



6th Fiscal Business Report

April 1, 2008 ▶ March 31, 2009

SAXA Holdings, Inc.

Ticker code: 6675



Masanori Yoshioka
President & C.E.O.

The general business performance of SAXA Group are outlined in the 6th Fiscal Business Report (from April 1, 2008 to March 31, 2009) presented herein.

The global economic recession has impacted heavily on the Japanese economy during the fiscal year under review and resulted in a rapid slowdown in the real economy, including downturn in consumer spending and reduction of capital investment.

In the information and telecommunications network-related market, which constitutes a core market of SAXA Group, new initiatives are being undertaken to accommodate the growth in optical networks.

To cope with such a rapidly changing business environment, SAXA Group has been pursuing innovation based on its capabilities in engineering and product development, and therefore has continued to take various measures to expand business fields and strengthen its management structure.

As for “expanding business fields,” in its core Network Solutions and Security Solutions businesses, SAXA Group has been promoting initiatives to promptly develop and market amalgamated products of these two businesses to accommodate the needs of Next Generation Networks, while selectively focusing on prospective areas. As part of this endeavour, and in order to promote deeper understanding of the products and services that it provides, the Group had held a number of product exhibitions and

conferences in major cities in Japan, and has been enthusiastically implementing a number of solution proposals.

As for “strengthening our management structure,” the Group has taken measures to improve organizational structures and develop human resources in line with the future development and marketing of convergence products.

This has been achieved through a restructuring of sales organizations of each group company, implemented on July 1, 2008, to strengthen its sales force. Furthermore, SAXA, Inc. introduced a “Overseas Operation Division” on January 1, 2009, through which the establishment of global strategic planning and promotion systems across the Group has been advanced.

While the Group made every effort, including introduction of new products to expand its businesses during the fiscal year under review, the consolidated sales were affected by factors such as reduction of investment caused by deteriorating economic environment and decreased 14.8% year over year to ¥43,923 million. On the profit front, although it strived to reduce total costs, due to the reduced profit resulting from decrease in sales, SAXA Group recorded ordinary loss of ¥209 million, while it posted ordinary income of ¥806 million during the previous fiscal year. The Group posted net loss of ¥1,358 million due to the posting of losses on devaluation of investment securities and other factors, while it posted net income of ¥505 million during the previous fiscal year.

The dramatic deterioration in the market environment was the trigger for a decrease in net sales and a drop in share prices, bringing the net loss for the fiscal year under review. Considering the net loss recorded and the continuing uncertainty surrounding the economic outlook, the Group, regrettably, has decided not to make dividend payments for this fiscal year.

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.

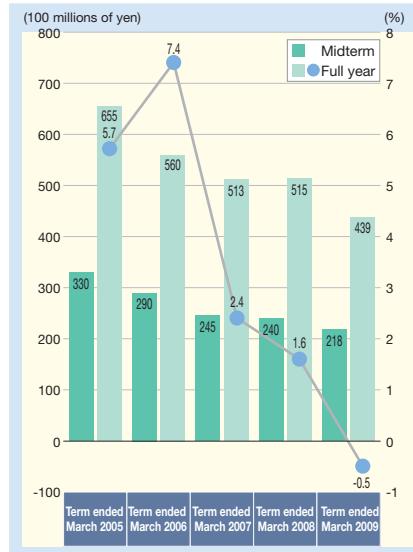
Cautionary Statement

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.

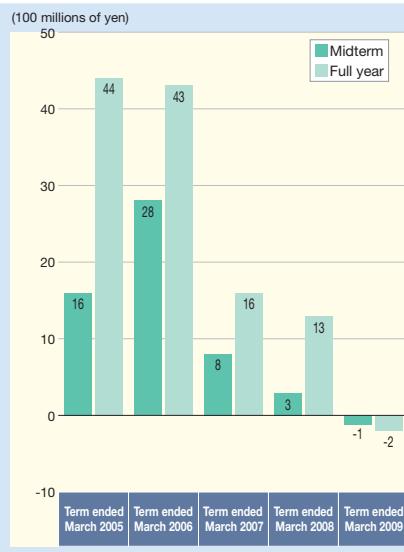
Consolidated Financial Highlight

Net sales (left)

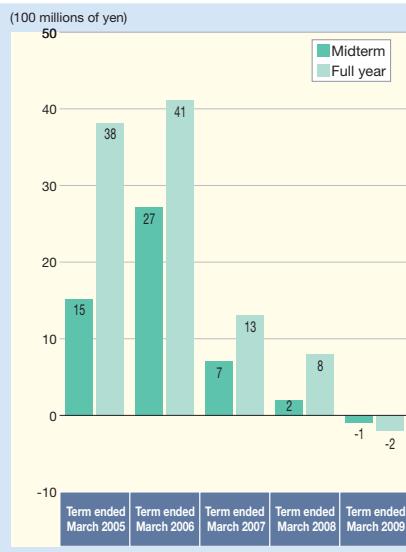
Ratio of ordinary income to net sales (right)



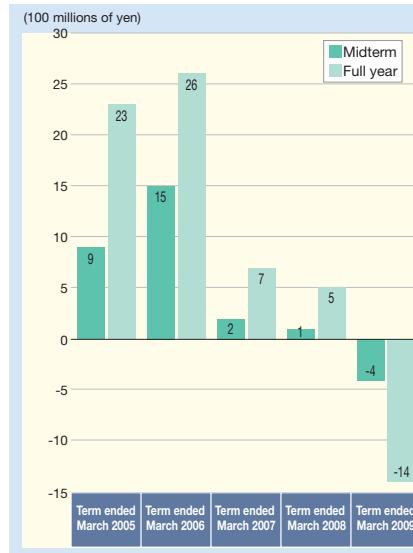
Operating income



Ordinary income

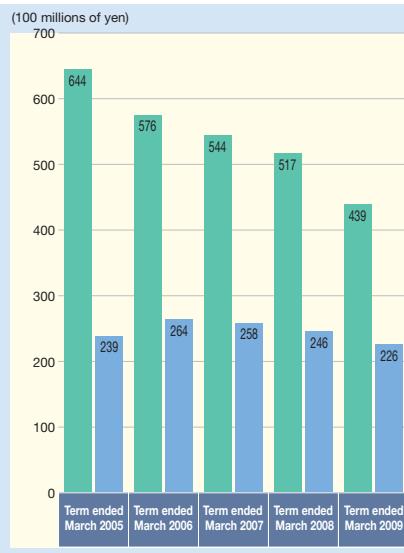


Net income



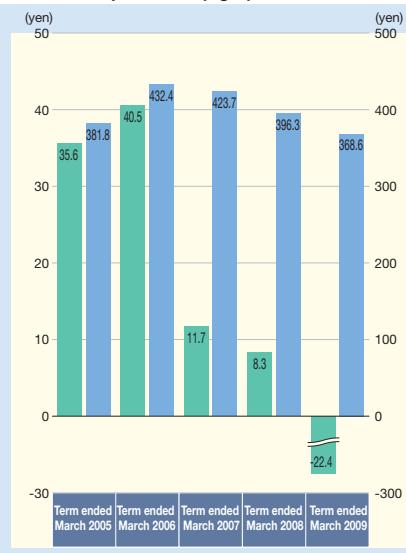
Total assets

Net assets



Net income per share (left)

Net assets per share (right)



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

Introducing the key telephone-interoperable office safety transmitter BS700

SAXA, Inc. developed a key telephone-interoperable Office Safety Transmitter BS700, and began sales in December 2008.

The BS700 fulfils diversity of security needs and, not only featuring emergency mobile phone dial and email messaging function, it also is interoperable with the key telephone Agrea HM700 and facilitates the creation of an efficient office safety system.

Combined application of sensors connected to the BS700 and IR sensor embedded multi-functional telephone Agrea HM700 ensures provision of wide range advanced office safety service.



BS700

Introducing security guard supporting ASP service MOBILKER G utilizing location information from mobile phones

In February 2009, SAXA, Inc. introduced MOBILKER G, an ASP service for security companies, through the sales partnership agreement with OKI Networks Co., Ltd. (business control transferred to Oki Network Integration Co., Ltd. in April 2009.)

The MOBILKER G is an ASP service comprising a function for providing notification of time and location based on the utilization of browsing and

GPS functions of mobile phones, and schedule/performance management and alarm notification functions for managers. This service allows security company managers to efficiently manage several hundred security guards, and to much more efficiently implement management tasks such as telephone reception, record management and safety confirmation.

Entry into interactive visual communication solutions

As an audio/data/video image solution initiative of which continues to grow in importance due to the expansion of high-capacity, high-speed networks such as those typified by NGN, SAXA, Inc. has entered into a sales and technological development collaboration with Radvision Ltd. of Israel, which possesses multi-point connection technology and image codec technology to create an “interactive” image solution.

As one of the initiatives to be implemented as a part of this collaboration, SAXA will start sales of SCOPIA—a device that facilitates multipoint multi-device connection. The SCOPIA eliminates the need for dedicated terminals even when teleconferencing systems of different manufacturers are being used at the different locations, and affords the creation of a teleconferencing environment in which diversity of terminals including personal computers and mobile phones can be utilized.

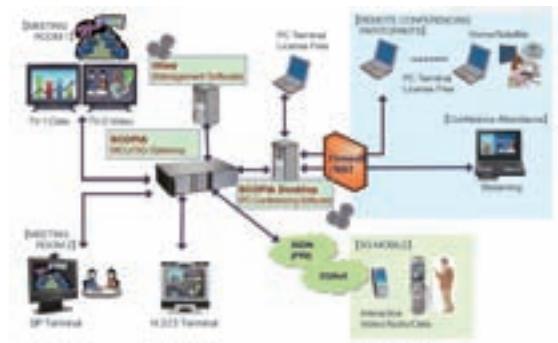


Image of the Teleconferencing System Configuration

Collaboration with Tokyu Corporation for the development of PASMO integrated ID—compatible device and provision of related systems

SAXA, Inc. as the customer service interface, has joined forces with the Tokyu Corporation to develop and provide a PASMO Integrated ID and its compatible device as well as systems for use therewith.

Previous initiatives undertaken by SAXA have included contactless IC card campus solutions and office solutions, and its campus system is used in more than 60 educational institutions throughout Japan including universities and technical colleges. In collaboration with Tokyu Corporation, SAXA, Inc. will utilize its accumulated experience and

expertise to link a variety of systems, including school and company attendance control, access control, PC login and copy/printer management, with the PASMO Integrated ID for the benefit of a greater number of universities and businesses of metropolitan areas and, with a view to enhancing customer convenience, it will continue to actively promote the expansion of its campus solutions and office solutions.

Promoting business expansion of the component businesses of SAXA Group —SAXA Precision, Inc.—

Kobishi Electric Co., Ltd. and Union Electric, Inc.—two consolidated subsidiaries of SAXA Group—merged and started operating under the name of SAXA Precision, Inc. on April 1, 2009. The purpose of the merger is to integrate development, manufacturing and sales functions of Kobishi Electric Co., Ltd., whose core business is development, manufacturing and sale of fire-alarm equipment and power source related equipment, and Union Electric, Inc., which mainly engages in the development, manufacturing and sale of automobile components, counters and medical related components, and thereby strengthen management base and improve management efficiency. As a newly created component company of SAXA Group, the company is to further develop the existing markets and also expand into adjoining markets.

Trade Name	SAXA Precision, Inc.
Representative	President and Representative Director Yoshinobu Ishikawa
Business Details	Design, manufacture and sale of crime-prevention/ disaster-prevention equipment, transformers, amusement-related equipment, automobile related components, counters (various counters), medical equipment related components
Location of Head Office	1805-1, Kamiya, Kounosu-shi, Saitama
Yonezawa Office	1713, Nakada-machi, Yonezawa-shi, Yamagata
Capital stock	¥100,000,000

SAXA COLLECTION Exhibition

To deepen the understanding of the products and services offered by SAXA Group amongst its clients including representatives of SAXA products, SAXA Group held its private exhibition “SAXA COLLECTION” and conference in five major cities across Japan between December 2008 and January 2009.

In addition to presentation on the business orientation of the Group, the various products and services sold by SAXA Group were exhibited according to six separate usage scenes (office solutions, campus solutions, life solutions, shopping mall solutions, component solutions and NGN).

A large number of participants attended each of the conferences, and the areas exhibiting SAXA Group product were jam-packed with people listening attentively to explanations and enthusiastically asking questions. SAXA COLLECTION of this time has provided an opportunity to not only promote the understanding of SAXA Group amongst the Group’s clients, but also to enthusiastically demonstrate a range of Group’s solutions proposals.



Presentation on Business Orientation

Consolidated Financial Statements (Condensed)

● Consolidated Balance Sheets

(Millions of yen)

Account item	5th fiscal term (as of March 31, 2008)	6th fiscal term (as of March 31, 2009)
Assets		
Current assets	28,743	22,685
Fixed assets	22,886	21,159
Property, plant and equipment	12,934	12,546
Intangible fixed assets	5,842	5,524
Investments and other assets	4,108	3,088
Deferred assets	41	30
Total assets	51,670	43,875
Liabilities		
Current liabilities	16,996	13,461
Long-term liabilities	10,112	7,788
Total liabilities	27,108	21,250
Net assets		
Shareholders' equity	24,355	22,690
Common stock	10,836	10,836
Capital surplus	6,331	6,331
Retained earnings	8,272	6,610
Treasury stock	(1,085)	(1,088)
Valuation, translation adjustments and others	(278)	(302)
Minority interests	485	237
Total net assets	24,562	22,625
Total liabilities and net assets	51,670	43,875

● Consolidated Statements of Income

(Millions of yen)

Account item	5th fiscal term (as of March 31, 2008)	6th fiscal term (as of March 31, 2009)
Net sales	51,536	43,923
Cost of goods sold	38,155	32,140
Gross profit	13,380	11,782
Selling, general and administrative expenses	12,115	11,943
Operating income (loss)	1,265	(161)
Nonoperating income	680	498
Nonoperating expenses	1,139	546
Ordinary income (loss)	806	(209)
Special profits	696	7
Special losses	533	1,117
Income (Loss) before income taxes	969	(1,318)
Income taxes-current	261	48
Income taxes-deferred	235	(20)
Minority interest in income (loss)	(33)	11
Net income (loss)	505	(1,358)

● Consolidated Statements of Cash Flows

(Millions of yen)

Account item	5th fiscal term (as of March 31, 2008)	6th fiscal term (as of March 31, 2009)
Cash flows from operating activities	2,697	6,207
Cash flows from investing activities	(3,438)	(2,484)
Cash flows from financing activities	(1,389)	(3,465)
Effect of exchange rate changes on cash and cash equivalents	(0)	3
Net increase (decrease) in cash and cash equivalents	(2,131)	259
Cash and cash equivalents at the beginning of the term	6,988	4,856
Cash and cash equivalents at the end of the term	4,856	5,116

● Consolidated Statement of Changes in Shareholders' Equity, etc.

(From April 1, 2008 to March 31, 2009)

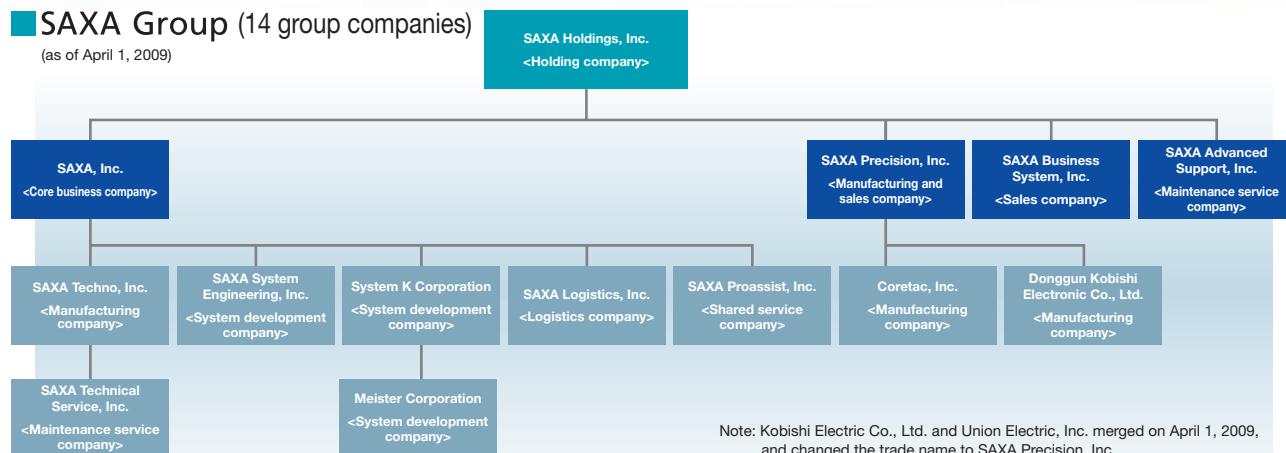
(Millions of yen)

	Shareholders' equity					Valuation, translation adjustments and others			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains or losses on available-for-sale securities	Equity adjustment from foreign currency translation	Total valuation, translation adjustments and others		
Balance as of March 31, 2008	10,836	6,331	8,272	(1,085)	24,355	(301)	22	(278)	485	24,562
Change in FY2008										
Cash dividends paid			(303)		(303)					(303)
Net loss			(1,358)		(1,358)					(1,358)
Purchases of treasury stock				(3)	(3)					(3)
Net change in items other from those in shareholders' equity						(8)	(15)	(23)	(248)	(271)
Total of changes in FY2008	—	—	(1,661)	(3)	(1,665)	(8)	(15)	(23)	(248)	(1,936)
Balance as of March 31, 2009	10,836	6,331	6,610	(1,088)	22,690	(310)	7	(302)	237	22,625

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

SAXA Group (14 group companies)

(as of April 1, 2009)



Note: Kobishi Electric Co., Ltd. and Union Electric, Inc. merged on April 1, 2009, and changed the trade name to SAXA Precision, Inc.

SAXA Holdings, Inc.

Established	February 2, 2004
Capital Stock	¥10,836,678,400
Number of Employees	1,529 (Consolidated) 22 (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

President & C.E.O.	Masanori Yoshioka	Director	Naomitsu Murata
Representative Director and Vice President	Masao Koshikawa	Director	Keiichi Fukumura
Managing Director	Shin Murakami	Director	Kiyoshi Nakanishi
Managing Director	Shuji Matsuyama	Standing Auditor	Masayuki Fukushima
Managing Director	Yuzuru Suzuki	Auditor	Masao Fujimaki
Managing Director	Masaki Ohuchi	Auditor	Takashi Kouno
Director	Toshio Adachi	Auditor	Masahiko Inohana

Notes: 1. Keiichi Fukumura and Kiyoshi Nakanishi 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	662
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

Chairman & C.E.O.	Masanori Yoshioka	Director	Toshio Adachi
President & C.O.O.	Masao Koshikawa	Director	Naomitsu Murata
Director	Shin Murakami	Director	Toshio Yamada
Director	Shuji Matsuyama	Standing Auditor	Masao Fujimaki
Director	Yuzuru Suzuki	Auditor	Masayuki Fukushima
Director	Masaki Ohuchi	Auditor	Takashi Kouno

Note: Takashi Kouno is an outside auditor.

● Executive Officers

Chairman & C.E.O.	Masanori Yoshioka	Senior Executive Officer	Toshiyuki Ogawa
President & C.O.O.	Masao Koshikawa	Senior Executive Officer	Tadashi Minagawa
Senior Executive Officer	Shin Murakami	Executive Officer	Mutsuo Takematsu
Senior Executive Officer	Shuji Matsuyama	Executive Officer	Katsuhiko Hatori
Senior Executive Officer	Yuzuru Suzuki	Executive Officer	Toshiharu Shimada
Senior Executive Officer	Masaki Ohuchi	Executive Officer	Noriaki Itoh
Senior Executive Officer	Toshio Adachi	Executive Officer	Jun Ishida
Senior Executive Officer	Naomitsu Murata	Executive Officer	Mitsugu Osaka
Senior Executive Officer	Toshio Yamada	Executive Officer	Kohei Sugai

Stock Information (As of March 31, 2009)

Shares

- Total number of shares authorized to be issued 240,000,000
- Total number of shares issued and outstanding 62,449,621
- Number of shareholders 8,536

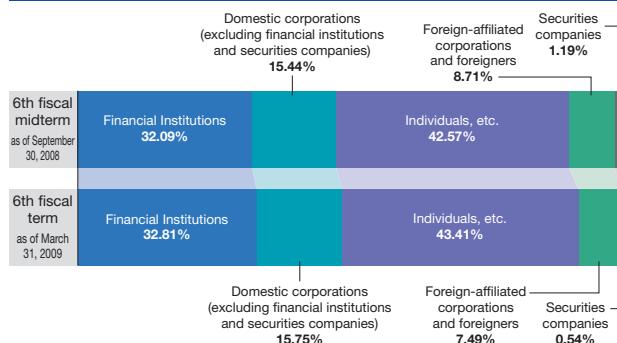
Major Shareholders

Shareholder name	Number of shares held (thousand)
Oki Electric Industry Co., Ltd.	6,060
NEC Corporation	6,060
Mizuho Bank, Ltd.	2,339
Japan Trustee Services Bank, Ltd. (trust account 4G)	2,120
Sumitomo Mitsui Banking Corporation	1,767
Japan Trustee Services Bank, Ltd. (trust account)	967
Bank of Tokyo-Mitsubishi UFJ, Ltd.	959
CBNY DFA International Cap Value Portfolio	919
Mizuho Trust & Banking Co., Ltd.	900
Mitsui Sumitomo Insurance Co., Ltd.	773

Notes:

- Although the Company holds 1,716,089 shares of treasury stock, it is not listed in the Major Shareholders above.
- 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
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 notice.
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	Stock Transfer Agency Department, Head 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	Agencies for the special account handling organization Mizuho Trust & Banking Co., Ltd.: All branches nationwide Mizuho Investors Securities Co., Ltd.: Head office and all branches nationwide, as well as Planet Booths

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.



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