Changes in the fiscal year (Total)	(56)	(185)
Balance at end of period	1,165	1,221
Total Net Assets		
Balance at start of period	59,719	56,687
Changes in the fiscal year :		
Dividends	(619)	(531)
Net income	3,337	4,476
Change in scope of consolidation	(12)	—
Change due to a change in the accounting period of consolidated subsidiaries	—	67
Acquisition of treasury stock	(0)	(0)
Changes other than shareholders' equity (Net)	299	(981)
Changes in the fiscal year (Total)	3,004	3,031
Balance at end of period	62,724	59,719

(4) Consolidated Statements of Cash Flow

(Millions of yen)

	April 1, 2011- March 31, 2012	April 1, 2010- March 31, 2011
1. Operating activities		
Income before income taxes	6,225	6,283
Depreciation and amortization	1,219	1,164
Amortization of goodwill	228	231
Change in allowance for doubtful accounts	(71)	(60)
Change in accrued bonuses	(101)	240
Change in accrued retirement benefits	230	202
Change in retirement benefits for directors	(11)	17
Interest and dividend income	(55)	(51)
Interest expense	188	252
Loss (gain) on translation	65	187
Gain on investment in investment association	(6)	(144)
Loss (gain) on sale of fixed assets	(0)	(1)
Loss (gain) on sale of investment securities	(54)	(2)
Loss (gain) on valuation of investment securities	9	50
Change in notes and accounts receivable, trade	(1,028)	2,016
Change in inventories	6,690	(7,575)
Changes in trade payable	5,717	(6,806)
Change in accrued consumption tax	(118)	665
Change in other current assets	(577)	189
Change in other current liabilities	1,855	1,563
Other	355	156
Sub-total	**20,762**	**(1,420)**
Interest and dividends received	61	50
Interest paid	(236)	(260)
Corporate tax Payment (refund)	(2,680)	(1,212)
Net cash provided by (used in) operating activities	**17,907**	**(2,842)**

(Millions of yen)

	April 1, 2011- March 31, 2012	April 1, 2010- March 31, 2011
2. Investing Activities		
Disbursement of loans	(1,215)	(832)
Proceeds from collection of loans	764	276
Purchases of property and equipment	(582)	(1,607)
Proceeds from sales of property and equipment	0	7
Purchases of intangible assets	(174)	(488)
Purchases of investment securities	(14)	(17)
Proceeds from sales of investment securities	57	186
Purchases of shares of affiliated companies	(555)	(2,352)
Other	5	(14)
Net cash provided by (used in) investing activities	**(1,714)**	**(4,842)**
3. Financing activities		
Change in short-term loans	3,973	—
Proceeds from long-term debt	4,195	7,500
Repayment of long-term debt	(11,500)	(1,512)
Acquisition of treasury stock	(0)	(0)
Cash dividends paid	(620)	(531)
Cash dividends paid to minority shareholders	(54)	(73)
Other	(1)	(370)
Net cash provided by (used in) financing activities	**(4,007)**	**5,012**
4. Translation adjustments on cash and cash equivalents	**60**	**(578)**
5. Net increase (decrease) in cash and cash equivalents	**12,245**	**(3,251)**
6. Cash and cash equivalents at beginning of the year	**11,910**	**15,044**
7. Cash and cash equivalents of newly consolidated subsidiary	**66**	**—**
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	**24,222**	**11,910**

(5) Notes Regarding Going Concern Assumption

Not applicable

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

Application of "Accounting Standard for Earnings Per Share"

Starting this fiscal year, the Company adopted "Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2, June 30, 2010) and its implementation guidance (ASBJ Statement No. 4, June 30, 2010).

The method for calculating the diluted net income per share has been changed in the following way. For stock options allocated after a certain period of service at the company, the portion of the fair value of the stock options related to services that the company will provide in the future is included in the amount to be paid assuming the rights are exercised.

The impact of this change on per-share information is reflected in the figures given that section.

(7) Notes to the Consolidated Balance Sheet

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, 2011 – March 31, 2012)

(Millions of yen)

	Segment			Other	Total
	IC, electronic devices and other business	Network business	Sub-total		
Sales (1) Sales to external customers	174,952	13,941	188,893	—	188,893
(2) Internal sales or transfers between segments	—	5	5	—	5
Total	174,952	13,947	188,899	—	188,899
Operating income by segment	5,172	2,109	7,281	—	7,281
Assets by segment	100,468	12,325	112,793	—	112,793
Others					
Depreciation	751	468	1,219	—	1,219
Amortization of goodwill	228	—	228	—	228
Increase of tangible and intangible assets	382	411	794	—	794

Previous 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

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	188,899	188,463
Elimination of intersegment income	(5)	(23)
Sale in the consolidated statements of income	188,893	188,440

(Millions of yen)

Income	Current Consolidated Full Year	Previous Consolidated Full Year
Total segment income	7,281	6,962
Elimination of intersegment income	135	123
Corporate-wide expenses *	(529)	(725)
Operating income in the consolidated statements of income	6,887	6,360

* 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	112,793	106,611
Elimination of intersegment income	(4,781)	(5,320)
Corporate-wide expenses *	2,967	2,013
Asset in the consolidated statements of income	110,979	103,305

* 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	1,219	1,164	—	—	—	—	1,219	1,164
Amortization of goodwill	228	231	—	—	—	—	228	231
Increase of tangible and intangible assets	794	1,008	—	—	—	1,119	794	2,128

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

Per Share Information

	Current year April 1, 2011 to March 31, 2012	Previous year April 1, 2010 to March 31, 2011
Net assets per share	3,474.04 yen	3,303.13 yen
Net income per share	188.53 yen	252.89 yen
Fully diluted net income per share	The item has been omitted since there are no shares that could dilute earnings.	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, 2012	Previous fiscal year ended March 31, 2011
Total listed under net assets in full year consolidated balance sheet	62,724 million yen	59,719 million yen
Net assets relating to common stock	61,501 million yen	58,476 million yen
Difference - Minority interest - Minority shareholder equity	56 million yen 1,165 million yen	20 million yen 1,221 million yen
Number of common shares outstanding	18,110,252 shares	18,110,252 shares
Number of treasury stock making up common stock	406,963 shares	406,749 shares
Number of common shares used to calculate net assets per share	17,703,289 shares	17,703,503 shares

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

	Current fiscal year April 1, 2011 to March 31, 2012	Previous fiscal year April 1, 2010 to March 31, 2011
Net income per share		
Net income for the fiscal year	3,337 million yen	4,476 million yen
Amount not returned to common stock shareholders	—	—
Net income relating to common stock	3,337 million yen	4,476 million yen
Average number of shares of common stock during the period	17,703,397 shares	17,703,606 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	Ordinary shares as of June 29, 2005 Main stock options approved by the General Shareholders' Meeting New share reservation rights: 3,232 (represents 323,200 common shares)	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)

As noted in Significant Items in the Preparation of the Quarterly Consolidated Financial Statements, changes in accounting principles for the current fiscal year are applied retroactively, and figures for previous years in the financial statements reflect these changes.

Subsequent Events

None