

Stock Information (As of March 31, 2005)

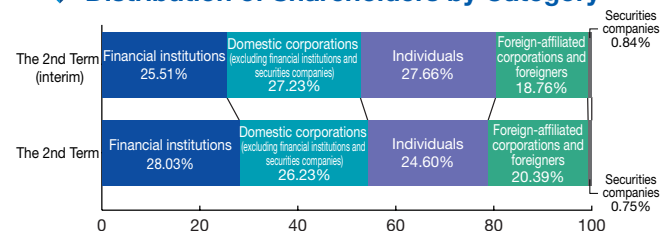
◆ Shares

- Total number of shares authorized to be issued 200,000,000
- Total number of shares issued and outstanding 62,449,621
- Number of shareholders 7,908

◆ Shareholder Information

| | |
|--|---|
| Closing of Accounts | March 31 of every year |
| Payment of Dividends | To be distributed to shareholders determined as of the balance sheet date. Note: We do not adopt the interim dividend system. |
| Ordinary General Shareholders' Meeting | June of every year |
| Record Date | The shareholders recorded as of March 31 of every year in the register of shareholders shall be those who can exercise rights at the Ordinary General Shareholders' Meeting. If necessary, another day can be designated with public notice. |
| Transfer Agent | Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo |
| Transfer Agent Office | Stock Transfer Agency Department, Head Office Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo |
| Mailing Address | Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd. 17-7, Saga 1-chome, Koto-ku, Tokyo 135-8722 |
| Telephone Contact | 0120-288-324 (toll-free call) |
| Dedicated Web Site | http://www.mizuho-tb.co.jp/daikou/ |
| Agencies: | Mizuho Trust & Banking Co., Ltd.: All branches nationwide Mizuho Investors Securities Co., Ltd.: Head office and all branches nationwide |
| URL for Public Notification | http://www.tthd.com Note: We have changed the method of public notification to electronic notification, according to the Law for Revising the Commercial Law and Others for introducing the Electronic Public Notification System (2004 Law No. 87). However, when accidents or other unavoidable reasons prevent us from using the method of electronic notification, we will make an notification in the Nihon Keizai Shimbun. |
| Purchase of Less-than-Unit ("tangen") Shares | The above transfer agent handles the business of purchasing less-than-unit ("tangen") shares from shareholders. If you have any such shares deposited under the stock certificate custody and transfer system, please make an offer to your securities company, etc. |

◆ Distribution of Shareholders by Category



◆ Major Shareholders

| Shareholder name | Investment in the Company by shareholder | |
|--|--|------------------------|
| | Number of shares (thousand) | Shareholding ratio (%) |
| Okii Electric Industry Co., Ltd. | 8,447 | 13.53 |
| NEC Corporation | 6,060 | 9.70 |
| The Master Trust & Bank of Japan, Ltd. (trust account) | 3,425 | 5.48 |
| Mizuho Bank, Ltd. | 2,339 | 3.75 |
| Sumitomo Mitsui Banking Corporation | 1,767 | 2.83 |
| The Chase Manhattan Bank, N.A. London S.L. Omnibus Account | 1,516 | 2.43 |
| B.B.H. for Fidelity Japan Small Company Fund | 1,478 | 2.37 |
| Japan Trustee Services Bank, Ltd. (trust account) | 1,341 | 2.15 |
| Goldman Sachs International | 1,221 | 1.96 |
| Mizuho Trust & Banking Co., Ltd. | 900 | 1.44 |

Notes:

- The number of shares held by The Master Trust & Bank of Japan, Ltd., and Japan Trustee Services Bank, Ltd., includes 2,598,000 and 1,118,000, respectively, that are held under trust agreements with managers of investment trusts, etc.
- The number of shares held by Mizuho Bank, Ltd., includes the Company's 1,778,000 shares (a 2.85% shareholding ratio), which are contributed by Mizuho Bank, Ltd., as the trust estate of the retirement benefit trust. (They are recorded as "Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust (Mizuho Bank Account) for the Re-trust by the Trustee of Trust & Custody Services Bank, Ltd.")
- The number of shares shown above is truncated to thousands.
- J.P. Morgan Group's member companies sent us a copy of the Report on Large Shareholders as of April 15, 2005, which was submitted in their joint names. The report said that they jointly held our 2,760,000 shares, or a shareholding ratio of 4.42%, as of March 31, 2005. However, we have not yet confirmed the exact number of shares they hold at the end of the fiscal term under review. The above list of major shareholders does not include the following:

| | Number of shares (thousand) | Shareholding ratio (%) |
|---|-----------------------------|------------------------|
| J. P. Morgan Fleming Asset Management (Japan) Limited | 2,525 | 4.04 |
| J. P. Morgan Fleming Asset Management (U.K.) Limited | 235 | 0.38 |



The 2nd Fiscal Term Business Report

April 1, 2004 ▶ March 31, 2005

Tamura Taiko Holdings, Inc.

Ticker Code: 6675



Masanori Yoshioka
Representative Director and
President

Tamura-Taiko SAXA Group began operations on April 1, 2004, with the new brand name "SAXA". The Group will attempt to meet customer expectations by pursuing innovation based on its capabilities in engineering and product development. We appreciate your continued support and cooperation.

◆ Further Enhancement of Corporate Value

Based on the group's management philosophy of "creating new value around original, core technologies and contributing to the development of an energetic and less inhibited society" and the five key policies stated below, we will harness the power of all our group members to increase our corporate value.

1 We will expand businesses through integration and create new core businesses with Network Solutions and Security Solutions as core businesses.

2 We will develop products to create new markets and expand our domain of businesses by fostering and using core technologies and combining various technologies.

3 We will reconstruct the group-wide supply chain to strengthen the Group's ability to respond to market demands with regard to quality, cost and delivery schedule.

4 We will maximize capital efficiency by not only promoting the effective use of tangible assets but also increasing the emphasis on intangible assets such as technical, sales and production capabilities, as well as brand value.

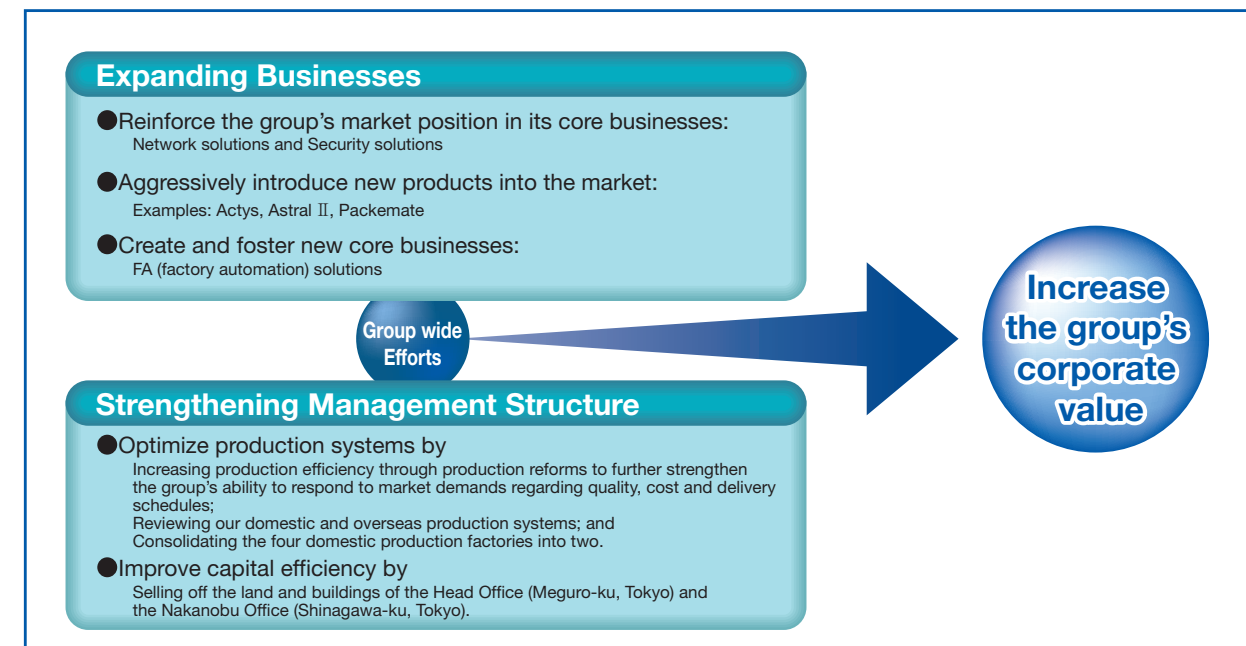
5 We will improve our internal auditing, risk management and compliance, including conformance with the Personal Information Protection Act, thereby strengthening corporate governance.

◆ Achievements in the 2nd Fiscal Term

Throughout the term under review, Tamura-Taiko SAXA Group implemented various measures to achieve synergies of management integration as earlier as possible and to increase overall efficiencies. Beginning in the second half, such efforts were particularly directed at "expanding businesses" and "strengthening management structure" to increase the effects of integration and further enhance the corporate value of

the Group.

As a result, consolidated sales for the term under review were ¥65,540 million, or an increase of 16% from the simple sum of the two predecessors before integration a year earlier. Consolidated ordinary income surged 105.5% to ¥3,750 million, whereas net income soared 136.2% to ¥2,289 million.



◆ Payment of Dividends

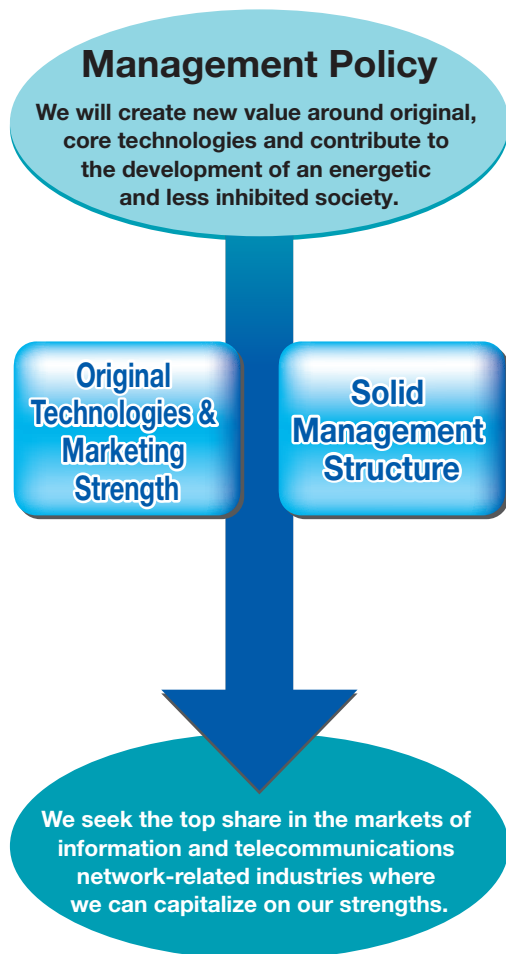
For the payment of dividends, we maintain a basic policy of ensuring the stable payment of dividends according to the business performance on a consolidated basis, while preserving retained earnings in preparation for R&D costs and capital investments to address changing needs from continuous technical innovations and changes in market structure. For the fiscal term ended March 31, 2005, it was decided at the Ordinary General Shareholders' Meeting to make an annual payment of ¥5 per share.

◆ Relocation of Headquarters

Our headquarters will be relocated to Minato-ku, Tokyo, from Meguro-ku, Tokyo, in December 2005.

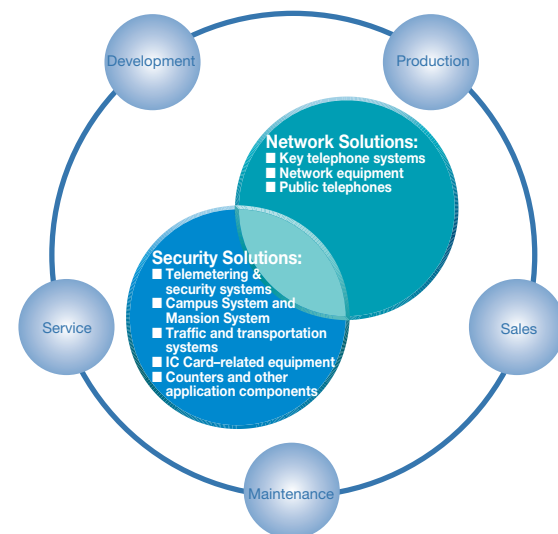
Tamura-Taiko SAXA Group has formulated a medium-term business plan to seek the top share in the markets where it can capitalize on its strengths and ensure continued growth by carrying out various measures that have already taken place from the year under review in the rapidly changing market environments and intensifying competition among information and telecommunications network-related companies.

Tamura-Taiko SAXA Group's Goal



| Major Performance Goals | |
|---|-------------------|
| Consolidated sales: | ¥100 billion |
| Ratio of consolidated ordinary income to net sales: | 10% or higher |
| Number of employees: | 1,500 |
| Equity ratio: | 45.0% or higher |
| Total assets turnover: | 1.5 times or more |
| Degree of dependence on loans: | 15.0% or lower |

Our Business Fields



Network Solutions Business

The acceleration of ever-pervasive broadband applications is expected to provide momentum to the spread of wireless networking in offices and households, and the convergence of fixed-line and mobile telephones.

Key telephone systems

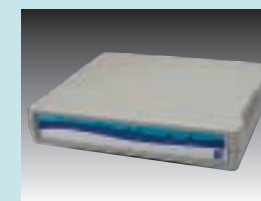
We will make continued efforts to expand market share by increasing the lineup of key telephone system products and promoting the commercialization of full IP key telephones.

Network equipment and others

We will concentrate efforts on expanding the sales of IP telephones as terminals for IP-PBX and IP Centrex, which are expected to become more familiar, as well as promoting network peripherals that are compliant with optical access and next-generation networking.



IP Telephone



IP Phone Adapter

Security Solutions Business

Security equipment

In response to the rising demand for security equipment, we will provide one-stop-shopping security systems that cover everything required by security companies, such as sensors, image systems and peripheral equipment. We will also look at the increasingly active home security market to expand businesses.

Telemetry equipment

We will continue to accommodate the need for switching wired LP gas remote metering systems into wireless to promote the sale of the systems, while exploring new markets to expand businesses.

IC card-related equipment

There is increasing demand for security systems using contact-less IC cards. In response, we will bring readers/writers and other IC card-related equipment to the market in a timely manner.



Contact-less card reader



Emergency calling system

EMS and Others

In the Electronic Manufacturing Service business, we will expand order receipts by capitalizing on our strengths: excellent PCB manufacturing technologies, ability to accommodate orders for manufacturing various models in various quantities and just-in-time shipments.

In the Factory Automation business, we will make group-wide efforts to create and expand the business of FA equipment for digital devices and business machines for which demand is expected to rise in coming years.

We will create new businesses around our key component technologies, such as coin mechanism, card delivery, wireless and sensor technologies.

We launched the Actys key telephone system with a slim and compact main unit.



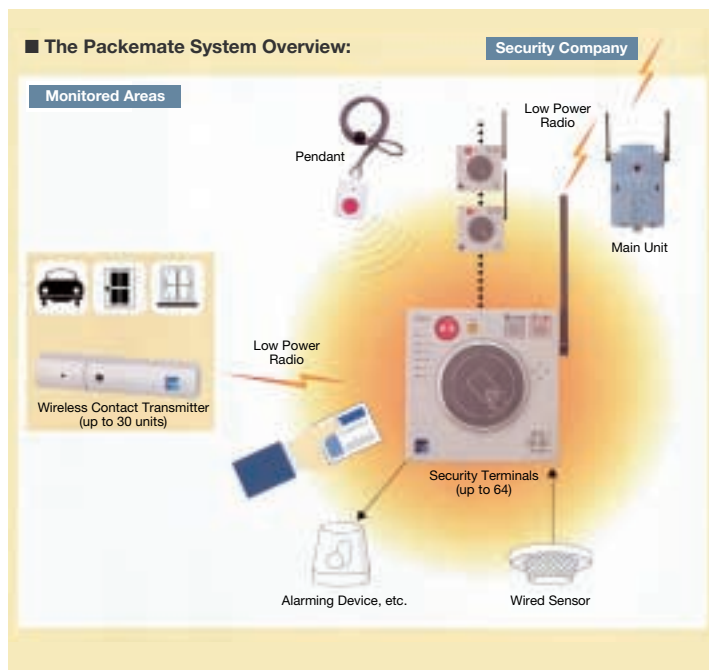
Actys

In December 2004, SAXA, Inc. launched the Actys key telephone system, which has a slim and compact main unit that performs key telephone, IP telephone service and router functions. Actys can accommodate up to two IP telephone lines, one INS Net 64 line (two lines for analog) and five multifunction telephones. If an IP phone adapter unit is mounted, Actys serves as an all-in-one unit that allows connection to IP telephone services and the Internet, thereby reducing communications costs considerably. Actys also features a variety of convenient key telephone functions, including answering machine, which is a must for small offices, call forwarding, and different lamps and sounds that identify the caller according to the number of an incoming call.

We launched the all-wireless home security system Packemate.

SAXA, Inc. developed the Packemate home security system for condominiums and launched it in June 2005. The Packemate system mainly consists of a base unit and home security terminals to be installed in each condominium. When exiting the house, you put a special contact-less IC card over the terminal to turn on the system. When a sensor is activated while the system is on, the terminal sounds an alarm, which is also given to a security company at the same time. The Packemate system uses NTT DoCoMo's DoPa™ wireless packet network to allow communications in each condominium without using a telephone line. In addition, a low power radio system is used to connect between the main unit and the security terminals to save wiring. The system also enables a reduction in initial and operational costs and increases the efficiency of machine-aided security work. The Packemate system not only serves condominiums but is also available to monitor areas such as leased commercial spaces, amusement areas and parking lots.

*DoPa is a registered trademark of NTT DoCoMo, Inc.



We launched the industry's first Astral II human-sensor-equipped key telephone.

For the first time in the industry, in March 2005 SAXA, Inc. developed and launched a key telephone equipped with a pyroelectric infrared human sensor for small and medium-size companies. Called the Astral II Series, it is available in two models: GT500Std and GT500Pro. While providing a variety of conventional key telephone functions, Astral II also allows the easy setup of a simple self-protection security system as long as the key telephone is wired. If it detects an intruder, all of the human-sensor-equipped telephones in the Astral II system produce alarm sounds and flash LED lamps, and the alarm is reported to preset destinations. If network cameras are connected, their position can be automatically changed to point at the area of detection and the shot can be e-mailed to a mobile phone, and the image can be saved.



Astral II



When the sensor-equipped telephone detects an intruder: Turning the safety mode on automatically activates the sensors of the multifunction telephones. When the sensors detect an intruder, they all produce a loud sound and LED lamps flash to alarm the intruder.

Financial Highlights

◆ Overview of the Second Fiscal Term

For the second fiscal term, consolidated net sales of the Tamura-Taiko SAXA Group were ¥65,540 million, and consolidated ordinary income was ¥3,750 million. Consolidated net income was ¥2,289 million, owing to the sale of assets, including land and buildings, although special losses arose from the retirement of properties and the payment of special retirement bonuses as a result of restructuring production systems and the consolidation of businesses.

Total assets decreased ¥822 million from the previous year-end, and shareholders' equity increased ¥2,394 million. As a result, the equity ratio improved 4.1 percentage points to 37.1%.

● Major Achievements

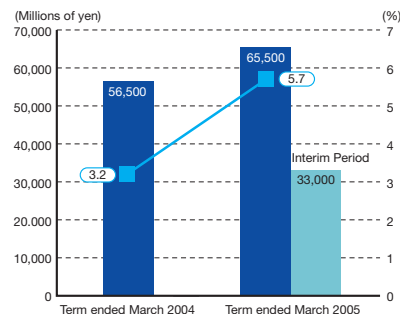
(Millions of yen)

| | Term ended March 2005 | Term ended March 2004 |
|----------------------------|-----------------------|-----------------------|
| Net sales | 65,500 | 56,500 |
| Operating income | 4,400 | 2,800 |
| Ordinary income | 3,800 | 1,800 |
| Net income | 2,300 | 1,000 |
| Net income per share (yen) | 35.6 | 16.0 |
| Total assets | 64,400 | 65,200 |
| Shareholders' equity | 23,900 | 21,500 |

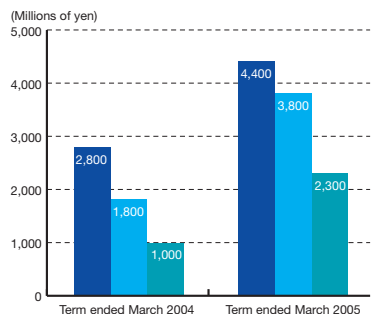
| Network Solutions Business | Term ended March 2005 | Term ended March 2004 |
|----------------------------|-----------------------|-----------------------|
| Net sales | 33,300 | 32,500 |

| Security Solutions Business | Term ended March 2005 | Term ended March 2004 |
|-----------------------------|-----------------------|-----------------------|
| Net sales | 32,200 | 24,000 |

■ Net sales ■ Ratio of ordinary income to net sales

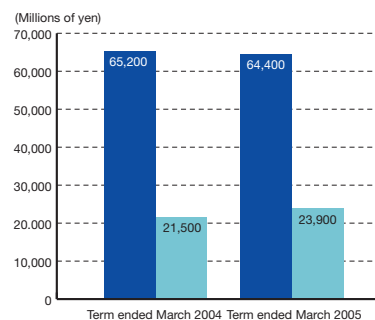


■ Operating income ■ Ordinary income ■ Net income

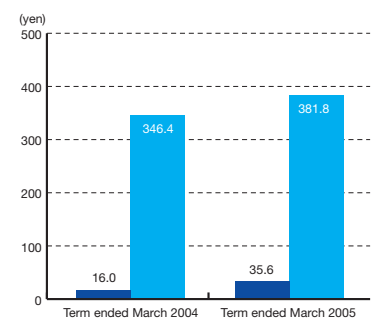


*The performance of the March 2004 term in these Financial Highlights represents a simple sum of the results of TAMURA ELECTRIC WORKS, LTD., and TAIKO ELECTRIC WORKS, LTD.
*The values shown in the tables and graphs are rounded off.

■ Total assets ■ Shareholders' equity



■ Net income per share ■ Shareholders' equity per share

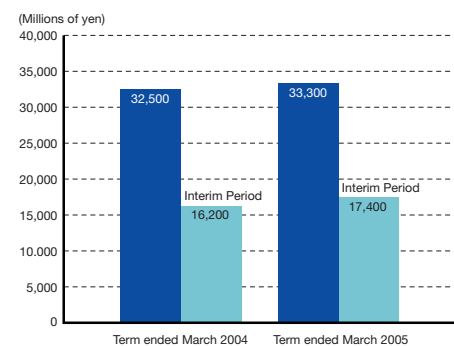


Network Solutions Business

Net sales were ¥33,293 million, up 2.5% from a simple sum of the previous-year figures of the two predecessors. This increase was mainly due to strenuous efforts to expand order receipts by releasing new products, including key telephone systems that are compliant with IP phone services and/or the Bluetooth communications standard, and/or are equipped with security and other convenient functions, despite a decrease in orders for network terminals, such as terminal adapters. The synergies of the management integration also contributed to increased order receipts.



■ Net Sales of the Network Solutions Business

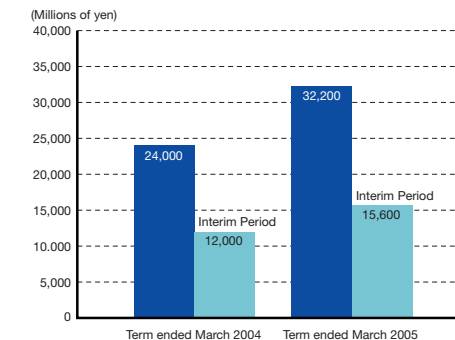


Security Solutions Business

Net sales totaled ¥32,247 million, up 34.3% from a simple sum of the previous-year figures of the two predecessors. This rise was primarily due to increased demand for a changeover to IC-card-based systems that increased orders for card reader units for the leisure industry, along with consistent efforts to expand orders for telemetering and traffic systems, and other parts and units.



■ Net Sales of the Security Solutions Business



Consolidated Financial Statements

● Consolidated Balance Sheets

| Account item | 2nd fiscal term (as of March 31, 2005) | 1st fiscal term (as of March 31, 2004) |
|--|---|---|
| Assets | | |
| Current assets | 40,744 | 34,290 |
| Cash and cash equivalents | 13,491 | 5,307 |
| Notes and accounts receivable | 14,673 | 14,590 |
| Marketable securities | 999 | 0 |
| Inventories | 7,066 | 11,808 |
| Deferred tax assets | 3,021 | 2,162 |
| Other current assets | 1,521 | 465 |
| Allowance for doubtful accounts | (30) | (45) |
| Fixed assets | 23,628 | 30,905 |
| Property, plant and equipment | 13,087 | 18,259 |
| Buildings and structures | 2,384 | 3,348 |
| Machinery and transportation equipment | 617 | 860 |
| Tools, furniture and fixtures | 1,483 | 1,844 |
| Land | 8,602 | 12,205 |
| Other property, plant and equipment | — | 1 |
| Intangible fixed assets | 4,677 | 4,667 |
| Software | 4,613 | 4,603 |
| Other intangible fixed assets | 63 | 64 |
| Investments and other assets | 5,863 | 7,978 |
| Investment securities | 4,957 | 5,809 |
| Long-term prepayments | 456 | 517 |
| Deferred tax assets | 194 | 1,432 |
| Other investments | 567 | 525 |
| Allowance for doubtful accounts | (312) | (306) |
| Total Assets | 64,373 | 65,195 |

| Account item | 2nd fiscal term (as of March 31, 2005) | 1st fiscal term (as of March 31, 2004) |
|---|---|---|
| Liabilities | | |
| Current liabilities | 24,148 | 25,888 |
| Notes and accounts payable | 8,143 | 10,820 |
| Short-term borrowings | 6,446 | 10,821 |
| Bonds due redeemable within one year | 1,060 | 60 |
| Accrued amount payable | 1,446 | 1,363 |
| Accrued expenses | 1,605 | 1,609 |
| Accrued income taxes | 3,760 | 164 |
| Accrued consumption taxes | 867 | 110 |
| Allowance for product warranties | 397 | 162 |
| Allowance for employees' bonuses | — | 379 |
| Other current liabilities | 420 | 397 |
| Long-term liabilities | 16,341 | 17,818 |
| Bonds | 150 | 1,210 |
| Long-term loans payable | 7,016 | 4,306 |
| Deferred tax liabilities | 1,929 | 1,624 |
| Deferred tax liabilities due to revaluation | — | 2,379 |
| Reserve for retirement benefits | 3,662 | 4,748 |
| Reserve for retirement bonuses to directors | 56 | 22 |
| Consolidation adjustments account | 2,713 | 3,011 |
| Other long-term liabilities | 812 | 514 |
| Total Liabilities | 40,489 | 43,707 |
| Minority Interests | | |
| Minority interests | — | — |
| Shareholders' Equity | | |
| Common stock | 10,836 | 10,836 |
| Capital surplus | 6,331 | 6,303 |
| Retained earnings | 6,026 | 325 |
| Land revaluation difference | — | 3,424 |
| Stock revaluation difference | 737 | 768 |
| Equity adjustment from foreign currency translation | 8 | — |
| Treasury stock | (56) | (170) |
| Total Shareholders' Equity | 23,883 | 21,488 |
| Total Liabilities, Minority Interests and Shareholders' Equity | 64,373 | 65,195 |

*The results for the first fiscal term are presented by considering that TAMURA ELECTRIC WORKS, LTD., acquired TAIKO ELECTRIC WORKS, LTD., at the balance sheet date. Therefore, they do not include account items presented in the Statements of Income of Taiko Electric Works, Ltd.

● Consolidated Statements of Income (Millions of yen)

| Account item | 2nd fiscal term (as of March 31, 2005) | 1st fiscal term (as of March 31, 2004) |
|---|---|---|
| Net sales | 65,540 | 36,548 |
| Cost of goods sold | 49,607 | 27,563 |
| Gross profit | 15,933 | 8,985 |
| Selling, general and administrative expenses | 11,522 | 7,050 |
| Operating income | 4,410 | 1,935 |
| Nonoperating income | 586 | 146 |
| Interest and dividends received | 54 | 20 |
| Depreciation on consolidation adjustment account | 301 | — |
| Other nonoperating income | 230 | 125 |
| Nonoperating expenses | 1,246 | 767 |
| Interest paid | 286 | 188 |
| Loss from disposal of inventories | 328 | 26 |
| Amortization of differences due to the change in accounting standards for retirement benefits | 380 | 214 |
| Other nonoperating expenses | 251 | 338 |
| Ordinary income | 3,750 | 1,314 |
| Special profits | 5,863 | 12 |
| Gain on sale of fixed assets | 5,614 | 0 |
| Gain on sale of investment securities | 248 | 12 |
| Transferred from allowance for doubtful accounts | 0 | — |
| Special losses | 5,145 | 168 |
| Loss on retirement of fixed assets | 264 | 82 |
| Maintenance expenses for special products | 182 | — |
| Loss on sale of investment securities | 287 | — |
| Loss on revaluation of investment securities | 39 | — |
| Loss on revaluation of subsidiaries' stock | 20 | — |
| Business consolidation expenses | 1,729 | — |
| Special retirement allowances | 2,617 | — |
| Loss on sale of membership, etc. | 4 | 4 |
| Loss on revaluation of membership | — | 14 |
| Transferred to allowance for doubtful accounts | — | 66 |
| Income (loss) before income taxes | 4,468 | 1,157 |
| Income taxes—current | 3,905 | 268 |
| Income taxes—deferred | (1,726) | (565) |
| Net income (loss) | 2,289 | 1,454 |

● Consolidated Statement of Retained Earnings (Millions of yen)

| Account item | 2nd fiscal term (as of March 31, 2005) | 1st fiscal term (as of March 31, 2004) |
|--|---|---|
| Capital surplus: | | |
| Balance of capital surplus at beginning of the term | 6,303 | 5,582 |
| Increase in capital surplus | 27 | 721 |
| Increase due to establishment of holding company | — | 721 |
| Margin on disposition of treasury stock | 27 | 0 |
| Decrease in capital surplus | — | — |
| Balance of capital surplus at end of the term | 6,331 | 6,303 |
| Retained earnings: | | |
| Balance of retained earnings at beginning of the term | 325 | (1,137) |
| Increase in retained earnings | 5,714 | 1,477 |
| Net income | 2,289 | 1,454 |
| Increase due to reversal of gains on revaluation of land | 3,424 | 22 |
| Decrease in retained earnings | 13 | 15 |
| Directors' and auditors' bonuses | 13 | 15 |
| Balance of retained earnings at end of the term | 6,026 | 325 |

● Consolidated Cash Flows (Millions of yen)

| Account item | 2nd fiscal term (as of March 31, 2005) | 1st fiscal term (as of March 31, 2004) |
|---|---|---|
| Cash flows from operating activities | 2,943 | 2,180 |
| Cash flows from investing activities | 7,842 | (1,942) |
| Cash flows from financing activities | (1,564) | (1,599) |
| Effect of exchange rate changes on cash and cash equivalents | 0 | (1) |
| Net increase (decrease) in cash and cash equivalents | 9,222 | (1,363) |
| Cash and cash equivalents at beginning of the term | 5,235 | 5,391 |
| New consolidated subsidiaries' cash and cash equivalents at end of the term | — | 1,206 |
| Cash and cash equivalents at end of the term | 14,458 | 5,235 |

Nonconsolidated Financial Statements

● Balance Sheet

| Account item | 2nd fiscal term (as of March 31, 2005) | 1st fiscal term (as of March 31, 2004) |
|-----------------------------|---|---|
| Assets | | |
| Current assets | 606 | 48 |
| Cash and bank deposits | 543 | 46 |
| Deferred tax assets | 20 | 2 |
| Accrued revenue | 36 | — |
| Other | 6 | 0 |
| Fixed assets | 20,409 | 20,407 |
| Intangible fixed assets | 11 | 6 |
| Trademark rights | 11 | 6 |
| Investments and others | 20,398 | 20,401 |
| Investments in subsidiaries | 20,383 | 20,399 |
| Deferred tax assets | 14 | 2 |
| Total Assets | 21,015 | 20,456 |

(Millions of yen)

| Account item | 2nd fiscal term (as of March 31, 2005) | 1st fiscal term (as of March 31, 2004) |
|---|---|---|
| Liabilities | | |
| Current liabilities | 145 | 49 |
| Accrued amount payable | 8 | 31 |
| Accrued expenses | 20 | 3 |
| Income taxes payable | 103 | 9 |
| Consumption taxes payable | 7 | 6 |
| Other | 5 | 0 |
| Long-term liabilities | 35 | 5 |
| Reserve for retirement benefits | 4 | — |
| Reserve for directors' retirement benefits | 30 | 5 |
| Total Liabilities | 180 | 55 |
| Shareholders' Equity | | |
| Common stock | 10,836 | 10,836 |
| Capital surplus | 9,562 | 9,562 |
| Capital reserve | 3,000 | 9,562 |
| Other capital surplus | 6,562 | — |
| Gains on decrease in capital reserve | 6,562 | — |
| Retained earnings | 492 | 5 |
| Unappropriated profit for the year | 492 | 5 |
| Treasury stock | (56) | (4) |
| Total Shareholders' Equity | 20,835 | 20,400 |
| Total Liabilities and Shareholders' Equity | 21,015 | 20,456 |

● Statement of Income

| Account item | 2nd fiscal term (as of March 31, 2005) | 1st fiscal term (as of March 31, 2004) |
|--|---|---|
| Operating Profit or Loss | | |
| Dividends received from affiliates | 278 | — |
| Management consultation fee received from affiliates | 499 | 170 |
| Trademark licensing fee | 327 | — |
| Total operating income | 1,105 | 170 |
| Operating expenses | | |
| General and administrative expenses | 465 | 78 |
| Operating income | 639 | 91 |
| Nonoperating income | 2 | 0 |
| Interest income | 0 | — |
| Other nonoperating income | 2 | 0 |
| Nonoperating expenses | 0 | 81 |
| Interest expense | 0 | — |
| Inaugural expenses | — | 81 |
| Ordinary income | 641 | 10 |
| Special gains | 1 | — |
| Gain on sale of shares in affiliates | 1 | — |
| Special losses | 4 | — |
| Loss on corporate consolidation of a subsidiary | 4 | — |
| Income (loss) before income taxes | 637 | 10 |
| Income taxes—current | 182 | 9 |
| Income taxes—deferred | (31) | (4) |
| Net income (loss) | 486 | 5 |
| Retained earnings brought forward | 5 | — |
| Unappropriated retained earnings at end of the term | 492 | 5 |

(Millions of yen)

● Statement of Appropriation of Retained Earnings

| Account item | 2nd fiscal term (as of March 31, 2005) | 1st fiscal term (as of March 31, 2004) |
|---|--|---|
| Unappropriated retained earnings at end of the term | 492,585,517 | 5,723,370 |
| Total | 492,585,517 | 5,723,370 |
| This will be disposed of as follows: | | |
| Dividends | 311,705,030 (¥5 per share) | — |
| Bonuses to directors | 28,000,000 (includes ¥1,800,000 as bonus to auditors) | — |
| Balance to be carried forward | 152,880,487 | 5,723,370 |

(yen)

*The results of the first fiscal term are presented for the two-month period from February 2, 2004, when the Company was established to the end of the term.

◆ Company Profile

| | |
|---------------------|---|
| Name | Tamura Taiko Holdings, Inc. (Listed on the 1st. section of the Tokyo Stock Exchange/Ticker code : 6675) |
| Established | February 2, 2004 |
| Capital Stock | ¥10,836,678,400 |
| Number of Employees | 1,580 (Consolidated) 19 (Non-consolidated) |
| Head Office | 2-2-3, Shimo-meguro, Meguro-ku, Tokyo |
| Business | Management consultation for its subsidiaries that engage in development, manufacturing and/or sales of information and telecommunications network components, equipment and systems |

● Directors and Auditors

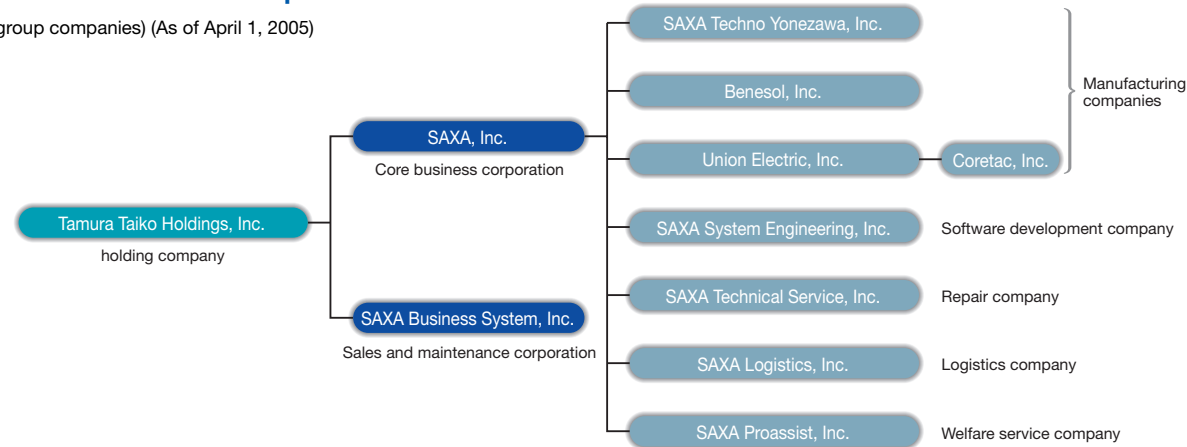
| | |
|---------------------------------------|--------------------|
| Representative Director and Chairman | Susumu Harashima |
| Representative Director and President | Masanori Yoshioka |
| Managing Director | Shin Murakami |
| Managing Director | Shuji Matsuyama |
| Managing Director | Norio Motosugi |
| Managing Director | Masayuki Fukushima |
| Managing Director | Masao Koshikawa |
| Director | Kenji Wada |
| Director | Hiroaki Tomoda |
| Standing Auditor | Osamu Mizorogi |
| Auditor | Masao Fujimaki |
| Auditor | Takashi Kouno |
| Auditor | Isamu Fudeya |

※1 Kenji Wada and Hiroaki Tomoda are outside directors as stipulated in Item 7-2, Clause 2, Article 188, of the Commercial Code.

※2 Takashi Kouno and Isamu Fudeya are outside auditors as stipulated in Clause 1, Article 18, of the Law on Exceptional Provisions to the Commercial Code Concerning the Supervision of Kabushiki Kaisha.

Tamura-Taiko SAXA Group

(11 group companies) (As of April 1, 2005)



※ It was resolved that SAXA Techno Tochigi, Inc., SAXA Daito, Inc., and SAXA Nozaki Inc. were dissolved as of March 31, 2005.

◆ Company Profile of SAXA Inc.

| | |
|---------------------|---|
| Established | April 1, 2004 |
| Capital Stock | ¥10.7 billion |
| Number of Employees | 666 |
| Business | Development, manufacture and sales of information and telecommunications network components, equipment and systems, as well as the supply of services incidental to these activities. |

● Directors and Auditors

| | |
|---------------------------------------|--------------------|
| Representative Director and President | Masanori Yoshioka |
| Director | Norio Motosugi |
| Director | Shin Murakami |
| Director | Shuji Matsuyama |
| Director | Masayuki Fukushima |
| Director | Kazunori Hata |
| Director | Masao Koshikawa |
| Standing Auditor | Masao Fujimaki |
| Auditor | Osamu Mizorogi |
| Auditor | Takashi Kouno |

● Major Offices and Plants

| | |
|-------------------------------|---------------------------|
| Head Office | Meguro-ku, Tokyo |
| Nakanobe Office | Shinagawa-ku, Tokyo |
| Sagamihara Plant | Sagamihara, Kanagawa |
| Tochigi Plant | Nasushiobara, Tochigi |
| Yonezawa Plant | Yonezawa, Yamagata |
| Kansai Regional Office | Kita-ku, Osaka |
| Chubu Regional Office | Higashi-ku, Nagoya, Aichi |
| Kyushu Regional Office | Hakata-ku, Fukuoka |
| 3 Branches and 1 Sales Office | |

◆ Company Profile of SAXA Business System, Inc.

| | |
|---------------------|--|
| Established | October 1, 1982 |
| Capital Stock | ¥170 million |
| Number of Employees | 196 |
| Business | Sales, installation, maintenance and repair of information and telecommunications network components, equipment and systems, as well as all operations incidental to these activities. |

● Directors and Auditors

| | |
|---------------------------------------|---------------------|
| Representative Director and President | Toshio Yamada |
| Managing Director | Shuji Mogami |
| Director | Mitsuyoshi Takamura |
| Director | Masanori Nakajima |
| Director | Shigeru Hama |
| Director | Masayuki Fukushima |
| Auditor | Yuzuru Suzuki |

● Major Offices and Sales and Service Offices

| | |
|---|----------------------------|
| Head Office and Tokyo Regional Office | Shinagawa-ku, Tokyo |
| Kita-kanto Regional Office | Kita-ku, Saitama |
| Chubu Regional Office | Nakamura-ku, Nagoya, Aichi |
| Kansai Regional Office | Kita-ku, Osaka |
| Kyushu Regional Office | Chuo-ku, Fukuoka |
| 5 Sales Offices and 17 Service Offices nationwide | |