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# **ANNUAL REPORT 2005**

**YEAR ENDED MARCH 31, 2005**

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**ICOM INCORPORATED**

# Financial Highlights

## ICOM INCORPORATED AND SUBSIDIARIES

Years ended March 31, 2005, 2004 and 2003

	Millions of yen			Thousands of U.S. dollars
	2005	2004	2003	2005
Net sales	¥ 30,031	¥ 26,145	¥ 26,665	\$ 279,670
Operating income	4,982	3,302	3,314	46,396
Income before income taxes and minority interests	5,395	2,908	2,293	50,242
Net income	3,363	1,550	1,371	31,319
Total assets	¥ 44,309	¥ 40,594	¥ 38,934	\$ 412,637

### Amounts per share:

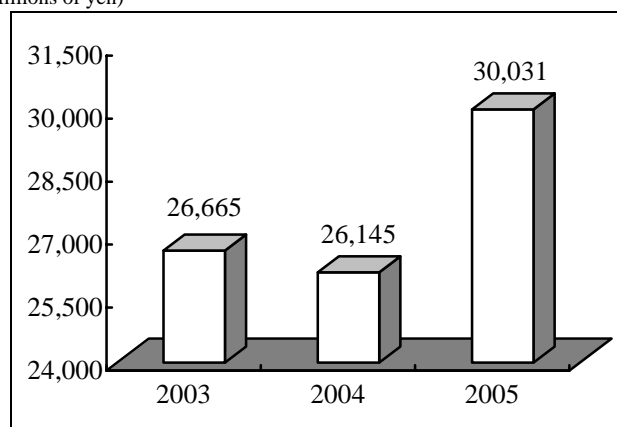
	Yen			U.S. dollars
	2005	2004	2003	2005
Net assets	¥ 2,604.39	¥ 2,390.23	¥ 2,327.38	\$ 24.25
Net income – basic	225.32	101.85	88.53	2.10
Net income – diluted	223.91	101.56	88.40	2.09
Cash dividends	30.00	20.00	10.00	0.28

### Notes:

1. All dollar amounts herein refer to U.S. dollars translated from Japanese yen at ¥107.38=US\$1.00, the exchange rate prevailing on March 31, 2005.
2. Amounts shown in millions of yen and thousands of dollars are rounded off to the nearest million or thousand.
3. Cash dividends per share in 2004 included a 40th anniversary memorial dividend per share of ¥10.00.

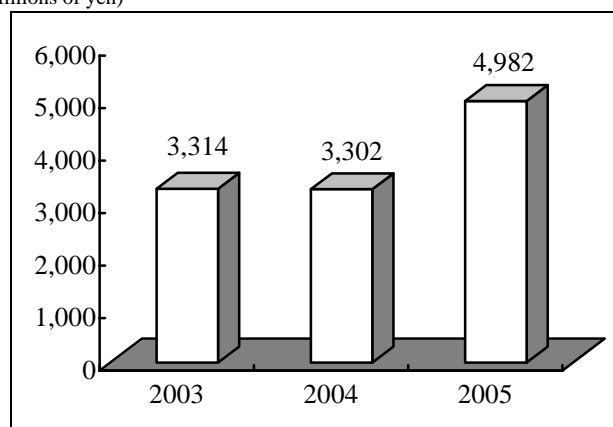
### Net Sales

(Millions of yen)



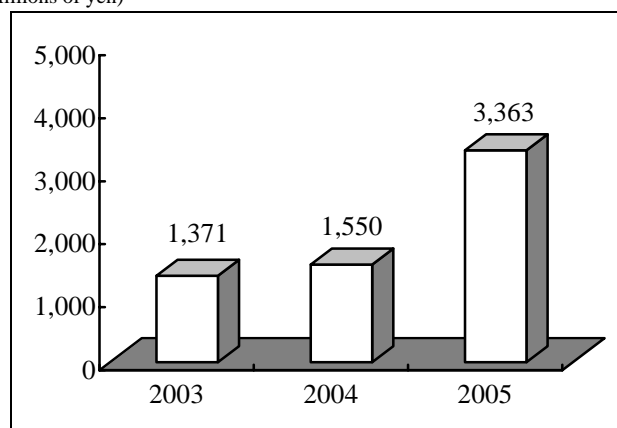
### Operating Income

(Millions of yen)



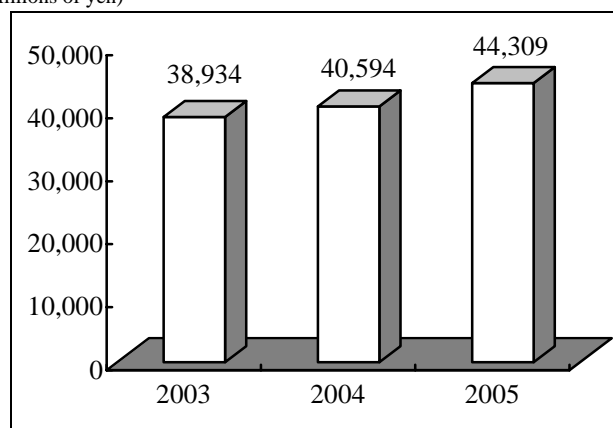
### Net Income

(Millions of yen)



### Total Assets

(Millions of yen)



# Operating Highlights

## BUSINESS SEGMENT INFORMATION

Years ended March 31, 2005 and 2004

	Millions of yen				Thousands of U.S. dollars	
	Net sales		Operating income		Net sales	Operating income
	2005	2004	2005	2004	2005	2005
Radio	¥ 27,950	¥ 23,563	¥ 5,006	¥ 3,468	\$ 260,290	\$ 46,619
Computer	2,081	2,582	(24)	(166)	19,380	(223)
Eliminations	-	-	-	0	-	-
Consolidated Total	¥ 30,031	¥ 26,145	¥ 4,982	¥ 3,302	\$ 279,670	\$ 46,396

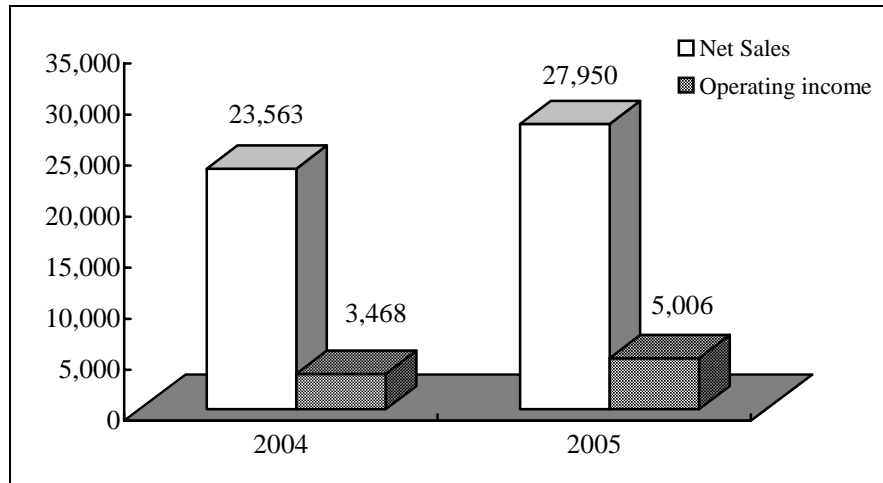
Notes:

1. All dollar amounts herein refer to U.S. dollars translated from Japanese yen at ¥107.38=US\$1.00, the exchange rate prevailing on March 31, 2005.

2. Amounts shown in millions of yen and thousands of dollars are rounded off to the nearest million or thousand.

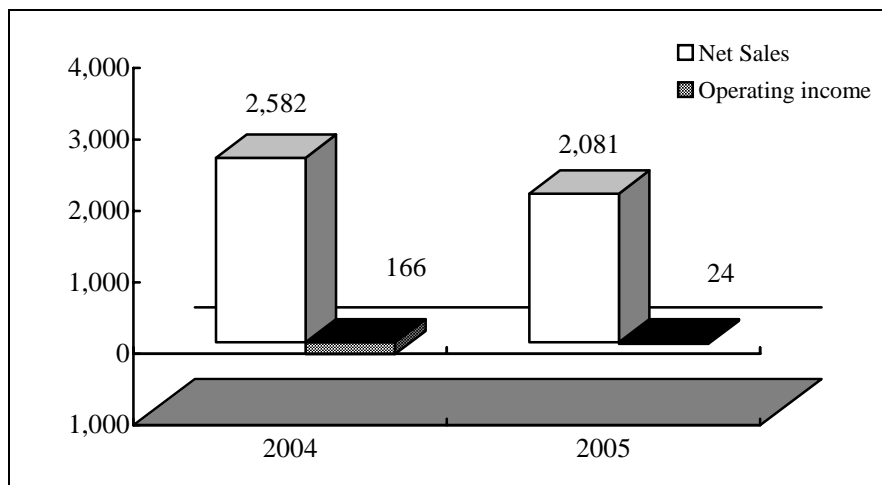
### Radio

(Millions of yen)



### Computer

(Millions of yen)



# Operating Highlights

## GEOGRAPHICAL SEGMENT INFORMATION

Years ended March 31, 2005 and 2004

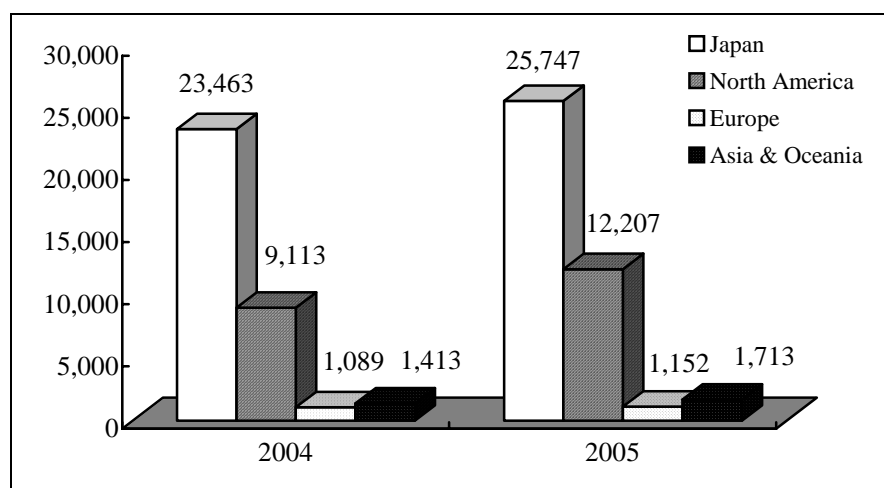
	Millions of yen				Thousands of U.S. dollars	
	Net sales		Operating income		Net sales	Operating income
	2005	2004	2005	2004	2005	2005
Japan	¥ 25,747	¥ 23,463	¥ 3,727	¥ 3,090	\$ 239,775	\$ 34,709
North America	12,207	9,113	1,283	171	113,680	11,948
Europe	1,152	1,089	48	40	10,729	448
Asia & Oceania	1,713	1,413	192	129	15,953	1,788
Eliminations	(10,788)	(8,933)	(268)	(128)	(100,467)	(2,497)
Consolidated Total	¥ 30,031	¥ 26,145	¥ 4,982	¥ 3,302	\$ 279,670	\$ 46,396

Notes:

1. All dollar amounts herein refer to U.S. dollars translated from Japanese yen at ¥107.38=US\$1.00, the exchange rate prevailing on March 31, 2005.
2. Amounts shown in millions of yen and thousands of dollars are rounded off to the nearest million or thousand.

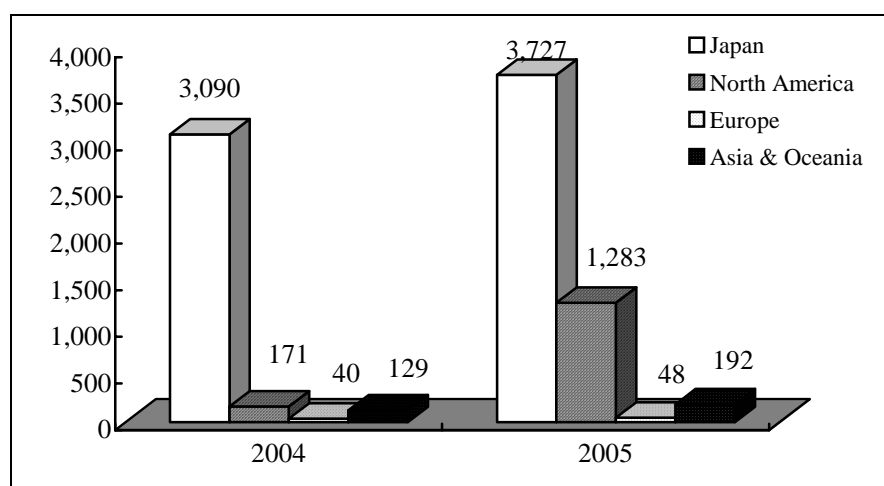
### Net Sales

(Millions of yen)



### Operating Income

(Millions of yen)



# Operating Highlights

## OVERSEAS SALES

Years ended March 31, 2005 and 2004

	Millions of yen				Thousands of U.S. dollars
	2005		2004		2005
North America	¥ 12,309	41.0%	¥ 9,393	36.0%	\$ 114,630
Europe	5,124	17.1	4,783	18.3	47,718
Asia	5,145	17.1	4,688	17.9	47,914
Other	1,932	6.4	1,654	6.3	17,992
Overseas Total	24,510	81.6	20,518	78.5	228,254
Domestic Total	5,521	18.4	5,627	21.5	51,416
Consolidated Total	¥ 30,031	100.0%	¥ 26,145	100.0%	\$ 279,670

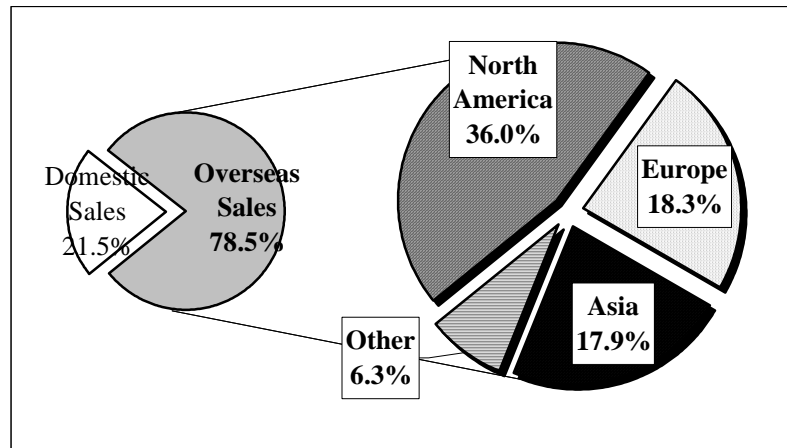
Notes:

1. All dollar amounts herein refer to U.S. dollars translated from Japanese yen at ¥107.38=US\$1.00, the exchange rate prevailing on March 31, 2005.

2. Amounts shown in millions of yen and thousands of dollars are rounded off to the nearest million or thousand.

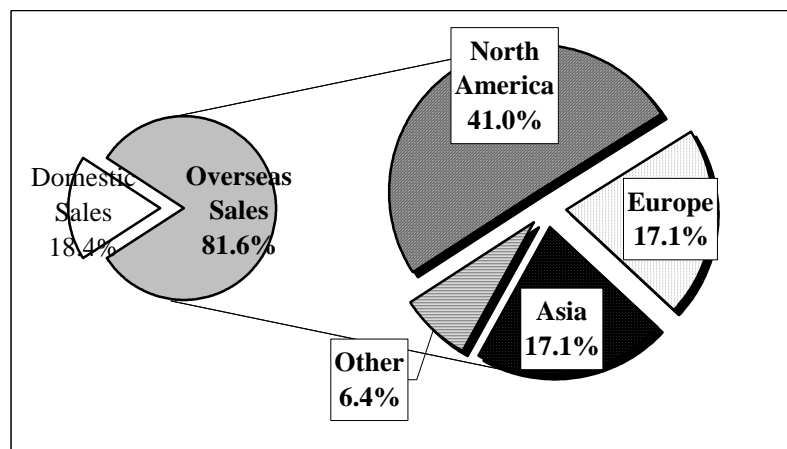
### Net Sales 2004

(Millions of yen)



### Net Sales 2005

(Millions of yen)



ICOM INCORPORATED AND SUBSIDIARIES  
**Consolidated Balance Sheets**

Years ended March 31, 2005 and 2004

Assets	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	2005
<b>Current assets:</b>			
Cash and time deposits (Note 3)	¥ 14,927	¥ 16,696	\$ 139,011
Marketable securities (Note 4)	2,041	2,750	19,007
Notes and accounts receivable	6,024	4,124	56,100
Allowance for doubtful accounts	(125)	(97)	(1,164)
	<u>5,899</u>	<u>4,027</u>	<u>54,936</u>
Inventories (Note 5)	5,156	3,866	48,017
Deferred income taxes (Note 7)	854	833	7,953
Other current assets	823	362	7,664
Total current assets	<u>29,700</u>	<u>28,534</u>	<u>276,588</u>
<b>Property, plant and equipment:</b>			
Land	3,237	3,289	30,145
Building and structures	4,735	4,722	44,096
Machinery and equipment	8,489	7,804	79,056
Vehicles and vessels	280	252	2,607
Construction in progress	173	0	1,611
Property, plant and equipment, at cost	<u>16,914</u>	<u>16,067</u>	<u>157,515</u>
Less accumulated depreciation	(9,817)	(9,306)	(91,423)
Property, plant and equipment, net	<u>7,097</u>	<u>6,761</u>	<u>66,092</u>
<b>Investments and other assets:</b>			
Investments in securities (Note 4)	5,115	3,186	47,635
Deferred income taxes (Note 7)	53	424	494
Other investments	2,326	1,668	21,661
Other assets	97	109	903
Allowance for doubtful accounts	(79)	(88)	(736)
Total Investments and other assets	<u>7,512</u>	<u>5,299</u>	<u>69,957</u>
<b>Total Assets</b>	<u>¥ 44,309</u>	<u>¥ 40,594</u>	<u>\$ 412,637</u>

See accompanying notes to consolidated financial statements

ICOM INCORPORATED AND SUBSIDIARIES  
**Consolidated Balance Sheets**

Years ended March 31, 2005 and 2004

Liabilities and shareholders' equity	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	2005
<b>Current liabilities:</b>			
Accounts payable – trade	¥ 1,654	¥ 1,328	\$ 15,403
Accounts payable – other	823	538	7,664
Accrued income taxes (Note 7)	1,022	1,030	9,518
Deferred income taxes (Note 7)	-	0	-
Accrued expenses	1,135	1,122	10,570
Warranty reserves	121	43	1,127
Other current liabilities	99	159	922
Total current liabilities	4,854	4,220	45,204
<b>Long-term liabilities:</b>			
Deferred income taxes (Note 7)	88	4	820
Accrued retirement benefits for employees (Note 6)	7	248	65
Accrued retirement benefits for directors and corporate auditors	552	556	5,141
Other long-term liabilities	169	111	1,573
Total long-term liabilities	816	919	7,599
<b>Minority interests in consolidated subsidiaries</b>	72	56	671
<b>Shareholders' equity (Note 8):</b>			
Common stock			
Authorized – 34,000,000 shares;			
Issued – 14,850,000 shares in 2005 and 2004	7,081	7,081	65,943
Capital surplus	10,449	10,449	97,309
Retained earnings (Note 15)	21,005	18,065	195,614
Unrealized holding loss on securities (Note 4)	(20)	(159)	(186)
Translation adjustments	178	53	1,657
	38,693	35,489	360,337
Less treasury stock, at cost;			
51,421 shares in 2005 and			
59,582 shares in 2004	(126)	(90)	(1,174)
Total shareholders' equity	38,567	35,399	359,163
<b>Total liabilities, minority interests and shareholders' equity</b>	¥ 44,309	¥ 40,594	\$ 412,637

See accompanying notes to consolidated financial statements

ICOM INCORPORATED AND SUBSIDIARIES

# Consolidated Statements of Income

Years ended March 31, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	2005
<b>Net sales</b>	¥ 30,031	¥ 26,145	\$ 279,670
<b>Cost of sales</b>	16,971	15,402	158,046
Gross profit	13,060	10,743	121,624
<b>Selling, general and administrative expenses (Note 11)</b>	8,078	7,441	75,228
Operating income	4,982	3,302	46,396
<b>Other income (expenses):</b>			
Interest and dividend income	195	125	1,816
Foreign exchange gain (loss), net	438	(276)	4,079
Loss on disposal of inventories	(71)	(90)	(661)
Sales discounts	(304)	(255)	(2,831)
Gain on return of substitutional portion of employees' welfare pension fund plan	-	365	-
Reversal of (provision for) litigation claim expenses	68	(260)	633
Other, net	87	(3)	810
	413	(394)	3,846
Income before income taxes and minority interests	5,395	2,908	50,242
<b>Income taxes (Note 7):</b>			
Current	1,678	1,435	15,626
Deferred	341	(84)	3,176
	2,019	1,351	18,802
<b>Income before minority interests</b>	3,376	1,557	31,440
Minority interests	13	7	121
<b>Net income</b>	¥ 3,363	¥ 1,550	\$ 31,319

See accompanying notes to consolidated financial statements



ICOM INCORPORATED AND SUBSIDIARIES

# Consolidated Statements of Shareholders' Equity

Years ended March 31, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars
	2005	2004	(Note 1) 2005
<b>Common stock</b>			
Balance at beginning and end of year			
2005 – 14,850,000 shares;			
2004 – 14,850,000 shares	¥ 7,081	¥ 7,081	\$ 65,943
<b>Capital surplus</b>			
Balance at beginning and end of year	¥ 10,449	¥ 10,449	\$ 97,309
<b>Retained earnings</b>			
Balance at beginning of year	¥ 18,065	¥ 16,758	\$ 168,234
Net income	3,363	1,550	31,319
Cash dividends paid	(370)	(148)	(3,446)
Bonuses to directors and corporate auditors	(47)	(59)	(437)
Loss on disposition of treasury stock	(6)	(36)	(56)
Balance at end of year	¥ 21,005	¥ 18,065	\$ 195,614
<b>Unrealized holding loss on securities</b>			
Balance at beginning of year	¥ (159)	¥ (58)	\$ (1,481)
Net changes during the year	139	(101)	1,295
Balance at end of year	¥ (20)	¥ (159)	\$ (186)
<b>Translation adjustments</b>			
Balance at beginning of year	¥ 53	¥ 292	\$ 494
Net changes during the year	125	(239)	1,163
Balance at end of year	¥ 178	¥ 53	\$ 1,657
<b>Treasury Stock</b>			
Balance at beginning of year	¥ (90)	¥ (111)	\$ (838)
Purchases of treasury stock	(124)	(155)	(1,155)
Sale of treasury stock	88	176	819
Balance at end of year	¥ (126)	¥ (90)	\$ (1,174)

See accompanying notes to consolidated financial statements

*ICOM INCORPORATED AND SUBSIDIARIES*  
**Consolidated Statements of Cash Flows**

Years ended March 31, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	2005
<b>Operating activities:</b>			
Income before income taxes and minority interests	¥ 5,395	¥ 2,908	\$ 50,242
Adjustments for:			
Depreciation and amortization	989	910	9,210
Interest and dividend income	(195)	(125)	(1,816)
Foreign exchange (gain) loss, net	(271)	249	(2,524)
(Increase) decrease in notes and accounts receivable	(1,825)	215	(16,995)
Increase in inventories	(1,295)	(456)	(12,060)
Increase in accounts payable	243	238	2,263
Other	(1,059)	389	(9,862)
Subtotal	1,982	4,328	18,458
Income taxes paid	(1,663)	(1,107)	(15,487)
<b>Net cash provided by operating activities</b>	<b>319</b>	<b>3,221</b>	<b>2,971</b>
<b>Investing activities:</b>			
Increase in time deposits with original maturities of more than three months	(193)	(151)	(1,797)
Purchases of marketable securities	-	(400)	-
Proceeds from sales of marketable securities	215	408	2,002
Purchases of property, plant and equipment	(1,108)	(1,103)	(10,318)
Purchases of other assets	(21)	(60)	(196)
Purchases of investments in securities	(2,815)	(3,420)	(26,215)
Proceeds from sales of investments in securities	973	531	9,061
Interest and dividend income received	195	124	1,816
Other	134	(725)	1,248
<b>Net cash used in investing activities</b>	<b>(2,620)</b>	<b>(4,796)</b>	<b>(24,399)</b>
<b>Financing activities:</b>			
Purchases of treasury stock	(124)	(155)	(1,155)
Proceeds from sales of treasury stock	81	140	755
Cash dividends paid	(370)	(148)	(3,446)
<b>Net cash used in financing activities</b>	<b>(413)</b>	<b>(163)</b>	<b>(3,846)</b>
<b>Effect of exchange rate changes on   cash and cash equivalents</b>	<b>438</b>	<b>(559)</b>	<b>4,079</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,276)</b>	<b>(2,297)</b>	<b>(21,195)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>18,772</b>	<b>21,069</b>	<b>174,818</b>
<b>Cash and cash equivalents at end of year (Note 3)</b>	<b>¥ 16,496</b>	<b>¥ 18,772</b>	<b>\$ 153,623</b>

See accompanying notes to consolidated financial statements

# Notes to Consolidated Financial Statements

## 1. Basis of Preparation

The accompanying consolidated financial statements of ICOM INCORPORATED (the "Company") and subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and have been compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Certain reclassifications of previously reported amounts have been made to conform the consolidated financial statements for the year ended March 31, 2004 to the 2005 presentation. Such reclassifications had no effect on consolidated net income or shareholders' equity.

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, as a matter of arithmetic computation only, and has been made at ¥107.38 = U.S.\$1.00, the approximate rate of exchange in effect on March 31, 2005. This translation should not be construed as a representation that yen have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

## 2. Summary of Significant Accounting Policies

### (a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and the companies which it controls directly or indirectly. Companies over which the Company exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized intercompany gains and losses among the Company and the subsidiaries have been entirely eliminated and the portion attributable to minority interests has been charged to minority interests.

### (b) Consolidated statements of cash flows

For purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash on hand, deposits with banks withdrawable on demand, and short-term investments, which are readily convertible to cash subject to an insignificant risk of any changes in their value and which were purchased with an original maturity of three months or less.

### (c) Foreign currency translation

The balance sheet accounts of the overseas subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date except that the components of shareholders' equity are translated at their historical exchange rates. Adjustments resulting from translating accounts denominated in foreign currencies are not included in the determination of net income in the accompanying consolidated financial statements, but are reported as "Translation adjustments" in a component of shareholders' equity and minority interests.

Revenue and expense accounts are translated at the average rates of exchange in effect during the year.

All monetary assets and liabilities denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, except that receivables and payables hedged by qualified forward foreign exchange contracts are translated at the corresponding contract rates. Gain or loss on each translation is credited or charged to income.

### (d) Marketable securities and investments in securities

In general, securities are classified into three categories: trading securities, held-to-maturity debt securities or other securities. Trading securities, consisting of debt and marketable equity securities, are stated at fair value. Gain and loss, both realized and unrealized, are charged to income. Held-to-maturity debt securities are stated at their amortized cost. Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, and reported as a separate component of shareholders' equity. Non-marketable securities classified as other securities are carried at cost determined by the moving average method.

Securities held by the Company and its subsidiaries including equity investments in associates are all classified as "other securities" and have been accounted for as outlined above.

# Notes to Consolidated Financial Statements

## (e) Inventories

Inventories are classified into four categories and are valued as follows:

Finished goods .....	principally at cost determined by the moving average method, except for goods held by certain overseas subsidiaries which are valued at the lower of cost or market, cost being determined by the moving average method
Work in process .....	at cost determined by the moving average method
Raw materials and supplies (for repairs and R&D activities) .....	at the lower of cost or market, cost being determined by the moving average method
Merchandise and supplies (other) .....	principally at the most recent purchase price, except for items held by certain overseas subsidiaries which are valued at the lower of cost or market, cost being determined by the moving average method

## (f) Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is computed by the declining-balance method over the estimated useful lives of the respective assets as prescribed in the Corporation Tax Law, except that the straight-line method is applied to buildings (other than structures attached to the buildings) acquired subsequent to April 1, 1998. Small assets owned by the Company and the domestic subsidiaries, which are valued from ¥100 thousand to less than ¥200 thousand, are depreciated by the straight-line method over three years. Depreciation at the Company's overseas subsidiaries is calculated at rates based on the estimated useful lives of the assets by either the accelerated or the straight-line method.

## (g) Software development costs

Expenditures relating to the development of computer software intended for internal use are charged to income when incurred, except if it is anticipated that this software will contribute to the generation of income or to future cost savings. Such expenditures are capitalized as assets and amortized by the straight-line method over an estimated useful life of 3 years or 5 years.

## (h) Allowance for doubtful accounts

The allowance for doubtful accounts is computed based on the historical ratio of bad debts and an estimate of certain uncollectible amounts determined after an analysis of specific individual receivables.

## (i) Warranty reserves

Warranty reserves for certain overseas subsidiaries are calculated based on the historical ratio of the cost of repairs of the products against the net sales.

## (j) Accrued retirement benefits

Accrued retirement benefits for employees are provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated remaining years of service of the eligible employees.

Actuarial gain or loss and prior service cost are amortized over a period of ten years commencing the year following the year in which the gain or loss is recognized by the straight-line method. The amortization period is shorter than the average estimated remaining years of service of the eligible employees.

The net retirement benefit obligation at transition of ¥592 million is being amortized principally over a fifteen-year period.

On March 26, 2004, the Company received approval from the Minister of Health, Labor and Welfare with respect to its application for an exemption from the obligation for benefits related to future employees' services under the substitutional portion of the welfare pension fund plan ("WPPF"). In accordance with the transitional provision stipulated in "Practical Guidelines for Accounting for Retirement Benefits (Interim Report)" of the Japanese Institute of Certified Public Accountants, the Company accounted for the separation of the substitutional portion from the corporate portion of the benefit obligation under its WPPF as of the date of approval of its exemption, assuming that the transfer to the Japanese government of the substitutional portion of the benefit obligation and the related pension plan assets had been completed as of that date. Consequently, the Company recognized a gain of ¥365 million for the year ended March 31, 2004. The pension plan assets to be transferred were calculated at ¥702 million at March 31, 2004.

Effective March 1, 2005, the Company liquidated its WPPF and established a corporate defined benefit plan for its employees in order to fulfill the unfunded retirement benefit obligation as of March 30, 2005. On March 30, 2005, the Company made a lump-sum contribution of ¥975 million (\$9,080 thousand) to fulfill the unfunded retirement benefit obligation.

# Notes to Consolidated Financial Statements

The Company and certain subsidiaries have unfunded retirement benefit plans for directors and corporate auditors. The amounts required under the plans have been fully accrued in accordance with their internal regulations and are to be paid subject to approval at a shareholders' meeting.

## **(k) Leases**

The Company and its subsidiaries lease certain assets under noncancelable lease agreements referred to as finance leases. At the Company's domestic subsidiaries and certain overseas subsidiaries, finance leases, which are defined as leases which do not transfer the ownership of the leased property to the lessee, are principally accounted for as operating leases.

## **(l) Hedge accounting**

Under the accounting standard for financial instruments, gain or loss on derivatives designated as hedging instruments is deferred until the loss or gain on the underlying hedged items is recognized. Derivatives such as forward foreign exchange contracts are utilized to manage foreign currency risk. Forward foreign exchange contracts which meet certain conditions are accounted for by a method under which foreign currency receivables or payables are translated at their corresponding forward foreign exchange contract rates.

## **(m) Appropriation of retained earnings**

Under the Commercial Code of Japan, the appropriation of retained earnings with respect to a given financial period is made by resolution of the shareholders at a general meeting held subsequent to the close of the financial period and the accounts for the period, therefore, do not reflect such appropriations. (See Note 14.)

## **(n) Adoption of new accounting standard**

Effective April 1, 2003, the Company and its domestic subsidiaries adopted a new accounting standard for the impairment of fixed assets as early adoption of this standard was permitted commencing the fiscal year ending on or subsequent to March 31, 2004. The effect of the adoption of this standard was nil for the years ended March 31, 2005 and 2004.

# Notes to Consolidated Financial Statements

### 3. Cash and Cash Equivalents

In the preparation of the consolidated statements of cash flows, the relationship between the items included in cash and cash equivalents and the corresponding amounts reflected in the balance sheets at March 31, 2005 and 2004 is summarized as follows:

	Millions of yen		Thousands of
	2005	2004	U.S. dollars
Cash and time deposits	¥ 14,927	¥ 16,696	\$ 139,011
Marketable securities	2,041	2,750	19,007
Subtotal	16,968	19,446	158,018
Time deposits with original maturities in excess of 3 months	(373)	(162)	(3,473)
Marketable securities with original maturities in excess of 3 months	(99)	(512)	(922)
Cash and cash equivalents	¥ 16,496	¥ 18,772	\$ 153,623

### 4. Marketable Securities and Investment in Securities

Marketable securities classified as other securities at March 31, 2005 and 2004 are summarized as follows:

	Millions of yen					
	2005			2004		
	Acquisition Cost	Carrying Value	Unrealized Gain (Loss)	Acquisition Cost	Carrying Value	Unrealized Gain (Loss)
Securities whose carrying value exceeds their acquisition cost:						
Equity securities	¥ 1,233	¥ 1,403	¥ 170	¥ 165	¥ 292	¥ 127
Corporate bonds	588	603	15	411	413	2
Other	2,111	2,232	121	2,294	2,306	12
Subtotal	3,932	4,238	306	2,870	3,011	141
Securities whose carrying value does not exceed their acquisition cost:						
Equity securities	4	4	-	37	31	(6)
Corporate bonds	955	914	(41)	601	598	(3)
Subtotal	959	918	(41)	638	629	(9)
Total	¥ 4,891	¥ 5,156	¥ 265	¥ 3,508	¥ 3,640	¥ 132

	Thousands of U.S. dollars		
	2005		
	Acquisition Cost	Carrying Value	Unrealized Gain (Loss)
Securities whose carrying value exceeds their acquisition cost:			
Equity securities	\$ 11,482	\$ 13,065	\$ 1,583
Corporate bonds	5,476	5,616	140
Other	19,659	20,786	1,127
Subtotal	36,617	39,467	2,850
Securities whose carrying value does not exceed their acquisition cost:			
Equity securities	37	37	-
Corporate bonds	8,894	8,512	(382)
Subtotal	8,931	8,549	(382)
Total	\$ 45,548	\$ 48,016	\$ 2,468

Sales of other securities for the years ended March 31, 2005 and 2004 are summarized as follows:

	Millions of yen		Thousands of
	2005	2004	U.S. dollars
Sales	¥ 1,084	¥ 328	\$ 10,095
Aggregate gain	67	51	624
Aggregate loss	61	2	568

ICOM INCORPORATED AND SUBSIDIARIES

# Notes to Consolidated Financial Statements

The carrying value of investments in non-marketable securities at March 31, 2005 and 2004 is summarized as follows:

	Millions of yen		Thousands of
			U.S. dollars
	2005	2004	2005
Unlisted equity securities (except for equity securities traded on the OTC market)	¥ 46	¥ 48	\$ 428
Money market funds	1,943	2,238	18,095
Total	¥ 1,989	¥ 2,286	\$ 18,523

The redemption schedule as of March 31, 2005 for other securities with maturity dates is summarized as follows:

	Millions of yen			
	2005			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Corporate bonds	¥ 99	¥ 653	¥ 199	¥ 366
Total	¥ 99	¥ 653	¥ 199	¥ 366

	Thousands of U.S. dollars			
	2005			
	Due within one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Corporate bonds	\$ 922	\$ 6,081	\$ 1,853	\$ 3,408
Total	\$ 922	\$ 6,081	\$ 1,853	\$ 3,408

## 5. Inventories

Inventories at March 31, 2005 and 2004 consisted of the following:

	Millions of yen		Thousands of
			U.S. dollars
	2005	2004	2005
Merchandise and finished products	¥ 3,576	¥ 2,417	\$ 33,302
Work in process	63	47	587
Raw materials and supplies	1,517	1,402	14,128
Total	¥ 5,156	¥ 3,866	\$ 48,017

## 6. Accrued Retirement Benefits for Employees

The Company and its domestic subsidiaries have corporate pension plans, tax-qualified pension plans and lump-sum payment plans.

The Company and its domestic subsidiaries pay additional retirement benefits to employees under certain circumstances.

The funded and accrued status of the employees' defined benefit plans of the Company and its subsidiaries and the amounts recognized in the consolidated balance sheets at March 31, 2005 and 2004 are summarized as follows:

	Millions of yen		Thousands of
			U.S. dollars
	2005	2004	2005
Retirement benefit obligation at end of year	¥ (1,977)	¥ (1,834)	\$ (18,411)
Plan assets at fair value of at end of year	2,038	935	18,979
Plan assets exceeding retirement benefit obligation (unfunded retirement benefit obligation)	61	(899)	568
Unrecognized net retirement benefit obligation at transition	204	225	1,900
Unrecognized actuarial loss	415	426	3,865
Unrecognized prior service cost	(22)	-	(205)
Prepaid pension cost	(665)	-	(6,193)
Accrued retirement benefits for employees	¥ (7)	¥ (248)	\$ (65)

Certain domestic subsidiaries have adopted simplified methods for calculating their retirement benefit obligation, which are permitted under the accounting standard for employees' retirement benefits.

# Notes to Consolidated Financial Statements

The components of retirement benefit expenses for the years ended March 31, 2005 and 2004 are outlined as follows:

	Millions of yen		Thousands of
	2005	2004	U.S. dollars
Service cost	¥ 113	¥ 207	\$ 1,052
Interest cost	35	63	326
Expected return on plan assets	(17)	(27)	(158)
Amortization of retirement benefit obligation at transition	20	39	186
Amortization of actuarial loss	52	101	484
Retirement benefit expenses, net	203	383	1,890
Gain on return of substitutional portion of welfare pension fund plan	-	(365)	-
Total	¥ 203	¥ 18	\$ 1,890

Retirement benefit expenses of certain domestic subsidiaries, which have been calculated by a simplified method, are included in service cost in the above table.

The assumptions used in accounting for the above plans were a discount rate principally of 2.0% and an expected rate of return on plan assets principally of 2.0% for the years ended March 31, 2005 and 2004.

## 7. Income Taxes

The Company and its domestic subsidiaries are subject to Japanese national and local taxes based on income, which, in the aggregate, resulted in statutory tax rates of approximately 40.6% and 42.0% for 2005 and 2004, respectively. The overseas subsidiaries are subject to the income taxes of the countries in which they operate.

A reconciliation of the statutory and effective tax rates for the years ended March 31, 2005 and 2004 as a percentage of income before income taxes and minority interests is as follows:

	2005	2004
Statutory tax rates	40.6%	42.0%
Special tax credit for research and development expenses	(2.7%)	(4.5%)
Special tax credit for investment in information technology equipment	(0.1%)	-
Per capita portion of inhabitants' taxes	0.4%	0.6%
Taxation on undistributed profit of affiliated companies	-	7.7%
Adjustment to deferred tax assets and liabilities arising from change in statutory tax rate	-	0.3%
Other	(0.8%)	0.4%
Effective tax rates	37.4%	46.5%



# Notes to Consolidated Financial Statements

The significant components of deferred tax assets and liabilities at March 31, 2005 and 2004 are summarized as follows:

	Millions of yen		Thousands of
	2005	2004	U.S. dollars
Deferred tax assets:			2005
Unrealized gain on inventories	¥ 414	¥ 309	\$ 3,855
Retirement benefits for directors and corporate auditors	224	226	2,086
Accrued bonuses	147	134	1,369
Accrued enterprise taxes	67	73	624
Allowance for doubtful accounts	57	53	531
Deferred Revenue	52	27	484
Devaluation of investments in securities	31	55	289
Unrealized holding losses on securities	14	109	130
Provision for loss on litigation claim	-	83	-
Warranty reserve	40	13	373
Other	75	182	698
Total deferred tax assets	1,121	1,264	10,439
Deferred tax liabilities:			
Prepaid pension cost	(270)	-	(2,514)
Special reserve for depreciation	(15)	(11)	(140)
Other	(17)	(0)	(158)
Total deferred tax liabilities	(302)	(11)	(2,812)
Net deferred tax assets	¥ 819	¥ 1,253	\$ 7,627

## 8. Shareholders' Equity

The Commercial Code of Japan (the "Code") provides that an amount equivalent to at least 10% of cash dividends paid and bonuses to directors and corporate auditors, and exactly 10% of interim cash dividends paid be appropriated to the legal reserve until the sum of additional paid-in capital, which is included in capital surplus, and the legal reserve, which is included in retained earnings, equals 25% of stated capital. The Code also provides that additional paid-in capital and the legal reserve are not available for dividends, but may be used to reduce a capital deficit by resolution of the shareholders or may be capitalized by resolution of the Board of Directors. The legal reserve of the Company amounted to ¥293 million (\$2,729 thousand) at March 31, 2005 and 2004.

## 9. Stock Option Plans

The Company has stock option plans for the Company's and the domestic subsidiaries' directors and employees in accordance with the provisions of the previous Article 280-19 and the current Articles 280-20 and 280-21 of the Commercial Code of Japan (the "Code").

The particulars of this stock option plan are outlined as follows:

### (a) Plans approved at a meeting of the shareholders of the Company held on June 29, 2000:

Recipients .....	The Company's 7 directors
Type of shares .....	Common stock
Number of shares .....	Up to 70,000 shares (the balance at March 31, 2005 was 49,900 shares)
Exercise value .....	¥ 2,101 (Note (1))
Exercise period .....	From August 28, 2000 to August 27, 2005
Conditions for exercise of options .....	Note (2)

Note (1): If the Company carries out a split of its shares of common stock or issues new shares of common stock at a value lower than the prevailing market price, the exercise value will be adjusted according to the following formula and any fractional amounts of less than one yen resulting from the adjustment will be rounded up to full yen:

$$\text{Exercise value after adjustment} = \text{Exercise value before adjustment} \times \frac{\text{Number of shares already in issue} + \frac{\text{Number of new shares issued}}{\text{Market price before stock split and new share issuance}}}{\text{Number of shares already in issue} + \text{Number of shares arising from the stock split and new shares issued}} \times \text{Amount paid per share}$$

# Notes to Consolidated Financial Statements

Note (2): (1) Recipients to whom stock acquisition rights have been granted may not continue to be eligible to exercise these rights if they lose or relinquish their positions as directors of the Company.

(2) In the event of the death of a stock option holder, his/her heirs have the right to exercise the deceased's acquisition rights.

**(b) Plans approved at a meeting of the shareholders of the Company held on June 27, 2001:**

Recipients .....	The Company's 7 directors and 113 employees
Type of shares .....	Common stock
Number of shares .....	Up to 186,000 shares (the balance at March 31, 2005 was 38,800 shares)
Exercise value .....	¥ 1,199 (Note (1))
Exercise period .....	From July 1, 2003 to June 30, 2006
Conditions for exercise of options .....	Note (2)

Note (1): If the Company carries out a split of its shares of common stock or issues new shares of common stock at a value lower than the prevailing market price, the exercise value will be adjusted according to the following formula and any fractional amounts of less than one yen resulting from the adjustment will be rounded up to full yen:

$$\begin{array}{r}
 \text{Exercise value} \\
 \text{after adjustment}
 \end{array}
 =
 \begin{array}{r}
 \text{Exercise value} \\
 \text{before adjustment}
 \end{array}
 \times
 \frac{\begin{array}{r} \text{Number of shares} \\ \text{already in issue} \end{array} + \frac{\begin{array}{r} \text{Number of new} \\ \text{shares issued} \end{array} \times \text{Amount paid per share}}{\begin{array}{r} \text{Market price before stock split and new share} \\ \text{issuance} \end{array}}$$

$$= \frac{\begin{array}{r} \text{Number of shares} \\ \text{already in issue} \end{array} + \begin{array}{r} \text{Number of shares arising from the stock split} \\ \text{and new shares issued} \end{array}}{\begin{array}{r} \text{Market price before stock split and new share} \\ \text{issuance} \end{array}}$$

Note (2): (1) Recipients to whom stock acquisition rights have been granted may not continue to be eligible to exercise these rights if they lose or relinquish their positions as directors of the Company.

(2) In the event of the death of a stock option holder, his/her heirs have the right to exercise the deceased's acquisition rights.

**(c) Plans approved at a meeting of the shareholders of the Company held on June 26, 2003:**

Number of stock acquisition rights .....	3,950 (Note (1))
Recipients .....	The Company's 9 directors, 1 corporate auditor and 259 employees of the Company and 1 director and 40 employees of the domestic subsidiaries
Type of shares .....	Common stock
Number of shares .....	Up to 395,000 shares (the balance at March 31, 2005 was 395,000 shares)
Exercise value .....	¥ 2,050 (Note (2))
Exercise period .....	From July 1, 2005 to June 30, 2008
Conditions for exercise of options .....	Note (3)

Note (1): The Company will issue 100 shares upon the exercise of each stock acquisition rights.

Note (2): If the Company carries out a split or a reverse split of its shares of common stock, the number of shares will be adjusted according to the following formula, and any fractional shares resulting from this adjustment will be rounded down.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of split or reverse split}$$

Note (3): (1) Recipients to whom stock acquisition rights have been granted may not continue to be eligible to exercise these rights if they lose or relinquish their positions of the Company and/or the domestic subsidiaries. Therefore, they are required to remain as the Company's directors, corporate auditors or employees or the directors or employees of the Company's domestic subsidiaries at the time of their exercise of their stock acquisition rights.

(2) In the event of the death of a stock option holder, his/her heirs do not have the right to exercise these stock acquisition rights.

(3) Other conditions will be as prescribed in the agreement entered into between the Company and the recipients.

(4) The transfer of stock acquisition rights is permissible but is to be based on a resolution approved at a meeting of the Company's Board of Directors.

# Notes to Consolidated Financial Statements

## 10. Derivatives and Hedging Activities

Derivative financial instruments are utilized by the Company principally in order to manage certain risks arising from adverse fluctuation in foreign currency exchange rates. The Company has established a control environment which includes policies and procedures for risk assessment, and under these rules, the Company enters into foreign forward exchange contracts which fall within the Company's foreign currency holding balance. Periodical evaluation of the effectiveness of the hedging activities is thus waived, taking into account that a complete offsetting of any fluctuation in exchange rates or cash flows is made possible by these contracts. In addition, the Accounting Department of the Company is responsible for the execution and management of all derivatives positions. The executive director approves all transactions within the limits reported, in advance, at meetings of the Board of Directors, and the results of the executed transactions are reported at the monthly meetings of the Board of Directors. The Company does not hold or issue derivative financial instruments for speculative trading purposes.

The Company is exposed to certain market risks arising from its forward foreign exchange contracts. It is also exposed to the risk of credit loss in the event of non-performance by the counterparties to the contracts; however, the Company does not anticipate non-performance by any of these counterparties all of whom are domestic financial institutions with high credit ratings.

The Company's subsidiaries do not utilize any derivative financial instruments.

Disclosure of fair value information on derivatives at March 31, 2005 and 2004 has been omitted because all open derivatives positions qualified for hedge accounting.

## 11. Research and Development Costs

Research and development costs included in selling, general and administrative expenses totaled ¥2,215 million (\$20,628 thousand) and ¥2,080 million for the years ended March 31, 2005 and 2004, respectively.

## 12. Amounts Per Share

Amounts per share at March 31, 2005 and 2004 and for the years then ended were as follows:

	Yen		U.S. dollars
	2005	2004	2005
Net assets	¥ 2,604.39	¥ 2,390.23	\$ 24.25
Net income:			
Basic	225.32	101.85	2.10
Diluted	223.91	101.56	2.09
Cash dividends	30.00	20.00	0.28

Net assets per share are computed based on the net assets available for distribution to the shareholders and the number of shares of common stock outstanding at the year end.

Basic net income per share is based on the weighted-average number of shares of common stock outstanding during each year. Diluted net income per share is computed based on the weighted-average number of shares of common stock outstanding each year after giving effect to the dilutive potential of the shares of common stock to be issued upon the exercise of stock acquisition rights.

Cash dividends per share represent the cash dividends declared as applicable to the respective years.

ICOM INCORPORATED AND SUBSIDIARIES

# Notes to Consolidated Financial Statements

## 13. Segment Information

The Company and its subsidiaries are primarily engaged in the manufacture and sales of products in Japan and overseas in two major segments: radios and computers. The radio products are manufactured by the Company and Wakayama Icom Inc. and are sold in Japan and overseas through the Company and its subsidiaries. The manufacturing in the computer segment is handled by the Company and Wakayama Icom Inc. and certain components and commercial products are supplied by Asia Icom Inc. The market for products in the computer segment is mainly Japan and the products are sold by the Company and its domestic subsidiaries.

### (1) Business Segments

The business segment information of the Company and its subsidiaries for the years ended March 31, 2005 and 2004 is summarized as follows:

	Millions of yen				
	2005				
	Radio	Computer	Subtotal	Eliminations	Consolidated
. Net sales and operating income					
Sales to third parties	¥ 27,950	¥ 2,081	¥ 30,031	¥ -	¥ 30,031
Intersegment sales	-	-	-	-	-
Total sales	27,950	2,081	30,031	-	30,031
Operating expenses	22,944	2,105	25,049	-	25,049
Operating income (loss)	¥ 5,006	¥ (24)	¥ 4,982	¥ -	¥ 4,982
. Assets, depreciation and capital expenditures					
Assets	¥ 42,494	¥ 1,815	¥ 44,309	¥ -	¥ 44,309
Depreciation	964	25	989	-	989
Capital Expenditures	1,394	9	1,403	-	1,403

	Millions of yen				
	2004				
	Radio	Computer	Subtotal	Eliminations	Consolidated
. Net sales and operating income					
Sales to third parties	¥ 23,563	¥ 2,582	¥ 26,145	¥ -	¥ 26,145
Intersegment sales	-	-	-	-	-
Total sales	23,563	2,582	26,145	-	26,145
Operating expenses	20,095	2,748	22,843	(0)	22,843
Operating income (loss)	¥ 3,468	¥ (166)	¥ 3,302	¥ 0	¥ 3,302
. Assets, depreciation and capital expenditures					
Assets	¥ 38,261	¥ 2,333	¥ 40,594	¥ -	¥ 40,594
Depreciation	889	21	910	-	910
Capital Expenditures	1,198	4	1,202	-	1,202

	Thousands of U.S. dollars				
	2005				
	Radio	Computer	Subtotal	Eliminations	Consolidated
. Net sales and operating income					
Sales to third parties	\$ 260,290	\$ 19,380	\$ 279,670	\$ -	\$ 279,670
Intersegment sales	-	-	-	-	-
Total sales	260,290	19,380	279,670	-	279,670
Operating expenses	213,671	19,603	233,274	-	233,274
Operating income (loss)	\$ 46,619	\$ (223)	\$ 46,396	\$ -	\$ 46,396
. Assets, depreciation and capital expenditures					
Assets	\$ 395,735	\$ 16,902	\$ 412,637	\$ -	\$ 412,637
Depreciation	8,977	233	9,210	-	9,210
Capital Expenditures	12,982	84	13,066	-	13,066

ICOM INCORPORATED AND SUBSIDIARIES

# Notes to Consolidated Financial Statements

## (2) Geographical Segments

The geographical segments of the Company and its subsidiaries for the years ended March 31, 2005 and 2004 are summarized as follows:

	Millions of yen						
	2005						
	Japan	North America	Europe	Asia & Oceania	Subtotal	Eliminations	Consolidated
. Net sales and operating income							
Sales to third parties	¥ 15,560	¥ 12,204	¥ 1,152	¥ 1,115	¥ 30,031	¥ -	¥ 30,031
Intersegment sales	10,187	3	0	598	10,788	(10,788)	-
Total sales	25,747	12,207	1,152	1,713	40,819	(10,788)	30,031
Operating expenses	22,020	10,924	1,104	1,521	35,569	(10,520)	25,049
Operating income	¥ 3,727	¥ 1,283	¥ 48	¥ 192	¥ 5,250	¥ (268)	¥ 4,982
. Assets	¥ 38,840	¥ 8,346	¥ 723	¥ 1,460	¥ 49,369	¥ (5,060)	¥ 44,309

	Millions of yen						
	2004						
	Japan	North America	Europe	Asia & Oceania	Subtotal	Eliminations	Consolidated
. Net sales and operating income							
Sales to third parties	¥ 15,063	¥ 9,111	¥ 1,085	¥ 886	¥ 26,145	¥ -	¥ 26,145
Intersegment sales	8,400	2	4	527	8,933	(8,933)	-
Total sales	23,463	9,113	1,089	1,413	35,078	(8,933)	26,145
Operating expenses	20,373	8,942	1,049	1,284	31,648	(8,805)	22,843
Operating income	¥ 3,090	¥ 171	¥ 40	¥ 129	¥ 3,430	¥ (128)	¥ 3,302
. Assets	¥ 36,735	¥ 4,489	¥ 604	¥ 1,046	¥ 42,874	¥ (2,280)	¥ 40,594

	Thousands of U.S. dollars						
	2005						
	Japan	North America	Europe	Asia & Oceania	Subtotal	Eliminations	Consolidated
. Net sales and operating income							
Sales to third parties	\$ 144,906	\$ 113,652	\$ 10,728	\$ 10,384	\$ 279,670	\$ -	\$ 279,670
Intersegment sales	94,869	28	1	5,569	100,467	(100,467)	-
Total sales	239,775	113,680	10,729	15,953	380,137	(100,467)	279,670
Operating expenses	205,066	101,732	10,281	14,165	331,244	(97,970)	233,274
Operating income	\$ 34,709	\$ 11,948	\$ 448	\$ 1,788	\$ 48,893	\$ (2,497)	\$ 46,396
. Assets	\$ 361,706	\$ 77,724	\$ 6,733	\$ 13,596	\$ 459,759	\$ (47,122)	\$ 412,637

## (3) Overseas Sales

Overseas sales, which include export sales of the Company and sales (other than exports to Japan) of the overseas subsidiaries, for the years ended March 31, 2005 and 2004 are summarized as follows:

	Millions of yen					Thousands of U.S. dollars
	2005		2004		2005	
	¥		¥		\$	
North America	12,309	41.0%	9,393	36.0%	114,630	
Europe	5,124	17.1%	4,783	18.3%	47,718	
Asia	5,145	17.1%	4,688	17.9%	47,914	
Other	1,932	6.4%	1,654	6.3%	17,992	
Sales to overseas customers	¥ 24,510	81.6%	¥ 20,518	78.5%	\$ 228,254	
Consolidated net sales	¥ 30,031	100.0%	¥ 26,145	100.0%	\$ 279,670	

*ICOM INCORPORATED AND CONSOLIDATED SUBSIDIARIES*

# Notes to Consolidated Financial Statements

## 14. Significant Subsidiaries and Affiliates

The Company's subsidiaries and significant affiliates are as follows:

Name	Ownership Interest	Country of Incorporation	Subsidiaries/Affiliates
Icom America, Inc.	100.0%	United States of America	Consolidated Subsidiary
Icom (Europe) GmbH	100.0%	Germany	Consolidated Subsidiary
Icom (Australia) Pty., Ltd.	92.7%	Australia	Consolidated Subsidiary
Icom Spain, S.L.	100.0%	Spain	Consolidated Subsidiary
Asia Icom Inc.	100.0%	Taiwan	Consolidated Subsidiary
Wakayama Icom Inc.	100.0%	Japan	Consolidated Subsidiary
Icom Information Products Inc.	100.0%	Japan	Consolidated Subsidiary
Icom America License Holding LLC	100.0%	United States of America	Consolidated Subsidiary
Comforce Inc.	49.0%	Japan	Affiliate by the equity method

## 15. Subsequent Event

The following appropriations of retained earnings of the Company, which have not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2005, were approved at a shareholders' meeting held on June 28, 2005:

	Millions of Yen	Thousands of U.S. dollars
	<b>2005</b>	<b>2005</b>
Cash dividends (¥20 = U.S.0.19 per share)	¥ <b>296</b>	\$ <b>2,757</b>
Bonuses to directors and corporate auditors	<b>26</b>	<b>242</b>

## Report of Independent Auditors

The Board of Directors  
ICOM INCORPORATED

We have audited the accompanying consolidated balance sheets of ICOM INCORPORATED and subsidiaries as of March 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of ICOM INCORPORATED and subsidiaries at March 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2005 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

June 28, 2005

## **BOARD OF DIRECTORS AND AUDITOR**

Tokuzo Inoue  
*President and Representative Director*

Tsutomu Fukui  
*Senior Managing Director*

Kiyoshi Sakurai  
*Director*

Yasuo Hyakudai  
*Director*

Masataka Harima  
*Director*

Nobuo Ogawa  
*Director*

Masanori Kamoto  
*Director*

Hiroshi Shimizu  
*Director*

Kikuji Okumura  
*Director (part-time)*

Naosuke Namikawa  
*Director (part-time)*

Taichiro Itoyama  
*Director (part-time)*

Masaki Mori  
*Auditor (full-time)*

Toshihiro Wada  
*Auditor (full-time)*

Hiroshi Umemoto  
*Auditor*

Katsunori Sugimoto  
*Auditor*

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URL <http://www.icom.co.jp/>

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WA 98004, U.S.A.  
Phone: 1-425-454-8155  
Fax: 1-425-454-1509  
URL <http://www.icomamerica.com/>

**Icom (Europe) GmbH**  
Himmelgeister Str. 100, 40225  
Dusseldorf, GERMANY  
Phone: 49-211-346047  
Fax: 49-211-333639  
URL <http://www.icomeurope.com/>

**Icom (Australia) Pty., Ltd.**  
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Unit 1/103 Garden Road,  
Clayton Victoria 3168, AUSTRALIA  
Phone: 61-3-9549-7500  
Fax: 61-3-9549-7505  
URL <http://www.icom.net.au/>

**Icom Spain, S.L.**  
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a Manresa km.14, 750 08190 Sant Cugat  
Del Valles Barcelona, SPAIN  
Phone: 34-93-590-2670  
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**Asia Icom Inc.**  
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**Icom Information Products Inc.**  
1-8-35, Kamiminami, Hirano-ku,  
Osaka, 547-0003, JAPAN  
Phone: 81-6-6793-1101  
Fax: 81-6-6793-8050  
URL <http://www.icom-jk.co.jp/>

**Icom America License Holding LLC**  
2380 116<sup>th</sup> Avenue N.E., Bellevue,  
WA 98004, U.S.A.  
Phone: 1-425-454-8155  
Fax: 1-425-454-1509

### **Affiliates:**

**Comforce Inc.**  
4F, 3-3-18, Kaigan, Minato-ku,  
Tokyo, 108-0022, JAPAN  
Phone: 81-3-5730-3535  
Fax: 81-3-5476-2828  
URL <http://www.comforce.co.jp/>

## **TRANSFER AGENT**

UFJ Trust Bank Ltd  
Tokyo Office:  
4-3, Marunouchi 1-chome, Chiyoda-  
ku, Tokyo 100-0005, JAPAN  
Osaka Office:  
6-3, Fushimimachi 3-chome, Chuo-  
ku, Osaka 541-0044, JAPAN

## **INVESTOR RELATIONS**

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Osaka, 547-0003, JAPAN  
Phone: 81-6-6793-5301  
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## **CORPORATE FACTS**

Established: July, 1964  
Employees: 534  
Paid-in-capital: ¥7,081 million  
Authorized shares: 34,000,000  
Issued and Outstanding shares:  
14,850,000  
Shareholders: 2,482  
Stock listed: Tokyo Stock Exchange  
and Osaka Securities Exchange

Shareholders	Thousands of shares
Tokuzo Inoue	1,868
Gigapalace Inc.	1,672
The Bank of New York Jasdric Treaty Account	1,380
The Icom Foundation	1,000
Morgan Stanley and Company International Ltd.	798
The Master Trust Bank of Japan, Ltd.	669
Meiji Yasuda Life Insurance Company	543
KENWOOD CORPORATION	445
Japan Trustee Service Bank, Ltd.	411
JPMCB Omnibus US Pension Treaty JASDEC	319