



Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2013
(April 1, 2012 through December 31, 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.

February 4, 2013

Company name: IT Holdings Corporation
 Stock exchange listings: The First Section of the Tokyo Stock Exchange
 Stock code: 3626
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Scheduled dates

Submission of quarterly report: February 12, 2013
 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 Three Quarters of the Fiscal Year Ending March 31, 2013
(April 1, 2012 – December 31, 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 Three Qtrs., FY2013	236,112	4.7	7,741	61.1	6,995	47.2	2,671	—
First Three Qtrs., FY2012	225,596	0.7	4,804	18.8	4,751	21.3	(3,729)	—

Note: Comprehensive income: First Three Qtrs., FY 2013: 3,265 million yen (- %) First Three Qtrs., FY 2012: (5,025) million yen (- %)

	Net income per share – basic	Net income per share – diluted
	yen	yen
First Three Qtrs., FY2013	30.43	30.41
First Three Qtrs., FY2012	(42.50)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
End-of Third Quarter, FY2013	291,427	152,090	49.6
End of FY2012	310,003	150,965	46.3

For reference: Total equity: End of third quarter, FY2013: 144,667 million yen End of FY2012: 143,658 million yen.

*Total equity = Shareholders' equity plus total accumulated other comprehensive income

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	-	7.00	-	-	-
FY2013 (forecast)	-	-	-	14.00	21.00

Note: Revision 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
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-Third Quarter, FY2013 (December 31, 2012): 87,789,098 shares
 - End-FY2012 (March 31, 2012): 87,789,098 shares
 - 2) Treasury stock as of period-end:
 - End-Third Quarter, FY2013 (December 31, 2012): 18,342 shares
 - End-FY2012 (March 31, 2012): 16,882 shares
 - 3) Average number of shares (during the respective nine-month period):
 - First three quarters, FY2013 (December 31, 2012): 87,771,555 shares
 - First three quarters, FY2012 (December 31, 2011): 87,773,322 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 3 in the accompanying materials.

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1. Results of Operations

(1) Analysis of Consolidated Operating Results

In the first nine months of fiscal 2013 (year ending March 31, 2013), the Japanese economy, despite being affected by the economic slowdown overseas, showed signs of gradual recovery on the back of reconstruction demand. Moreover, with the yen weakening and stock prices rising in anticipation of the economic measures following the change of government in November 2012, expectations rose for an economic recovery in which deflation would be conquered and growth achieved.

With regard to the business environment surrounding the IT Holdings Group, although some customers in manufacturing affected by overseas economy refrained from making investments out of concern over the economic outlook, the industry showed an improvement overall as customers resumed IT-related investments.

In the nine-month period to December 31, 2012, the IT Holdings Group's consolidated net sales rose 4.7% versus the same period of the previous fiscal year to ¥236,112 million, operating income increased by 61.1% to ¥7,741 million, and recurring profit rose 47.2% to ¥6,995 million. The Group posted net income of ¥2,671 million, recovering from a loss of ¥3,729 million in the same period of the previous fiscal year, when the Group recorded structural reform-related expenses.

Consolidated net sales increased year on year led by strong sales growth in the industrial IT services segment and also the gradual recovery in the financial IT services segment. Profit levels improved significantly compared with the previous year owing to higher net sales and improved productivity. The impact of the Group office relocation and integration as well as that of measures implemented in conjunction with the merger of Group companies in the previous term also contributed to the growth in profits.

The nine-month results by segment are as follows. The sales figures of each segment include inter-segment sales.

1) IT Infrastructure Services

Consolidated sales increased 0.6% year on year to ¥81,865 million and operating income declined 18.0% to 4,483 million yen. While net sales were steady as major customers started using the next-generation data centers, operating income declined year on year due to the impact of prior investments made to cater to the increased demand for the next-generation data center business as well as the rise in electricity charges.

2) Financial IT Services

Consolidated sales for the first nine months of fiscal 2013 rose 5.7% from the same period of the previous fiscal year to ¥49,457 million and operating income grew 287.5% to ¥2,580 million. The increase in sales and profits was primarily driven by the Group's major customer credit card companies' moves to resume IT-related investments and the impact of cost reductions.

3) Industrial IT Services

Consolidated sales increased 6.1% year on year to ¥105,776 million, while operating income amounted to ¥507 million, rebounding from a loss of ¥1,678 million in 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 by virtue of cost reductions.

4) Other

Consolidated sales in this segment rose 7.5% on year to ¥12,287 million, while operating income declined 3.2% to ¥1,598 million.

The IT Holdings Group has been taking a series of measures to reorganize its Group formation so as to build a structure that would facilitate future growth, while focusing on its core business and promoting consolidation based on business models.

To drive forward its growth strategy, TIS, Inc. added TIS Business Consultants, Inc. (formerly BM Consultants Inc.) to its group in a bid to enhance business portfolios and established a structure for the group to cover the entire business field starting from the extreme upstream. It also transferred customer onsite service business to TIS Solution Link Inc. in pursuit of further functional integration. Going forward, TIS plans to change the names of six of its subsidiaries to further strengthen the sense of unity with the TIS Group's brand. IUK Inc. was added to the INTEC INC. Group to enhance business collaboration and improve management efficiency and SKY INTEC Inc. and INTEC Amenity Inc. were merged. In addition, AJS Inc. plans to transfer its radiology information system business to outside of the Group.

As for business expansion, the Group has been bolstering its existing businesses while driving forward measures that leverage its strengths, precisely grasping the prevailing trends such as a shift to services-oriented business and globalization. The Group currently offers EINS WAVE, a high-availability wide-area virtual cloud service for corporate customers, by linking together its three domestic data centers (Tokyo, Hokuriku and Kansai), the first such commercially available service in Japan. It also offers the Asia Multi-platform Service which provides total IT infrastructure support to globalizing companies expanding into other Asian countries. Simultaneously, the Group also embarked on collaboration with SOFTBANK TELECOM Corp. in providing data center service and offering SOFTBANK's Pusan Data Center as a part of the disaster recovery and backup recovery (DR/BR) service.

In terms of business expansion related to big data, the importance of which has been increasing in corporate marketing activities, the Group established the TIS Enterprise Architecture Laboratory, a research and testing facility, which supports the formulation of effective IT strategies based on proof obtained from testing the performance of the IT system prior to its creation using actual hardware and software. At the same time, the Group also decided to develop C-Finder, a big data analysis platform, jointly with OPT Inc. and Mathematical Systems Inc. In the Online to Offline (O2O) related business, which is expected to expand following the rapid spread of smartphones, the Group has developed a proprietary indoor location estimation technique based on the world's first hybrid model that utilizes the smartphone's built-in sensor and microphone. The Group has been carrying out test demonstration of the technology in addition to promotional activities towards its utilization.

Against this background, the Group's efforts in being "Enterprising and Bold" has started steadily bearing results, with the Group's cloud compatible production control system AToMsQube winning the JISA Awards 2013 from the Japan Information Technology Services Industry Association (JISA) for being a highly original system that could be used on a global scale, and the Group's next generation Office "Thin Office" being granted the IT Frontier Award instituted by the Japan Institute of Information Technology for realizing an IT environment suitable for productivity improvement.

From the perspective of operating the Group with a sense of unity, the Group has launched and is actively pursuing projects to study the cash management system (CMS) integrated operation and consolidated taxation system, and has established a Brand Committee, all in quick succession. At the same time, it has started the activities of the IT Holdings Group College and energized intra-Group information sharing related to an international taxation system aimed at mitigating overseas tax-related risks among other measures to promote the concept of "as One Company" in earnest.

(2) Analysis of Consolidated Earnings Forecast

The consolidated earnings forecast announced on May 10, 2012 has been left unchanged, as the consolidated earnings for the period is more or less in line with the plan.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

Items	As of Mar. 31, 2012	As of Dec. 31, 2012
	millions of yen	millions of yen
Assets		
Current assets		
Cash and deposits	41,365	32,997
Notes and accounts receivable	64,591	43,032
Lease receivables and lease investment assets	8,942	8,402
Marketable securities	201	9,301
Merchandise and finished goods	2,633	3,982
Work in process	8,278	15,658
Raw materials and supplies	209	200
Deferred tax assets	8,027	4,854
Other current assets	8,305	8,831
Allowance for doubtful accounts	(112)	(178)
Total current assets	142,442	127,082
Fixed assets		
Property and equipment		
Buildings and structures, net	58,635	57,945
Machinery and equipment, net	4,360	3,888
Land	22,266	21,613
Leased assets, net	3,455	3,673
Other property and equipment, net	6,074	6,883
Total property and equipment	94,792	94,004
Intangible assets		
Goodwill	3,471	2,215
Other intangible assets	14,047	13,692
Total intangible assets	17,519	15,908
Investments and other assets		
Investment securities	28,693	28,482
Deferred tax assets	8,597	10,673
Other assets	19,986	17,785
Allowance for doubtful accounts	(2,028)	(2,509)
Total investments and other assets	55,248	54,432
Total fixed assets	167,560	164,345
Total assets	310,003	291,427

Items	As of Mar. 31, 2012	As of Dec. 31, 2012
	millions of yen	millions of yen
Liabilities		
Current liabilities		
Notes and accounts payable	17,917	13,272
Short-term borrowings	23,126	23,798
Corporate bonds (redeemed within one year)	100	-
Income taxes payable	2,341	709
Accrued bonuses to directors and employees	11,115	5,378
Other allowances	322	182
Other current liabilities	28,141	25,304
Total current liabilities	83,065	68,646
Non-current liabilities		
Long-term debt	53,288	48,134
Lease obligations	4,723	4,870
Accrued retirement benefits to employees	12,359	12,350
Accrued retirement benefits to directors	107	108
Deferred tax liabilities	503	479
Deferred tax liabilities from revaluation of land	869	732
Other non-current liabilities	4,120	4,014
Total non-current liabilities	75,972	70,690
Total liabilities	159,038	139,336
Net assets		
Shareholders' equity		
Common stock	10,001	10,001
Additional paid-in capital	86,787	86,787
Retained earnings	47,673	48,399
Less treasury stock, at cost	(25)	(27)
Total shareholders' equity	144,436	145,161
Accumulated other comprehensive income		
Net unrealized gains on other securities	1,210	1,742
Revaluation of land	(1,718)	(1,967)
Foreign currency translation adjustments	(270)	(268)
Total accumulated other comprehensive income	(778)	(493)
Stock acquisition rights	38	42
Minority interests	7,267	7,380
Total net assets	150,965	152,090
Total liabilities and net assets	310,003	291,427

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

Items	First Three Qtrs., FY2012 (Apr. 1 – Dec. 31, 2011)	First Three Qtrs., FY2013 (Apr. 1 – Dec. 31, 2012)
	millions of yen	millions of yen
Net sales	225,596	236,112
Cost of sales	187,084	196,774
Gross profit	38,511	39,337
Selling, general and administrative expenses	33,706	31,596
Operating income	4,804	7,741
Non-operating income		
Interest income	24	10
Dividend income	513	540
Other	687	589
Total non-operating income	1,225	1,140
Non-operating expenses		
Interest expenses	691	587
Equity in losses of non-consolidated subsidiaries and affiliates	145	180
Provision of allowance for doubtful accounts	-	536
Other	440	581
Total non-operating expenses	1,278	1,885
Recurring profit	4,751	6,995
Extraordinary income		
Gain on sale of investment securities	420	83
Other	102	2
Total extraordinary income	523	106
Extraordinary loss		
Impairment loss	142	658
Structural reform-related expenses	7,377	—
Other	960	807
Total extraordinary loss	8,479	1,466
Income (loss) before income taxes and minority interests	(3,204)	5,635
Income taxes: current	1,234	1,873
Income taxes: deferred	(603)	794
Total income taxes	631	2,668
Income (loss) before minority interests	(3,836)	2,967
Minority interests in earnings (losses) of consolidated subsidiaries	(106)	296
Net income (loss)	(3,729)	2,671

Consolidated Statements of Comprehensive Income

Items	First Three Qtrs., FY2012 (Apr. 1 – Dec. 31, 2011)	First Three Qtrs., FY2013 (Apr. 1 – Dec. 31, 2012)
	millions of yen	millions of yen
Income (loss) before minority interests	(3,836)	2,967
Other comprehensive income		
Net unrealized gains on other securities	(1,234)	545
Difference in revaluation of land	123	(248)
Foreign currency translation adjustments	(72)	2
Share of other comprehensive income of associates accounted for using the equity method	(5)	(1)
Total other comprehensive income	(1,189)	297
Comprehensive income	(5,025)	3,265
(Composition)		
Comprehensive income attributable to owners of the parent	(4,893)	2,955
Comprehensive income attributable to minority interests	(131)	309

(3) Note on the Going-concern Assumption

Not applicable

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

Not applicable