



8th Fiscal Business Report

April 1, 2010 ▶ March 31, 2011

SAXA Holdings, Inc.

Ticker code: 6675

NOTICE OF RESOLUTIONS OF THE 8th ORDINARY GENERAL SHAREHOLDERS' MEETING

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June 29, 2011

To All Shareholders

Masao Koshikawa
President & C.E.O.
SAXA Holdings, Inc.
NBF Platinum Tower, 17-3, Shirokane
1-chome, Minato-ku, Tokyo

NOTICE OF RESOLUTIONS OF THE 8th ORDINARY GENERAL SHAREHOLDERS' MEETING

We are pleased to announce that the matters outlined below were reported and resolved at the 8th Ordinary General Shareholders' Meeting of the Company held today.

Matters reported:

1. Business Report, Consolidated Financial Statements for the 8th Fiscal Term (from April 1, 2010 to March 31, 2011) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 8th Fiscal Term (from April 1, 2010 to March 31, 2011)
- The particulars of the above 1 and 2 were reported.

Matters resolved:

- Proposal No. 1:** Distribution from Surplus
The proposal was approved and adopted as proposed. (The year-end dividend is ¥3 per share)
- Proposal No. 2:** Election of Three Directors
The proposal was approved and adopted as proposed. Yuzuru Suzuki, Toshiya Hatakeyama and Naoki Yoshimura were re-elected as Directors and assumed office. Toshiya Hatakeyama and Naoki Yoshimura are outside directors.
- Proposal No. 3:** Election of Two Substitute Auditors
The proposal was approved and adopted as proposed. Masaki Sugiyama and Takenari Shimizu were elected as Substitute Auditors.
Masaki Sugiyama is the substitute for Outside Auditor Masahiko Inohana, and Takenari Shimizu is the substitute for Outside Auditor Takashi Kouno.
- Proposal No. 4:** Payment of Bonuses to Directors and Auditors
The proposal was approved and adopted as proposed.

Directors and Auditors of the Company as of June 29, 2011 are as follows.

President & C.E.O.	Masao Koshikawa
Managing Director	Naoki Matsuo
Managing Director	Yuzuru Suzuki
Managing Director	Masaki Ohuchi
Director	Naomitsu Murata
Director	Hiroshi Kimura
Director	Tomoyuki Shimada
Director	Mutsuo Takematsu
Director (outside)	Toshiya Hatakeyama
Director (outside)	Naoki Yoshimura
Standing Auditor	Masayuki Fukushima
Auditor	Toshiharu Shimada
Auditor (outside)	Takashi Kouno
Auditor (outside)	Masahiko Inohana

We truly appreciate your continuing support and cooperation.



Masao Koshikawa
President & C.E.O.

We would like to offer our heartfelt condolences to all those affected by the Great East Japan Earthquake this year and our sincere hope for the swift recovery of the stricken regions.

The general business performance of SAXA Group are outlined in the 8th Fiscal Business Report (from April 1, 2010 to March 31, 2011) presented herein.

While corporate earnings were on the road to recovery during the fiscal year under review thanks to such factors as the recovery of exports (especially to Asia), the future of the Japanese economy became more uncertain due to an economic slowdown (e.g., fluctuations in exchange rates and the stock market), as well as the Great East Japan Earthquake that occurred in March 2011 and its aftermath.

In the information and telecommunications network-related market, which constitutes a core market of SAXA Group, we are seeing major changes in the market as various businesses are emerging, utilizing communication networks that have evolved and diversified, as a result of the increased use of broadband technologies, including optical networks.

With these market changes in mind, SAXA Group has been committed to strengthening its management structure and expanding business fields in order to quickly recover its performance and return to a growth trajectory.

As for “strengthening our management structure,” the Group has been striving for lowering total costs and

increasing added value as well as improving the financial standing of the Group by continuously working toward management improvement measures including the reorganization of internal functions and optimization of workforce in order to build a stable revenue structure.

As for “expanding business fields,” we worked to develop products that integrate voice, data, and video in order to offer our customers peace of mind, safety, comfort, and convenience. We also worked to offer customer-oriented solutions. As part of these efforts, we launched new network security equipment in the Network Solutions business that meets today’s increasing information-security needs. In the Security Solutions business, we began offering a range of sensors with built-in image analysis technologies, highly secure personal authentication terminals, and a community-shared patient registration card issuing system. As a new initiative, not only have we offered IP television interphone systems for railway operators in order to respond to inquiries by passengers using the station, but also have begun applying this system to other use. We also worked actively to expand our Campus and Office Solution businesses, selling “Suica student (and employee) IDs” and “PASMO student (and employee) IDs,” as well as providing relevant systems.

We did not suffer major human or property losses during the fiscal year under review from the Great East Japan Earthquake, and the impact of power outages and the like were slight.

The consolidated sales for the fiscal year under review increased 11.0% year over year to ¥42,896 million, since expansion of business fields by offering new solutions is bearing fruit.

On the profit front, our ordinary income increased 74.2% year over year to ¥1,030 million through reductions in total costs and other factors. Despite loss on valuation of investment securities caused by a decline in the market value, we had a net income of ¥289 million, which is a 109.1% increase compared with the previous fiscal year.

The SAXA Group intends to strive even harder to meet the expectations of its shareholders, and we truly appreciate your continuing support and cooperation for SAXA Group.

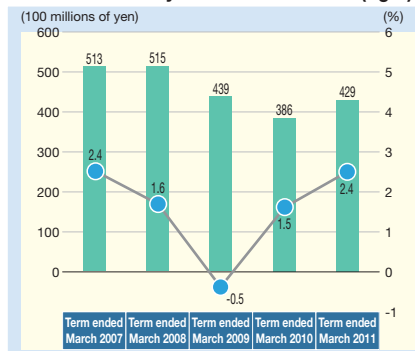
Cautionary Statement

This business report has been prepared for the sole purpose of understanding of the Company’s financial position and operations, and not intended to solicit investments. Investors are advised to make their own judgment when making investment decisions.

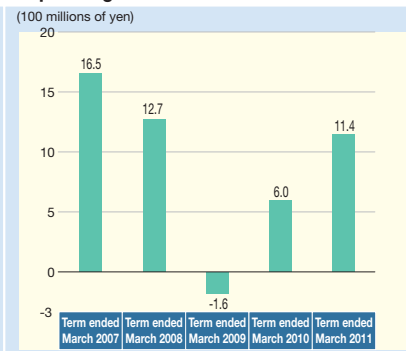
Consolidated Financial Highlight

Net sales (left)

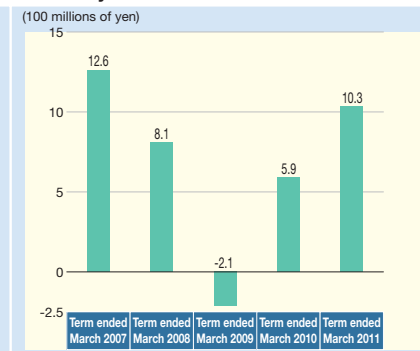
Ratio of ordinary income to net sales (right)



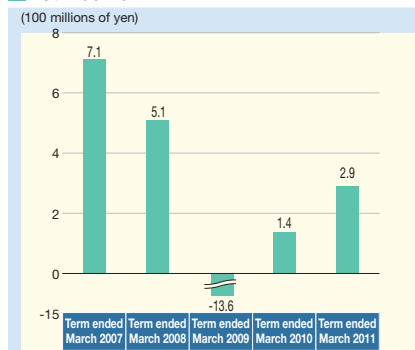
Operating income



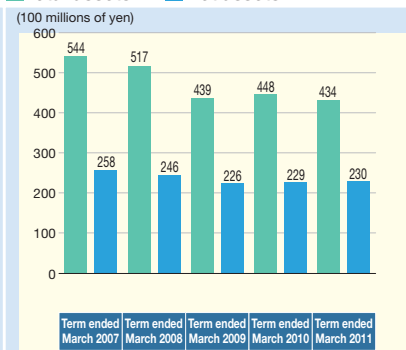
Ordinary income



Net income

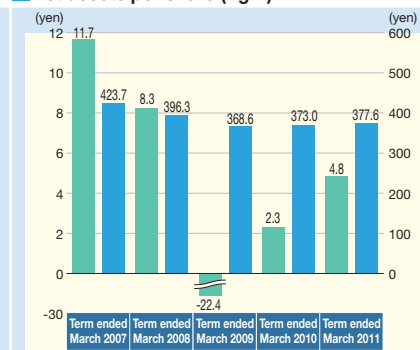


Total assets Net assets



Net income per share (left)

Net assets per share (right)



Note: The values shown in the graphs are rounded off.

New Corporate Message

Beyond Connection Technologies

SAXA connects its customers to the future. We are committed to making people's lives more comfortable: creating an environment offering peace of mind, safety, comfort, and convenience to our customers. We offer connection technologies, and take them a step further.

SAXA has created a new corporate message, expressing our mission and vision. Over its long history, SAXA has offered a large number of communication devices in the telecommunications field, starting with telephones. We call our technologies "Connection Technologies," which have been evolved further from telecommunications. Our message expresses our commitment to taking these connection technologies a step further, and thereby continuing to offer products and solutions that contribute to the future of our customers, realizing peace of mind, safety, comfort, and convenience.

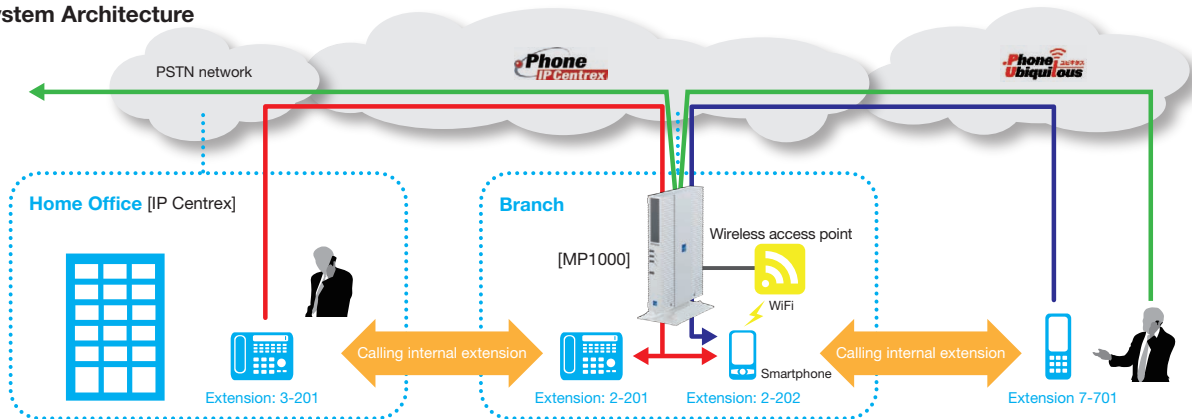
Agrea MP1000, Full IP System with Mobile Collaboration Features for Small to Medium-Sized Companies, Now on Sale

SAXA, Inc. has developed a new full IP system for small to medium-sized companies called Agrea MP1000. This system supports a multitude of services, including fixed phones, mobile phones, IP phones, etc. SAXA launched sales of the Agrea MP1000 in April 2011.

Infrastructure services such as fixed phones, mobile phones, IP phones, etc., have been growing diverse in recent years. Therefore, the companies needed to prepare devices that correspond to infrastructure services such as key telephone systems for fixed lines, gateways for IP phone lines, etc.

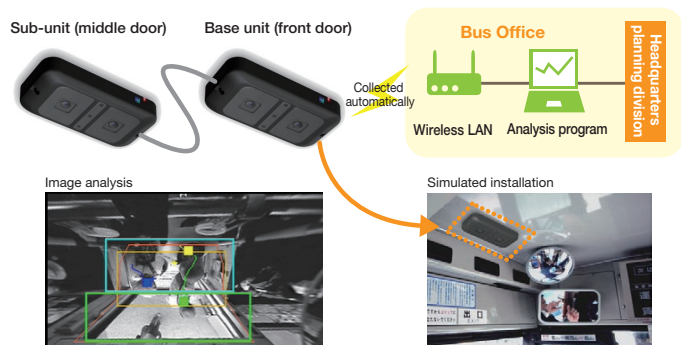
The newly launched Agrea MP1000 centrally manages fixed phones, mobile phones, and IP phone services in a business situation for small to medium-sized companies and makes it easy to build a full IP system. In particular, subscribing to a service like .Phone IP Centrex or .Phone Ubiquitous by NTT Communications Corporation will give customers access to a system that integrates key telephone systems with mobile terminals.

System Architecture



SAXA Launches 3D Image Analysis Product for Transportation Market Bus Passenger Counter, a people counter with high precision

In November 2010, SAXA, Inc. began receiving orders for newly developed Bus Passenger Counter, a product that counts the number of people by analyzing 3D images. The Bus Passenger Counter is a commercial application of 3D image analysis technology using a stereo camera as a people counter. It can accurately count the number of people getting on and off the bus, even when it is crowded. The SAXA Group is also developing other products that utilize technologies for analyzing 3D images from a stereo camera. It is currently performing verification tests on systems that can monitor stopped cars and pedestrians on the road, and will continue to offer systems realizing peace of mind, safety, comfort, and convenience to the transportation market.



Consolidated Financial Statements (Condensed)

● Consolidated Balance Sheets

(Millions of yen)

Account item	7th fiscal term (As of March 31, 2010)	8th fiscal term (As of March 31, 2011)
Assets		
Current assets	25,439	24,149
Fixed assets	19,324	19,218
Property, plant and equipment	11,764	11,585
Intangible fixed assets	4,402	3,790
Investments and other assets	3,156	3,842
Deferred assets	49	28
Total assets	44,813	43,397
Liabilities		
Current liabilities	11,663	11,860
Long-term liabilities	10,292	8,543
Total liabilities	21,956	20,403
Net assets		
Shareholders' equity	22,827	23,088
Common stock	10,836	10,836
Capital surplus	6,331	6,331
Retained earnings	6,749	7,038
Treasury stock	(1,089)	(1,117)
Accumulated other comprehensive income	(175)	(235)
Minority interests	204	139
Total net assets	22,857	22,993
Total liabilities and net assets	44,813	43,397

● Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

Account item	7th fiscal term (Term ended March 2010)	8th fiscal term (Term ended March 2011)
Net sales	38,638	42,896
Cost of goods sold	26,892	30,695
Gross profit	11,746	12,201
Selling, general and administrative expenses	11,142	11,061
Operating income	603	1,140
Nonoperating income	477	498
Nonoperating expenses	489	607
Ordinary income	591	1,030
Special profits	93	115
Special losses	447	787
Income before income taxes	237	358
Tax expense	89	68
Income before minority interests	—	290
Minority interest in income	9	0
Net income	138	289
Other comprehensive income	—	(59)
Comprehensive income	—	230

● Consolidated Statements of Cash Flows

(Millions of yen)

Account item	7th fiscal term (Term ended March 2010)	8th fiscal term (Term ended March 2011)
Cash flows from operating activities	4,100	2,286
Cash flows from investing activities	(904)	(2,202)
Cash flows from financing activities	310	(1,364)
Effect of exchange rate changes on cash and cash equivalents	2	(2)
Net increase (decrease) in cash and cash equivalents	3,509	(1,282)
Cash and cash equivalents at the beginning of the term	5,116	8,626
Cash and cash equivalents at the end of the term	8,626	7,342

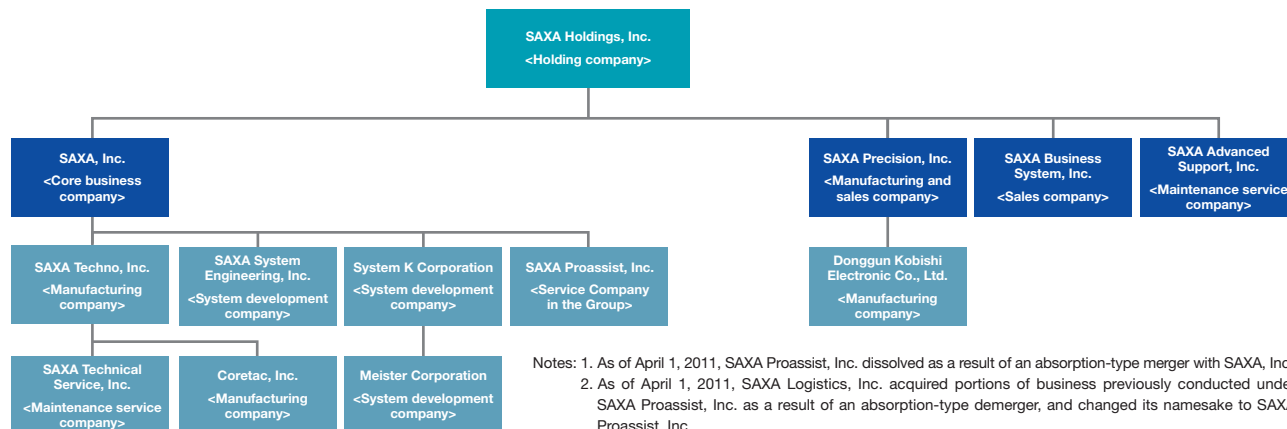
● Consolidated Statement of Changes in Shareholders' Equity, etc. (Term ended March 2011)

(Millions of yen)

	Shareholders' equity				Total shareholders' equity	Accumulated other comprehensive income			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock		Net unrealized gains or losses on available-for-sale securities	Equity adjustment from foreign currency translation	Total accumulated other comprehensive income		
Balance as of March 31, 2010	10,836	6,331	6,749	(1,089)	22,827	(182)	7	(175)	204	22,857
Changes in the term										
Net income			289		289					289
Purchases of treasury stock				(28)	(28)					(28)
Net change in items other from those in shareholders' equity						(59)		(59)	(65)	(125)
Total of changes in the term	—	—	289	(28)	261	(59)	—	(59)	(65)	136
Balance as of March 31, 2011	10,836	6,331	7,038	(1,117)	23,088	(242)	7	(235)	139	22,993

Note: The figures in page 5 are rounded down to the nearest million yen.

SAXA Group (13 group companies)



- Notes: 1. As of April 1, 2011, SAXA Proassist, Inc. dissolved as a result of an absorption-type merger with SAXA, Inc.
 2. As of April 1, 2011, SAXA Logistics, Inc. acquired portions of business previously conducted under SAXA Proassist, Inc. as a result of an absorption-type demerger, and changed its namesake to SAXA Proassist, Inc.
 3. To enhance cohesiveness across manufacturing companies within the SAXA Group, as of January 31, 2011, Coretac, Inc. became a subsidiary of SAXA Techno, Inc. as a result of an acquisition of shares.

SAXA Holdings, Inc.

Established	February 2, 2004
Capital Stock	¥10,836,678,400
Head Office	1,377 (Consolidated) 17 (Nonconsolidated)
Head Office	NBF Platinum Tower, 17-3, Shirokane 1-chome, Minato-ku, Tokyo
Business	Management consultation for its subsidiaries that engage in the development, manufacture and sales of information communication system equipment and components

● Directors and Auditors (As of June 29, 2011)

President & C.E.O.	Masao Koshikawa	Director	Mutsuo Takematsu
Managing Director	Naoki Matsuo	Director	Toshiya Hatakeyama
Managing Director	Yuzuru Suzuki	Director	Naoki Yoshimura
Managing Director	Masaki Ohuchi	Standing Auditor	Masayuki Fukushima
Director	Naomitsu Murata	Auditor	Toshiharu Shimada
Director	Hiroshi Kimura	Auditor	Takashi Kouno
Director	Tomoyuki Shimada	Auditor	Masahiko Inohana

- Notes: 1. Toshiya Hatakeyama and Naoki Yoshimura are outside directors.
 2. Takashi Kouno and Masahiko Inohana are outside auditors.

SAXA, Inc.

Established	April 1, 2004
Capital Stock	¥10,700,000,000
Number of Employees	602
Business	Development, manufacture and sales of information communication system equipment and components, as well as the supply of services incidental to these activities

● Directors and Auditors (As of June 23, 2011)

President and C.E.O.	Masao Koshikawa	Director	Tomoyuki Shimada
Director	Naoki Matsuo	Director	Mutsuo Takematsu
Director	Yuzuru Suzuki	Director	Tadashi Minagawa
Director	Masaki Ohuchi	Standing Auditor	Toshiharu Shimada
Director	Naomitsu Murata	Auditor	Masayuki Fukushima
Director	Hiroshi Kimura	Auditor	Takashi Kouno

Note: Takashi Kouno is an outside auditor.

● Executive Officers (As of April 1, 2011)

President & C.E.O.	Masao Koshikawa	Executive Officer	Katsuhiko Hatori
Senior Executive Officer	Naoki Matsuo	Executive Officer	Noriaki Itoh
Senior Executive Officer	Yuzuru Suzuki	Executive Officer	Jun Ishida
Senior Executive Officer	Naomitsu Murata	Executive Officer	Yoichi Inoue
Senior Executive Officer	Hiroshi Kimura	Executive Officer	Atsushi Sogabe
Senior Executive Officer	Tomoyuki Shimada	Executive Officer	Toshikatsu Kazama
Senior Executive Officer	Mutsuo Takematsu	Executive Officer	Shigeru Sasaki
Senior Executive Officer	Tadashi Minagawa	Executive Officer	Hiroataka Yajima
Senior Executive Officer	Mitsugu Osaka		
Senior Executive Officer	Koji Nakamura		

Stock Information (As of March 31, 2011)

Shares

- Total number of shares authorized to be issued 240,000,000
- Total number of shares issued 62,449,621
- Number of shareholders 7,599

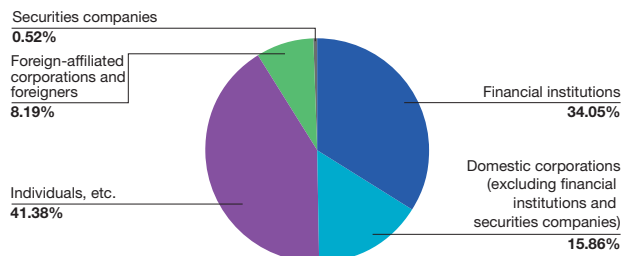
Major Shareholders

Shareholder name	Number of shares held (thousand)	Shareholding ratio (%)
Oki Electric Industry Co., Ltd.	6,060	10.0
NEC Corporation	6,060	10.0
Mizuho Bank, Ltd.	2,339	3.8
Sumitomo Mitsui Banking Corporation	1,767	2.9
Japan Trustee Services Bank, Ltd. (trust account)	1,399	2.3
The Master Trust & Bank of Japan, Ltd. (trust account)	1,364	2.2
CBNY DFA International Cap Value Portfolio	1,140	1.8
Bank of Tokyo-Mitsubishi UFJ, Ltd.	959	1.5
Mizuho Trust & Banking Co., Ltd.	900	1.4
Mitsui Sumitomo Insurance Co., Ltd.	773	1.2

Notes:

- Although the Company holds 1,922,015 shares of treasury stock, it is not listed in the Major Shareholders above.
- Shareholding ratio is calculated by deducting the number of shares of treasury stock from the total number of shares issued.
- The number of shares held by Oki Electric Industry Co., Ltd., includes the Company's 6,059,800 shares, which are contributed by Oki Electric Industry Co., Ltd., as the trust estate of the retirement benefit trust. (They are recorded in the name of "Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust (Oki Electric Industry Account) for the Re-trust by the Trustee of Trust & Custody Services Bank, Ltd." on the register of shareholders.)
- The number of shares held by Mizuho Bank, Ltd., includes the Company's 1,778,000 shares, which are contributed by Mizuho Bank, Ltd., as the trust estate of the retirement benefit trust. (They are recorded in the name of "Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust (Mizuho Bank Account) for the Re-trust by the Trustee of Trust & Custody Services Bank, Ltd." on the register of shareholders.)

Distribution of Shareholders by Category



Shareholder Information

Fiscal Year	April 1 to March 31
Record Date for Payment of Dividends	March 31
Ordinary General Shareholders' Meeting	June
Record Date	March 31 If necessary, another day may be designated as the record date with public announcement.
URL for Public Announcements	http://www.saxa.co.jp Note: We provide public announcement by electronic means. However, when accidents or other unavoidable reasons prevent us from using the method of electronic announcement, we will make announcements in the <i>Nihon Keizai Shimbun</i> (daily newspaper).
Custodian of the Register of Shareholders	Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo
Handling Office	Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo
Mailing Address	8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-8507
Telephone Referral	0120-288-324 (Toll-free call)
Dedicated Web Site	http://www.mizuho-tb.co.jp/daikou/
Special account handling organization	Mizuho Trust & Banking Co., Ltd. 2-1, Yaesu 1-chome, Chuo-ku, Tokyo
Agencies	Mizuho Trust & Banking Co., Ltd.: Head office and all branches nationwide Mizuho Investors Securities Co., Ltd.: Head office and all branches nationwide

Share-Related Procedures, Notification and Inquiries

Inquiries and notifications regarding share-related procedures (request for purchase of less-than-unit ("tangen") shares, change of address or name reported, etc.) should be directed to either of the following depending on whether or not an account is held with a securities company.

Shareholders holding an account with a securities company

.....To their securities company.

Shareholders not holding an account with a securities company

.....To Mizuho Trust & Banking Co., Ltd.