

SUMMARY OF FINANCIAL STATEMENTS (CONSOLIDATED)

For the Full Year Ended March 31, 2013

Presented April 25, 2013

MACNICA, Inc.

Listed Market	Tokyo Stock Exchange
Stock Code	7631
Head Office	Kanagawa Prefecture
URL	www.macnica.co.jp
President and CEO	Kiyoshi Nakashima
Inquiries	Shigeyuki Sano, Director
Telephone	+81 45 470 9870
General meeting of stockholders	June 26, 2013
Scheduled date to payment of dividends	June 27, 2013
Scheduled date for filing of quarterly financial report	June 26, 2013

1. Financial Results for FY2012 (April 1, 2012 to March 31, 2013)

(1) Consolidated Operating Results

(Millions of yen)

	April 1, 2012 to March 31, 2013		April 1, 2011 to March 31, 2012	
	Amount	% Change	Amount	% Change
Net Sales	196,452	4.0	188,893	0.2
Operating Income	5,747	(16.6)	6,887	8.3
Ordinary Income	5,689	(14.3)	6,638	3.8
Net Income	3,348	0.3	3,337	(25.4)
Net Income per Share (yen)	189.15		188.53	
Potential post-adjustment net income value per share (yen)	—		—	
Return on Equity (ROE)(%)	5.3		5.6	
Return on Assets (%)	5.0		6.2	
Operating Income to Net Sales (%)	2.9		3.6	

Comprehensive income: Year ended March 31, 2013: 5,205 mil yen (41.0%); Year ended March 31, 2012: 3,692 mil yen (-2.0%)

Equity method investment profit / loss: Year ended March 31, 2013: — mil yen; Year ended March 31, 2012: — mil yen

(2) Consolidated Financial Position

(Millions of yen)

	As of March 31, 2013	As of March 31, 2012
Total Assets	115,315	110,979
Shareholders' Equity	67,186	62,724
Equity Ratio (%)	57.1	55.4
Shareholders' Equity per Share (yen)	3,717.99	3,474.04

Equity (consolidated): Year ended March 31, 2013: 65,819 mil yen; Year ended March 31, 2012: 61,501 mil yen

(3) Consolidated Cash Flows

(Millions of yen)

	April 1, 2012 to March 31, 2013	April 1, 2011 to March 31, 2012
Cash Flows from Operating Activities	(3,259)	17,907
Cash Flows from Investing Activities	(1,867)	(1,714)
Cash flows from Financing Activities	(2,808)	(4,007)
Cash and cash Equivalents, End of Year	17,089	24,222

2. Dividends

	April 1, 2012 to March 31, 2013	April 1, 2011 to March 31, 2012	2014 (Est.)
Annual Dividends per Share (yen)	40.00	40.00	40.00
End of Term (yen)	20.00	20.00	20.00
Mid Term (yen)	20.00	20.00	20.00
Total Dividends (millions of yen)	708	708	—
Payout ratio	21.1%	21.2%	16.4%
Shareholders' equity dividend yield	1.1%	1.2%	—

3. Consolidated Profit Forecast for the Year Ending March 31, 2014

(Millions of yen)

	Half Ending Sept. 30, 2013		Year Ending March 31, 2014	
Net Sales	102,900	1.9%	210,000	6.9%
Operating Income	3,570	10.9%	7,300	27.0%
Ordinary Income	3,410	4.0%	7,000	23.0%
Net Income	2,140	1.1%	4,310	28.7%
Net income per share (yen)	120.88		243.46	

4. Additional Notes

- (1) Transfers of leading subsidiaries during the period (transfers of specified subsidiaries accompanied 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: Yes
 - (iv) Restatement: None

Note: Depreciation method was changed from the current consolidated fiscal year, which is applied to "Changes in Accounting Policies which are Difficult to Distinguish from Changes in Accounting Estimates". For details, please refer to "III. Consolidated Financial Statements (5) Notes to the Consolidated Balance Sheet" on page 20.

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

End Fiscal Year 2013:	18,110,252 shares	End Fiscal Year 2012:	18,110,252 shares
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 - (ii) Number of shares of treasury stock issued and outstanding at end of period

End Fiscal Year 2013:	407,215 shares	End Fiscal Year 2012:	406,963 shares
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 - (iii) Average number of treasury stock during the period

End Fiscal Year 2013:	17,703,206 shares	End Fiscal Year 2012:	17,703,397 shares
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(Reference) Non-consolidated performance summary

1. Financial Results for FY2012 (April 1, 2012 to March 31, 2013)

(1) Consolidated Operating Results

(Millions of yen)

	April 1, 2012 to March 31, 2013		April 1, 2011 to March 31, 2012	
	Amount	% Change	Amount	% Change
Net Sales	99,670	6.7	93,413	5.4
Operating Income	(267)	—	275	139.7
Ordinary Income	1,125	(41.8)	1,932	90.9
Net Income	810	(18.3)	991	63.8
Net Income per Share (yen)	45.76		55.98	
Potential post-adjustment net income value per share (yen)	—		—	

(2) Non-consolidated Financial Position

(Millions of yen)

	As of March 31, 2013	As of March 31, 2012
Total Assets	77,084	80,876
Shareholders' Equity	44,317	44,507
Equity Ratio (%)	57.4	55.0
Shareholders' Equity per Share (Yen)	2,498.13	2,510.88

Equity (non-consolidated): Year ended March 31, 2013: 44,224 mil yen; Year ended March 31, 2012: 44,450 mil yen

Information regarding the quarterly review procedure:

This quarterly summary report is exempt from quarterly review procedure based on the Financial Instruments and Exchanges Act. It is under the review procedure process at the time of disclosure of this report.

Disclaimer regarding projection information including appropriate use of forecasted financial result, and other special notes:

The projection figures shown above are based on information that was available to management at the time of preparation, and assumptions which are considered to be reasonable. Actual performance and other factors may differ from these projections due to changes in circumstances and other developments. Please consult "I. Business Results and Financial Position, (1) Business Results" on page 6 of this document for additional discussion concerning forecasts.

I. Business Results and Financial Position

(1) Business Results

1) Overview of Consolidated Fiscal Year

In the current fiscal year the Japanese economic outlook has been grim, due to factors such as the decline in overseas economic conditions and the high value of the yen, which saw exports to places like China and Europe decline, and a slowdown in production activity. However with overseas economies now recovering and a depreciation of the yen, exports are starting to increase again. Furthermore, this recovery and pick up in production activity has occurred against a background of reduced automobile sales. Although the recovery has led to an improvement in corporate earnings, capital investment has not fully recovered because there is still an element of caution in the marketplace. Consumer confidence and stock prices are leading the way in response to economic policies and expectation of monetary easing, which has led to an improvement in consumer spending.

In our own industry of electronics, there has been a reduction in the sale of some smart phones, but sales have improved rapidly overall especially at the low end of the market. The mobile phone market has continued to be strong. In the computer market, the tablet PC remains strong. However that has been accompanied by a demand shift, which has severely affected demand for conventional PCs, including notebook PCs. The market for consumer products has become sluggish, with demand for flat panel televisions having passed, and the sales of compact digital still cameras on a downward trend due to the slowing of the international economy and the rising

prominence of smartphones. The automobile market, however, has recovered from its post eco-car subsidy system blowback, and the improvement in automobile sales has the market in an upswing.

Therefore, net sales for the fiscal year increased 4.0% year on year to 196,452 million yen, operating income fell 16.6% year on year to 5,747 million yen, and ordinary income also fell 14.3% year on year to 5,689 million yen. Net income rose 0.3% year on year to 3,348 million yen for several reasons including a 1,044 million yen of proceeds from sale of investment securities and a 720 million yen of impairment loss.

IC, Electronic Devices and Other Business

For this business, smartphone terminal ASSPs are doing well, thanks to the increasing demand for smartphones. In the communications infrastructure market, although LTE base station PLDs and ASSPs are doing well, demand in North America for transmission equipment is falling. In the OA peripheral devices market, although printer ASSPs are continuing to do well, the consumer products market has entered a downturn due to a fall in the demand for flat panel television ASSPs and compact still digital camera analog ICs. The automobile market has been hit by production adjustments caused by the slowing of the international economy and had entered a downward trend, but it remains steady, centered on analog ICs. Orders for analog ICs for FAs, machine tools, and the industrial equipment market in general have also fallen, influenced by the slowing of the Chinese economy and capital spending restraint.

Sales for the business increased 3.1% year on year to 180,401 million yen and operating income fell 33.7% year on year to 3,431 million yen.

Network Business

For this business, the expansion of the smartphone market means that carrier-oriented communication boards and equipment are continuing to do well. It is, moreover, looking bullish in its entirety, thanks to such developments as the beginnings of the full-scale adoption of security equipment capable of responding to targeted attacks.

Sales for the business rose 15.3% year on year to 16,082 million yen and operating income increased 14.9% year on year to 2,424 million yen.

The amount above does not include consumption tax.

2) Outlook for the Fiscal Year

For the next consolidated accounting period, we are of the perspective that the improvement in the export environment due to the low yen coupled with the upsurge in public investment determined by governmental policy will, when added to the last minute surge in demand for durable consumer goods and real estate investment prior to the rise in the consumption tax, lay the basic economic conditions for the recovery of Japan. However, the increase in industrial activity, capital investment, and employment remuneration linked to a full recovery remain unclear, and the situation continues to warrant caution.

Under this circumstance, we are of the perspective that, accompanied by an increase in demand for smartphones and LTE base stations, the portable

terminal market and the communications infrastructure market will continue to do well. It is also estimated that, with a background recovering world economies and increasing exports due to the continuing weak yen, rising demand in the automotive and industrial equipment markets will cause both to do well. The Group will continue to strive to expand its shares and focus its lines in regions ripe for expansion and markets where profits can be anticipated.

In the network business, the growth of carrier-oriented communications equipment is expected, and due to the expansion of the smartphone market, the favorable state of communications equipment will continue. With the anticipated continued expansion of demand for high level security equipment capable of responding to targeted attacks, we will aim to offer even more suitable solutions and establish new associated materials.

Therefore, for the next fiscal year, consolidated sales are expected to grow 6.9% year on year to 210,000 million yen, operating income to rise 27.0% to 7,300 million yen, ordinary income to increase 23.0% to 7,000 million, and the Group is projected to record 4,310 million yen in net income, an increase of 28.7% from the previous fiscal year.

(2) Financial Situation

1) Assets, Liabilities, and Net Assets

In the current consolidated fiscal period, total assets rose 4,335 million yen compared with the end of the previous consolidated fiscal year; net assets increased 4,462 million yen, and the equity ratio was 57.1%.

2) Cash flows

Cash and cash equivalents in the current consolidated period were 17,089 million yen, a decrease of 7,133 million yen, compared to 24,222 million yen at the end of the previous consolidated fiscal year.

Cash flows from operating activities

Cash flows from operating activities decreased 3,259 million yen in the current consolidated fiscal period. While inflows were impacted by a 5,393 million yen of income before income taxes and an increase of accumulated depreciation among other factors, outflows were affected by an increase in inventories and a decrease in payment of corporate tax.

Cash flow from investing activities

There was a net cash outflow from investing activities of 1,867 million yen for numerous reasons including an increase of disbursement of loans to affiliates and payments for purchases of property and equipment.

Cash flows from financing activities

There was a net cash outflow from financing activities of 2,808 million yen for various reasons including mainly repayment of short term loans and cash dividends paid.

Consolidated asset, liability and cash flow indicators

	FY ended March 31 '13	FY ended March 31 '12	FY ended March 31 '11	FY ended March 31 '10	FY ended March 31 '09
Equity ratio	57.1%	55.4%	56.6%	54.3%	66.2%
Equity ratio at market value	29.4%	32.0%	35.2%	26.6%	24.4%
Years to debt redemption	—	0.7 years	—	—	0.9 years
Interest coverage ratio	—	75.9	—	—	67.8

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

- 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).
- 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.
- Years to debt redemption and interest coverage ratio for the fiscal years ended March 31, 2010, 2011 and 2012 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.

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).

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).

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.

II. 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. 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 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, consumer products, vehicles, 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. in the ASEAN region, including India. Furthermore, the Group will look to form alliances with companies with advanced technology in Europe and the United States; and support the entire cycle seamlessly from designing and development to production globally.

In 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 on a global level; 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 technical level even further, and share the technological know-how among the group, domestic and abroad, and improve the quality of products to differentiate the Group from its competitors 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, 2013	As of March 31, 2012
ASSETS		
Current assets		
Cash and deposits	17,088	24,222
Notes & accounts receivable	37,904	37,148
Securities	0	616
Products	37,686	29,247
Deferred tax assets	1,335	1,307
Other current assets	7,185	4,508
Allowance for doubtful accounts	(118)	(97)
Total current assets	101,083	96,953
Fixed assets		
Buildings and structures	5,160	5,525
Accumulated depreciation	(2,623)	(2,461)
Buildings and structures (Net)	2,536	3,063
Equipment and fittings	158	120
Accumulated depreciation	(140)	(101)
Equipment and fittings (Net)	17	19
Land	3,557	3,866
Leased assets	755	322
Accumulated depreciation	(247)	(156)
Leased assets (Net)	508	165
Other fixed assets	3,505	3,354
Accumulated depreciation	(2,628)	(2,539)
Other fixed assets (Net)	877	815
Tangible assets	7,497	7,930
Goodwill	1,312	1,541
Other	863	965
Intangible assets	2,175	2,506
Investment in securities	2,670	2,187
Deferred tax assets	1,358	662
Other	606	840
Allowance for doubtful accounts	(77)	(101)
Investments and other assets	4,559	3,588
Total fixed assets	14,232	14,025
Total Assets	115,315	110,979

(Millions of yen)

	As of March 31, 2013	As of March 31, 2012
LIABILITIES		
Current liabilities		
Notes & accounts payable	21,185	21,055
Short-term loans payable	4,500	4,000
Lease obligation	43	3
Accrued income taxes	1,129	1,210
Accrued bonuses	1,181	1,279
Other current liabilities	9,525	8,748
Total current liabilities	37,565	36,298
Long-term liabilities		
Long-term debt	6,418	8,737
Lease obligation	354	—
Accrued retirement benefits	3,022	2,518
Retirement benefits for directors	440	420
Other current liabilities	329	279
Total long-term liabilities	10,563	11,956
Total Liabilities	48,129	48,255
Shareholders Equity		
Paid-in capital	11,194	11,194
Additional paid-in capital	19,476	19,476
Retained earnings	35,765	33,125
Treasury stock	(1,090)	(1,089)
Total shareholders' equity	65,346	62,706
Other comprehensive income		
Unrealized holding gain on securities	192	562
Gain(loss) on deferred hedge	(622)	(330)
Translation adjustments	903	(1,436)
Total comprehensive income	473	(1,204)
Stock acquisition right	92	56
Minority interest	1,274	1,165
Total net assets	67,186	62,724
Total Liabilities & Net Assets	115,315	110,979

(2) Consolidated Statements of Income

(Millions of yen)

	April 1, 2012- March 31, 2013	April 1, 2011- March 31, 2012
Net sales	196,452	188,893
Cost of sales	168,314	160,801
Gross profit	28,137	28,091
Selling, general & administrative expenses	22,390	21,204
Operating income	5,747	6,887
Non-operating income		
Interest income	36	28
Dividend income	34	26
Rent income	29	25
Right of indemnification for product loss	34	30
Gain on investment in investment association	6	6
Reversal of allowance for bad debt	35	56
Other	74	107
Total non-operating income	251	280
Non-operating expenses		
Interest paid	77	188
Loss on transfer of receivables	166	174
Translation adjustments	9	95
Expense for business compensation	24	22
Other	30	48
Total non-operating expenses	309	529
Ordinary income	5,689	6,638
Extraordinary income		
Proceeds from sales of fixed assets	0	0
Proceeds from sale of investment securities	1,044	54
Allowance for bad debt	1	—
Total extraordinary income	1,046	54

(Millions of yen)

	April 1, 2012- March 31, 2013	April 1, 2011- March 31, 2012
Extraordinary losses		
Loss on disposal of fixed assets	32	14
Impairment loss	720	—
Loss on valuation of investment securities	82	9
Loss on valuation of claim of affiliates	16	425
Loss on valuation of investment in affiliates	356	—
Other	134	17
Total extraordinary losses	1,341	467
Income before income taxes	5,393	6,225
Corporate, inhabitant and enterprise taxes	2,290	2,414
Income tax adjustment	(275)	422
Total corporate tax etc.	2,014	2,837
Income before minority interests	3,379	3,388
Minority interests in net income	30	51
Net income	3,348	3,337
Income before minority interests	3,379	3,388
Other comprehensive income		
Unrealized holding gain on securities	(370)	593
Gain(loss) on deferred hedge	(292)	(245)
Translation adjustments	2,489	(45)
Total comprehensive income	1,826	303
Comprehensive income	5,205	3,692
(Breakdown of comprehensive income)		
Comprehensive income attributable to the shareholders of the parent company	5,026	3,657
Comprehensive income attributable to minority shareholders	178	35

(3) Consolidated Statements of Changes to Shareholders' Equity

(Millions of yen)

	April 1, 2012- March 31, 2013	April 1, 2011- March 31, 2012
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	33,125	30,419
Changes in the fiscal year :		
Dividends	(708)	(619)
Net income	3,348	3,337
Change in scope of consolidation	—	(12)
Changes in the fiscal year (Total)	2,640	2,705
Balance at end of period	35,765	33,125
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	(1,090)	(1,089)
Total shareholders' equity		
Balance at start of period	62,706	60,000
Changes in the fiscal year :		
Dividends	(708)	(619)
Net income	3,348	3,337
Change in scope of consolidation	—	(12)
Acquisition of treasury stock	(0)	(0)
Changes in the fiscal year (Total)	2,640	2,705
Shareholders' equity	65,346	62,706

(Millions of yen)

	April 1, 2012- March 31, 2013	April 1, 2011- March 31, 2012
2. Other comprehensive income		
Unrealized holding gains on other securities		
Balance at start of period	562	(30)
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	(369)	593
Changes in the fiscal year (Total)	(369)	593
Balance at end of period	192	562
Gain(loss) on deferred hedge		
Balance at start of period	(330)	(85)
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	(292)	(245)
Changes in the fiscal year (Total)	(292)	(245)
Balance at end of period	(622)	(330)
Translation adjustments		
Balance at start of period	(1,436)	(1,407)
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	2,339	(28)
Changes in the fiscal year (Total)	2,339	(28)
Balance at end of period	903	(1,436)
Total comprehensive income		
Balance at start of period	(1,204)	(1,523)
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	1,677	319
Changes in the fiscal year (Total)	1,677	319
Balance at end of period	473	(1,204)
Stock acquisition right		
Balance at start of period	56	20
Changes in the fiscal year :		
Changes in minority interest due to increase of consolidated subsidiaries	35	35
Changes in the fiscal year (Total)	35	35
Balance at end of period	92	56

(Millions of yen)

	April 1, 2012- March 31, 2013	April 1, 2011- March 31, 2012
Minority interest		
Balance at start of period	1,165	1,221
Changes in the fiscal year :		
Changes other than shareholders' equity (Net)	108	(56)
Changes in the fiscal year (Total)	108	(56)
Balance at end of period	1,274	1,165
Total Net Assets		
Balance at start of period	62,724	59,719
Changes in the fiscal year :		
Dividends	(708)	(619)
Net income	3,348	3,337
Change in scope of consolidation	—	(12)
Acquisition of treasury stock	(0)	(0)
Changes other than shareholders' equity (Net)	1,822	299
Changes in the fiscal year (Total)	4,462	3,004
Balance at end of period	67,186	62,724

(4) Consolidated Statements of Cash Flow

(Millions of yen)

	April 1, 2012- March 31, 2013	April 1, 2011- March 31, 2012
1. Operating activities		
Income before income taxes	5,393	6,225
Depreciation and amortization	1,301	1,219
Impairment loss	720	—
Amortization of goodwill	228	228
Change in allowance for doubtful accounts	(14)	(71)
Change in accrued bonuses	(124)	(101)
Change in accrued retirement benefits	502	230
Change in retirement benefits for directors	19	(11)
Interest and dividend income	(71)	(55)
Interest expense	77	188
Loss (gain) on translation	(101)	65
Gain on investment in investment association	(6)	(6)
Loss (gain) on sale of fixed assets	(0)	(0)
Loss (gain) on sale of investment securities	(1,044)	(54)
Loss (gain) on valuation of investment securities	82	9
Loss on valuation of investment in affiliates	356	—
Change in notes and accounts receivable, trade	1,070	(1,028)
Change in inventories	(7,166)	6,690
Changes in trade payable	(926)	5,717
Change in accrued consumption tax	(369)	(118)
Change in other current assets	(1,037)	(577)
Change in other current liabilities	41	1,855
Other	140	355
Sub-total	(927)	20,762
Interest and dividends received	68	61
Interest paid	(77)	(236)
Corporate tax Payment (refund)	(2,322)	(2,680)
Net cash provided by (used in) operating activities	(3,259)	17,907

(Millions of yen)

	April 1, 2012- March 31, 2013	April 1, 2011- March 31, 2012
2. Investing Activities		
Purchases of securities	(123)	(464)
Proceeds from sales of securities	750	450
Disbursement of loans	(5,701)	(1,215)
Proceeds from collection of loans	4,512	764
Purchases of property and equipment	(699)	(582)
Proceeds from sales of property and equipment	9	0
Purchases of intangible assets	(281)	(174)
Purchases of investment securities	(3)	(14)
Proceeds from sales of investment securities	33	57
Purchases of shares of affiliates	(210)	(555)
Payment for investments in affiliates	(95)	—
Other	(56)	18
Net cash provided by (used in) investing activities	(1,867)	(1,714)
3. Financing activities		
Change in short-term loans	(2,000)	3,973
Acquisition of treasury stock	(0)	(0)
Cash dividends paid	(708)	(620)
Cash dividends paid to minority shareholders	(33)	(54)
Other	(66)	(7,305)
Net cash provided by (used in) financing activities	(2,808)	(4,007)
4. Translation adjustments on cash and cash equivalents	802	60
5. Net increase (decrease) in cash and cash equivalents	(7,133)	12,245
6. Cash and cash equivalents at beginning of the year	24,222	11,910
7. Cash and cash equivalents of newly consolidated subsidiary	—	66
8. Cash and cash equivalents at year end	17,089	24,222

(5) Notes to the Consolidated Balance Sheet

Notes Regarding Going Concern Assumption

Not applicable

Changes in Accounting Policies which are Difficult to Distinguish from Changes in Accounting Estimate

Effective from the first quarter of the current fiscal year, the Company and its domestic subsidiaries changes the depreciation method for the relevant tangible assets newly acquired from April 1, 2012 according to the amendment of Corporation Tax Act in Japan.

The change has only a minor impact on losses.

Segment Information

1. Reportable segment outline

Reportable 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. Methods of calculating sales, profit or loss, assets and other items by reportable segment

Accounting methods for reportable segments are mostly the same as the accounting methods described in "Basis of presenting consolidated financial statements."

Income by reportable segment is operating income. Intersegment sales and transfers are based on market values.

Effective from the first quarter of the current fiscal year, the Company and its domestic subsidiaries changes the depreciation method for the relevant tangible assets newly acquired from April 1, 2012 according to the amendment of Corporation Tax Act in Japan. Accordingly, depreciation method for reportable segments was changed, which is applied to "Changes in accounting policies which are difficult to distinguish from changes in accounting estimates".

The change has only a minor impact on segment profits.

3. The amounts of sales, profit or loss, assets and other items by reportable segment

Current Consolidated Full Year (April 1, 2012 – March 31, 2013)

(Millions of yen)

	Reportable segment			Other	Total
	IC, electronic devices and other business	Network business	Sub-total		
Sales					
(1) Sales to external customers	180,401	16,050	196,452	—	196,452
(2) Internal sales or transfers between segments	—	32	32	—	32
Total	180,401	16,082	196,484	—	196,484
Operating income by segment	3,431	2,424	5,855	—	5,855
Assets by segment	103,359	13,852	117,212	—	117,212
Others					
Depreciation	848	452	1,301	—	1,301
Amortization of goodwill	228	—	228	—	228
Increase of tangible and intangible assets	977	494	1,472	—	1,472

Previous Consolidated Full Year (April 1, 2011 – March 31, 2012)

(Millions of yen)

	Reportable 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

4. 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	196,484	188,899
Elimination of intersegment income	(32)	(5)
Sale in the consolidated statements of income	196,452	188,893

(Millions of yen)

Income	Current Consolidated Full Year	Previous Consolidated Full Year
Total segment income	5,855	7,281
Elimination of intersegment income	192	135
Corporate-wide expenses *	(300)	(529)
Operating income in the consolidated statements of income	5,747	6,887

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

(Millions of yen)

Asset	Current Consolidated Full Year	Previous Consolidated Full Year
Total segment income	117,212	112,793
Elimination of intersegment income	(5,233)	(4,781)
Corporate-wide expenses *	3,336	2,967
Asset in the consolidated statements of income	115,315	110,979

* Corporate-wide expenses mainly refer 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 Consolidated Full Year	Previous Consolidated Full Year	Current Consolidated Full Year	Previous Consolidated Full Year
Depreciation	1,301	1,219	—	—	—	—	1,301	1,219
Amortization of goodwill	228	228	—	—	—	—	228	228
Increase of tangible and intangible assets	1,472	794	—	—	—	—	1,472	794

Per Share Information

	Current year April 1, 2012 to March 31, 2013	Previous year April 1, 2011 to March 31, 2012
Net assets per share	3,717.99 yen	3,474.04 yen
Net income per share	189.15 yen	188.53 yen

Notes:

1. Fully diluted net income per share has been omitted since there are no shares that could dilute earnings.
2. Basis for calculation of net income per share and diluted net income per share is shown below.

	Current fiscal year April 1, 2012 to March 31, 2013	Previous fiscal year April 1, 2011 to March 31, 2012
Net income per share		
Net income for the fiscal year	3,348 million yen	3,337 million yen
Amount not returned to common stock shareholders	—	—
Net income relating to common stock	3,348 million yen	3,337 million yen
Average number of shares of common stock during the period	17,703,206 shares	17,703,397 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: 3,232 (represents 323,200 common shares)</p>

	<p>Ordinary shares as of August 23, 2010</p> <p>Main stock options approved by board of directors meeting on</p> <p>New share reservation rights: 2,500 (represents 250,000 common shares)</p>	<p>Ordinary shares as of August 23, 2010</p> <p>Main stock options approved by board of directors meeting on</p> <p>New share reservation rights: 2,500 (represents 250,000 common shares)</p>
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	Current fiscal year ended March 31, 2013	Previous fiscal year ended March 31, 2012
Total net assets	67,186 million yen	62,724 million yen
Amount deducting from total net assets	1,366 million yen	1,222 million yen
- Minority interest	(92 million yen)	56 million yen
- Minority shareholder equity shareholder	(1,274 million yen)	1,165 million yen
Net assets applicable to common stock at the end of current period	65,819 million yen	61,501 million yen
Number of shares of common stock used to calculate net asset per share of common stock	17,703,037 million yen	17,703,289 million yen

Subsequent Events

None