



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2013
(April 1, 2012 through June 30, 2012)
(Prepared pursuant to Japanese GAAP)

All financial information has been prepared in accord with accounting principles generally accepted in Japan. This is a partial English translation of the original Japanese-language document. All information pertains to consolidated results unless otherwise noted. Information on the basis of presentation of consolidated financial statements does not appear in this translation.

July 31, 2012

Company name: IT Holdings Corporation
 Stock exchange listings: The First Section of the Tokyo Stock Exchange
 Stock code: 3626
 URL: <http://www.itholdings.co.jp/e/>
 Representative: Susumu Okamoto, President
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Scheduled dates
 Submission of quarterly report: August 9, 2012
 Commencement of dividend payments: -
 Supplementary materials to the quarterly results: Available
 Quarterly results presentation: Available (targeted at institutional investors and analysts)

Figures in millions of yen are rounded down to the nearest million

1. Consolidated Results for the First Quarter of the Fiscal Year Ending March 31, 2013
(April 1, 2012 – June 30, 2012)

(1) Consolidated Financial Results Percentages indicate year-over-year changes

	Net sales		Operating income		Recurring profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
First Quarter, FY2013	72,620	7.0	256	—	316	—	(453)	—
First Quarter, FY2012	67,891	(1.6)	(2,036)	—	(1,691)	—	(1,360)	—

Note: Comprehensive income: First Quarter FY 2013: (866) million yen (- %), First Quarter FY 2012: (1,770) million yen (- %)

	Net income per share – basic	Net income per share – diluted
	yen	yen
First Quarter, FY2013	(5.17)	—
First Quarter, FY2012	(15.50)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
End-First Quarter, FY2013	294,303	148,698	48.1	1,612.16
End-FY2012	310,003	150,965	46.3	1,636.72

For reference:

Shareholders' equity: End-first quarter FY2013: 141,502 million yen , End-FY2012: 143,658 million yen.

2. Cash Dividends for Shareholders of Common Stock

Record date or period	Cash dividends per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
	yen	yen	yen	yen	yen
FY2012	-	0.00	-	18.00	18.00
FY2013	-	-	-	-	-
FY2013 (forecast)	-	7.00	-	14.00	21.00

Note: Revisions from the latest release of dividends forecasts: None

3. Forecast of Consolidated Results for FY2013 (April 1, 2012 – March 31, 2013)

Percentages indicate year-over-year changes

	Net sales		Operating income		Recurring profit		Net income		Net income per share – basic
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	Yen
First half of FY 2013 (six months ending Sep. 30, 2012)	162,000	4.7	5,000	6.8	5,000	6.8	2,000	-	22.79
Full FY 2013 (year ending Mar. 31, 2013)	340,000	3.8	17,500	12.0	17,000	10.4	6,000	181.0	68.36

Note: Revisions from the latest release of earnings forecasts: None

※ Notes

- (1) Material reclassifications of subsidiaries during the period: None
(Changes in specified subsidiaries resulting in change in scope of consolidation)
Additions: None: Exclusions: None
- (2) Accounting methods specific to quarterly consolidated financial statements: None
- (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement
 - 1) Changes in accordance with amendments to accounting standards, etc.: None
 - 2) Changes other than noted in 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Common stock issued
 - 1) Issued shares as of period-end (including treasury stock):

End-first quarter, FY2013 (June 30, 2012):	87,789,098 shares
End-FY2012 (March 31, 2012):	87,789,098 shares
 - 2) Treasury stock as of period-end:

End-first quarter, FY2013 (June 30, 2012):	17,147 shares
End-FY2012 (March 31, 2012):	16,882 shares
 - 3) Average number of shares (during the respective three-month period):

First quarter, FY2013 (ended June 30, 2012):	87,772,147 shares
First quarter, FY2012 (ended June 30, 2011):	87,773,589 shares

*Quarterly review status

These materials are not subject to the quarterly review procedure requirements of Japan's Financial Instruments and Exchange Act. As of this report's publication, a review of the quarterly consolidated financial statements in accordance with the Act had not been completed.

Caution on Forward-Looking Statements and Other Important Matters

This report contains forward-looking statements that reflect IT Holdings Corporation (ITHD)'s plans and expectations. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause ITHD's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

For the assumptions underlying the forecasts herein and other notice on the use of earnings forecasts, refer to "(2) Analysis of Consolidated Earnings Forecast" in the "1. Results of Operations" section on page 2 in the Accompanying Materials.

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1. Results of Operations

(1) Analysis of Consolidated Operating Results

In the first quarter of fiscal 2013 (April 1, 2012 – June 30, 2012), the outlook for the Japanese economy, especially the financial industry, remained uncertain due to concerns over the impact of the European sovereign debt crisis. However, the IT services industry, to which the IT Holdings Group belongs, and in which the overall trend in IT investment remains patchy, saw some clients resume IT investments, and the number of orders won by the IT Holdings Group rose as it responded meticulously to customer requirements.

For the first quarter, the Group's consolidated net sales increased 7.0% versus the same period of the previous fiscal year to ¥72,620 million. Operating income totaled ¥256 million, compared with a loss of ¥2,036 million in the year-earlier quarter, and recurring profit amounted to ¥316 million compared with a loss of ¥1,691 million for the same period of the previous fiscal year. Net loss totaled ¥453 million versus a loss of ¥1,360 for the year-earlier quarter.

Consolidated net sales increased year on year led by strong sales growth in the industrial IT services segment. The Group posted operating income and recurring profit, compared with an operating loss and a recurring loss in the same period of the previous fiscal year, as net sales increased and profit levels significantly improved, reflecting the impact of the structural reforms implemented in the previous fiscal year and efforts to rein in large-scale unprofitable projects.

First-quarter results by segment are as follows. The sales figures of each segment include inter-segment sales.

1) IT Infrastructure Services

Consolidated sales rose 1.4% year on year to ¥26,980 million and operating income increased 109.6% to ¥1,700 million. Sales increased on the strength of increased demand for the next-generation data center business, which includes the GDC Gotenyama data center, and profit increased significantly as a result of cost reductions through promotion of efficient operation and other measures.

2) Financial IT Services

Consolidated sales in the first quarter increased 1.9% from the same period a year ago to ¥13,618 million, and operating loss narrowed to ¥202 million from ¥753 million. There were signs of resumption in IT-related investments at some credit card companies, and profit levels also improved due mainly to the impact of the structural reforms.

3) Industrial IT Services

Consolidated sales rose 11.6% year on year to ¥31,909 million, and the operating loss narrowed to ¥1,424 million from ¥2,193 million for the same period of the previous fiscal year. A large-scale system development project for a major manufacturer led the sales increase, while profit levels improved as the Group reined in unprofitable projects and the timings of receiving inspections for some projects were brought forward.

4) Other

Consolidated sales in this segment increased 12.3% year on year to ¥4,516 million, and operating income rose 12.6% to ¥570 million.

Starting April 2012, the IT Holdings Group embarked on implementation of measures under the second medium-term management plan (from fiscal 2013 through fiscal 2015) with the aim of becoming an IT business that will implement reforms as a single unit. Under the three basic concepts of “Top-Line Emphasis,” acting “as One Company” and being “Enterprising and Bold,” the Group has set the management strategy for fiscal 2013 as “Position fiscal 2013 as the year for achieving a full-scale V-shaped recovery and sales expansion,” “develop a sense of unity to achieve Group total optimum” and “carry out business transformation while embracing a shift to services- and solutions-oriented business,” and has been addressing the management issues.

The Group has launched projects to study the cash management system (CMS) integrated operation and the consolidated taxation system from the perspective of operating the Group with a sense of unity, and has been implementing various measures including the establishment of the Brand Committee to promote the concept of “as One Company.”

In June 2012, the Group started offering EINS WAVE, a high-availability wide-area virtual cloud service for corporate customers by linking together its three data centers in Japan (Tokyo, Hokuriku and Kansai) to leverage the country's biggest data center network, which is the IT Holding Group's strength.

On July 31, 2012, the Group made a decision to reorganize its group formation, making its subsidiary IUK Inc. into a subsidiary of INTEC Inc., which is an IT Holdings subsidiary, to strengthen the business and improve the efficiency of IUK.

(2) Analysis of Consolidated Earnings Forecast

Since consolidated business performance to date has been generally in line with the original forecast made at the beginning of the fiscal year under review, there is no change to the consolidated earnings forecast announced on May 10, 2012.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Items	As of March 31, 2012	As of June 30, 2012
	millions of yen	millions of yen
Assets		
Current assets		
Cash and deposits	41,365	45,643
Notes and accounts receivable	64,591	42,498
Lease receivables and lease investment assets	8,942	8,753
Marketable securities	201	201
Merchandise and finished goods	2,633	4,017
Work in process	8,278	12,742
Raw materials and supplies	209	210
Deferred tax assets	8,027	6,933
Other current assets	8,305	7,941
Allowance for doubtful accounts	(112)	(133)
Total current assets	142,442	128,808
Fixed assets		
Property and equipment		
Buildings and structures, net	58,635	57,987
Machinery and equipment, net	4,360	4,137
Land	22,266	21,836
Leased assets, net	3,455	3,689
Other property and equipment, net	6,074	6,715
Total property and equipment	94,792	94,366
Intangible assets		
Goodwill	3,471	3,054
Other intangible assets	14,047	13,763
Total intangible assets	17,519	16,818
Investments and other assets		
Investment securities	28,693	27,984
Deferred tax assets	8,597	10,404
Other assets	19,986	17,919
Allowance for doubtful accounts	(2,028)	(1,998)
Total investments and other assets	55,248	54,310
Total fixed assets	167,560	165,495
Total assets	310,003	294,303

Items	As of March 31, 2012	As of June 30, 2012
	millions of yen	millions of yen
Liabilities		
Current liabilities		
Notes and accounts payable	17,917	12,908
Short-term borrowings	23,126	23,509
Corporate bonds (redeemed within one year)	100	100
Income taxes payable	2,341	910
Accrued bonuses to directors and employees	11,115	5,924
Other allowances	322	132
Other current liabilities	28,141	28,814
Total current liabilities	83,065	72,299
Non-current liabilities		
Long-term debt	53,288	51,003
Lease obligations	4,723	5,033
Accrued retirement benefits to employees	12,359	11,900
Accrued retirement benefits to directors	107	103
Deferred tax liabilities	503	494
Deferred tax liabilities from revaluation of land	869	732
Other non-current liabilities	4,120	4,037
Total non-current liabilities	75,972	73,305
Total liabilities	159,038	145,604
Net assets		
Shareholders' equity		
Common stock	10,001	10,001
Additional paid-in capital	86,787	86,787
Retained earnings	47,673	45,888
Less treasury stock, at cost	(25)	(25)
Total shareholders' equity	144,436	142,651
Accumulated other comprehensive income		
Net unrealized gains on other securities	1,210	1,030
Revaluation of land	(1,718)	(1,967)
Foreign currency translation adjustments	(270)	(212)
Total accumulated other comprehensive income	(778)	(1,149)
Stock acquisition rights	38	29
Minority interests	7,267	7,166
Total net assets	150,965	148,698
Total liabilities and net assets	310,003	294,303

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statements of Income**

Items	First Quarter FY2012 (Apr. 1 – Jun. 30, 2011)	First Quarter FY2013 (Apr. 1 – Jun. 30, 2012)
	millions of yen	millions of yen
Net sales	67,891	72,620
Cost of sales	58,129	61,464
Gross profit	9,761	11,156
Selling, general and administrative expenses	11,798	10,899
Operating profit (loss)	(2,036)	256
Non-operating income		
Interest income	21	6
Dividends income	462	449
Other	266	215
Total non-operating income	750	670
Non-operating expenses		
Interest expenses	250	208
Equity in losses of non-consolidated subsidiaries and affiliates	76	96
Other	78	305
Total non-operating expenses	405	610
Recurring profit (loss)	(1,691)	316
Extraordinary income		
Gain on sale of investment securities	0	69
Gain on extinguishment of tie-in shares	41	—
Other	6	1
Total extraordinary income	49	70
Extraordinary loss		
Impairment loss	8	434
Merger expenses	159	—
Other	138	96
Total extraordinary loss	306	530
Income (loss) before income taxes and minority interests	(1,948)	(143)
Income taxes: current	1,158	1,042
Income taxes: deferred	(1,730)	(668)
Total income taxes	(572)	373
Income (loss) before minority interests	(1,376)	(517)
Minority interests in earnings (losses) of consolidated subsidiaries	(16)	(63)
Net loss	(1,360)	(453)

Consolidated Statements of Comprehensive Income

Items	First Quarter FY2012 (Apr. 1 – Jun. 30, 2011)	First Quarter FY2013 (Apr. 1 – Jun. 30, 2012)
	millions of yen	millions of yen
Income (loss) before minority interests	(1,376)	(517)
Other comprehensive income		
Net unrealized gains on other securities	(450)	(183)
Difference in revaluation of land	—	(248)
Foreign currency translation adjustments	55	79
Share of other comprehensive income of associates accounted for using the equity method	0	3
Total other comprehensive income	(393)	(349)
Comprehensive income	(1,770)	(866)
Components:		
Comprehensive income attributable to owners of the parent	(1,759)	(825)
Comprehensive income attributable to minority interests	(11)	(41)

(3) Notes on the Going-concern Assumption

Not applicable

(4) Note on Significant Changes in the Amount of Shareholders' Equity

Not applicable