Information Meeting Materials for Fiscal 2008, ended March 31, 2008

- **Financial Results for Fiscal 2008 (TIS and INTEC Holdings)**
- **Forecast for Fiscal 2009 (IT Holdings)**
- **Management Philosophy, Business Direction and Management Strategy of IT Holdings**

IT Holdings Corporation

May 16, 2008

Financial Results for Fiscal 2008

Fiscal 2008 Financial Summary (TIS and INTEC Holdings)

IT Holdings

(Millions of yen)	TIS (Consolidated) and INTEC Holdings (Consolidated)	
	Amount	Composition
Net sales	322,412	100.0%
Operating income	19,973	6.2%
Recurring profit	19,947	6.2%
Net income	8,673	2.7%

(Millions of yen)	TIS (Consolidated)	
	Amount	Composition
Net sales	199,261	100.0%
Outsourcing services	80,844	40.6%
Software development	92,655	46.5%
Solution services	22,026	11.1%
Other business	3,735	1.8%
Operating income	10,432	5.2%
Recurring profit	11,170	5.6%
Net income	4,153	2.1%

(Millions of yen)	INTEC Holdings (Consolidated)	
	Amount	Composition
Net sales	123,151	100.0%
Information and telecommunication	114,526	93.0%
Leasing businesses	5,070	4.1%
Real estate rental and management	1,848	1.5%
Other business	1,705	1.4%
Operating income	9,541	7.7%
Recurring profit	8,777	7.1%
Net income	4,520	3.7%

*The figures above are the respective consolidated totals for TIS and INTEC Holdings.

(Millions of yen)	TIS (Consolidated) and INTEC (Nonconsolidated)	TIS (Consolidated)	INTEC (Nonconsolidated)
Balance of orders received at the end of fiscal 2007 (1)	49,002	36,909	12,093
Order volume received during fiscal 2008 (2)	150,924	109,616	41,308
Net sales in fiscal 2008 (3)	134,700	92,655	42,045
Balance of orders received at the end of fiscal 2008 (1)+(2)-(3)	65,227	53,870	11,357

*The figures above are consolidated amounts for TIS and nonconsolidated amounts for INTEC.

【 IT Holdings Business Segments】

TIS		IT Holdings		INTEC Holdings
Outsourcing services	→	**Outsourcing and network**	←	Outsourcing and network
Software development	→	**Software development**	←	Software development, and system integration
Solution services	→	**Solution services**	←	
Other business	→	**Other business**	←	Leasing, real estate rental and management, and other businesses

Fiscal 2008 Financial Summary (TIS)

IT Holdings

(Millions of yen)

Consolidated	Fiscal 2007 (a)		Fiscal 2008 (b)		Change		Fiscal 2008 Original estimates (c)		Change	
	Amount	Composition	Amount	Composition	Amount (b-a)	% (b/a)	Amount	Composition	Amount (b-c)	% (b/c)
Net sales	211,581	100.0%	199,261	100.0%	(12,320)	(5.8)%	200,000	100.0%	(738)	(0.4)%
Outsourcing services	75,553	35.7%	80,844	40.6%	5,290	7.0%	80,000	40.0%	844	1.1%
Software development	102,944	48.7%	92,655	46.5%	(10,289)	(10.0)%	92,500	46.3%	155	0.2%
Solution services	28,028	13.2%	22,026	11.1%	(6,001)	(21.4)%	24,000	12.0%	(1,973)	(8.2)%
Other business	5,055	2.4%	3,735	1.8%	(1,320)	(26.1)%	3,500	1.7%	235	6.7%
Operating income (loss)	(0)	(0.0)%	10,432	5.2%	10,433	—	8,000	4.0%	2,432	30.4%
Recurring profit	1,216	0.6%	11,170	5.6%	9,954	818.4%	8,800	4.4%	2,370	26.9%
Net income (loss)	(818)	(0.4)%	4,153	2.1%	4,972	—	3,200	1.6%	953	29.8%

*Revisions to the original estimates above were announced on May 26, 2007.

(Millions of yen)

Nonconsolidated	Fiscal 2007 (a)		Fiscal 2008 (b)		Change		Fiscal 2008 Original estimates (c)		Change	
	Amount	Composition	Amount	Composition	Amount (b-a)	% (b/a)	Amount	Composition	Amount (b-c)	% (b/c)
Net sales	109,594	100.0%	97,412	100.0%	(12,181)	(11.1) %	100,000	100.0%	(2,587)	(2.6)%
Outsourcing services	30,182	27.5%	31,488	32.3%	1,306	4.3%	31,000	31.0%	488	1.6%
Software development	60,370	55.1%	52,023	53.4%	(8,346)	(13.8) %	54,000	54.0%	(1,976)	(3.7)%
Solution services	19,042	17.4%	13,900	14.3%	(5,141)	(27.0) %	15,000	15.0%	(1,099)	(7.3)%
Operating income (loss)	(4,020)	(3.7) %	1,614	1.7%	5,634	—	1,000	1.0%	614	61.4%
Recurring profit (loss)	(3,398)	(3.1) %	1,966	2.0%	5,364	—	1,200	1.2%	766	63.8%
Net income (loss)	(1,269)	(1.2) %	471	0.5%	1,740	—	400	0.4%	71	17.8%

* Revisions to the original estimates above were announced on May 26, 2007.

Net Sales
Outsourcing: The two major contributors to higher revenues in this segment were TIS, which benefited from steady interest from key client sectors, and Agrex, which logged favorable demand for business process outsourcing services.
Software Development: Revenues retreated significantly, primarily because large-scale projects handled by TIS passed their development-stage peak. Revenues fell slightly short of the anticipated target, because sales on some projects were not entered into the accounting ledger until after fiscal 2008 had ended.
Solution Services: In fiscal 2007, TIS had some unexpected, short-term projects. The absence of such projects in fiscal 2008 led to a year-on-year decrease in revenues in this segment.
Operating Income
Second-half results were in line with revised estimates of problematic large-scale software development projects, and other software development projects delivered good results, buoyed by solid performances from subsidiaries. Overall, actual operating income surpassed estimates.

Fiscal 2008 Financial Summary (INTEC Holdings)

IT Holdings

(Millions of yen)

INTEC Holdings (Consolidated)	Fiscal 2007 (a)		Fiscal 2008 (b)		Change	
	Amount	Composition	Amount	Composition	Amount (b-a)	% (b/a)
Net sales	115,483	100.0%	123,151	100.0%	7,668	6.6%
Information and telecommunication	105,470	91.3%	114,526	93.0%	9,055	8.6%
Leasing businesses	6,447	5.6%	5,070	4.1%	(1,376)	(21.4) %
Real estate rental and management	1,716	1.5%	1,848	1.5%	132	7.7%
Other business	1,849	1.6%	1,705	1.4%	(143)	(7.7) %
Operating income	9,588	8.3%	9,541	7.7%	(46)	(0.5) %
Recurring profit	8,391	7.3%	8,777	7.1%	386	4.6%
Net income	4,960	4.3%	4,520	3.7%	(440)	(8.9) %

※Fiscal 2008 initial targets (full year) of INTEC Holdings (consolidated) :
net sales ¥125,000 million, operating income ¥10,000 million, recurring profit ¥9,100 million, net income ¥5,800 million

(Millions of yen)

INTEC (Nonconsolidated)	Fiscal 2007 (a)		Fiscal 2008 (b)		Change	
	Amount	Composition	Amount	Composition	Amount (b-a)	% (b/a)
Net sales	95,572	100.0%	98,496	100.0%	2,923	3.1%
Outsourcing services	21,755	22.8%	21,526	21.9%	(229)	(1.1) %
Software development	39,897	41.7%	42,044	42.7%	2,147	5.4%
System integration	23,452	24.5%	25,116	25.5%	1,664	7.1%
Networking business	10,467	11.0%	9,809	10.0%	(658)	(6.3) %
Operating income	7,630	8.0%	7,709	7.8%	79	1.0%
Recurring profit	6,517	6.8%	6,904	7.0%	386	5.9%
Net income (loss)	(2,325)	(2.4) %	1,730	1.8%	4,056	—

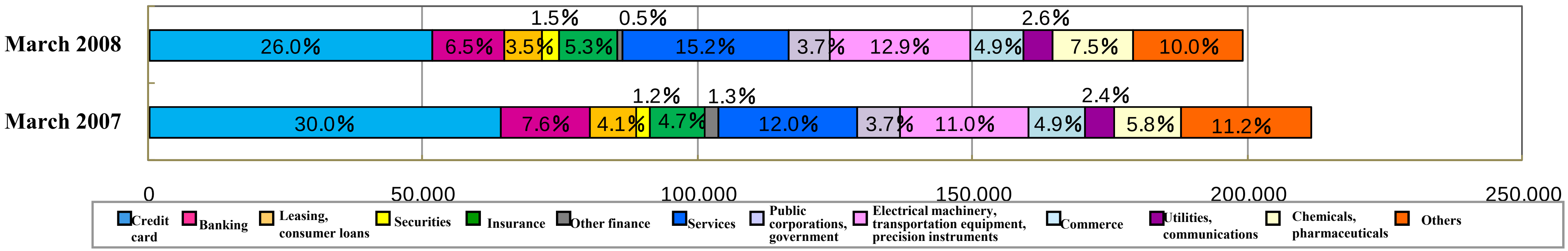
Net Sales
Despite the revenue-limiting impact caused by partial liquidation of the leasing business, solid demand for software development and system integration services from mainstay client sectors—finance, manufacturing, distribution and services—supported a 6.6% rise in net sales.

Operating Income
Operating income was more or less on a par with fiscal 2007.

Net Sales by Client Sector (TIS)

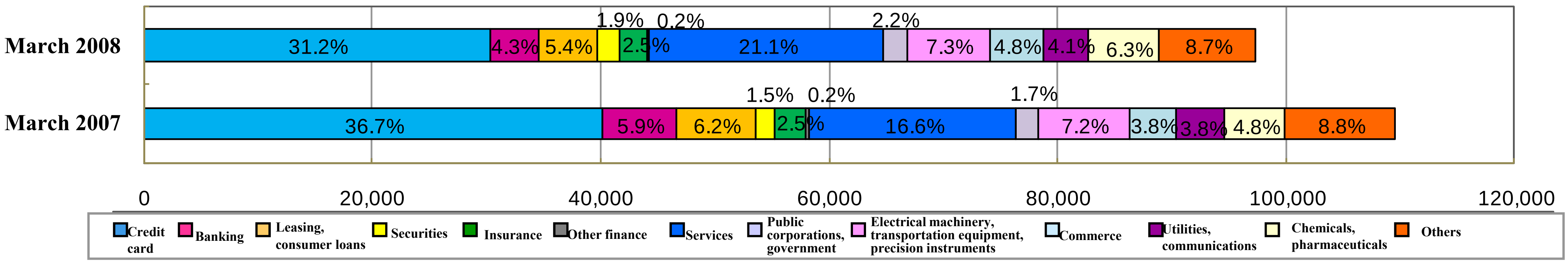
TIS: Consolidated

(Millions of yen)



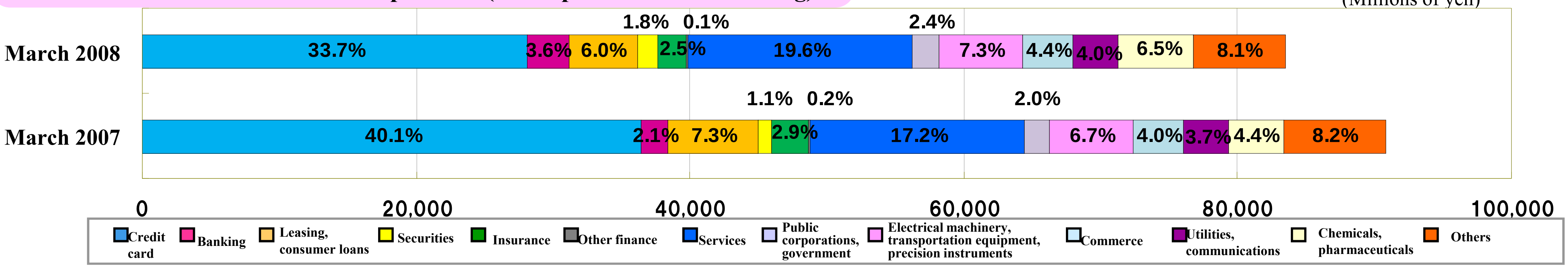
TIS: Nonconsolidated

(Millions of yen)



Reference: Nonconsolidated comparisons (development and outsourcing)

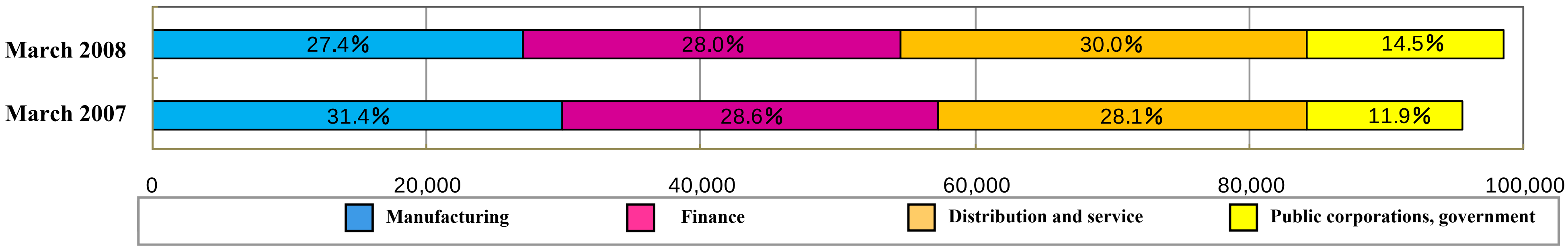
(Millions of yen)



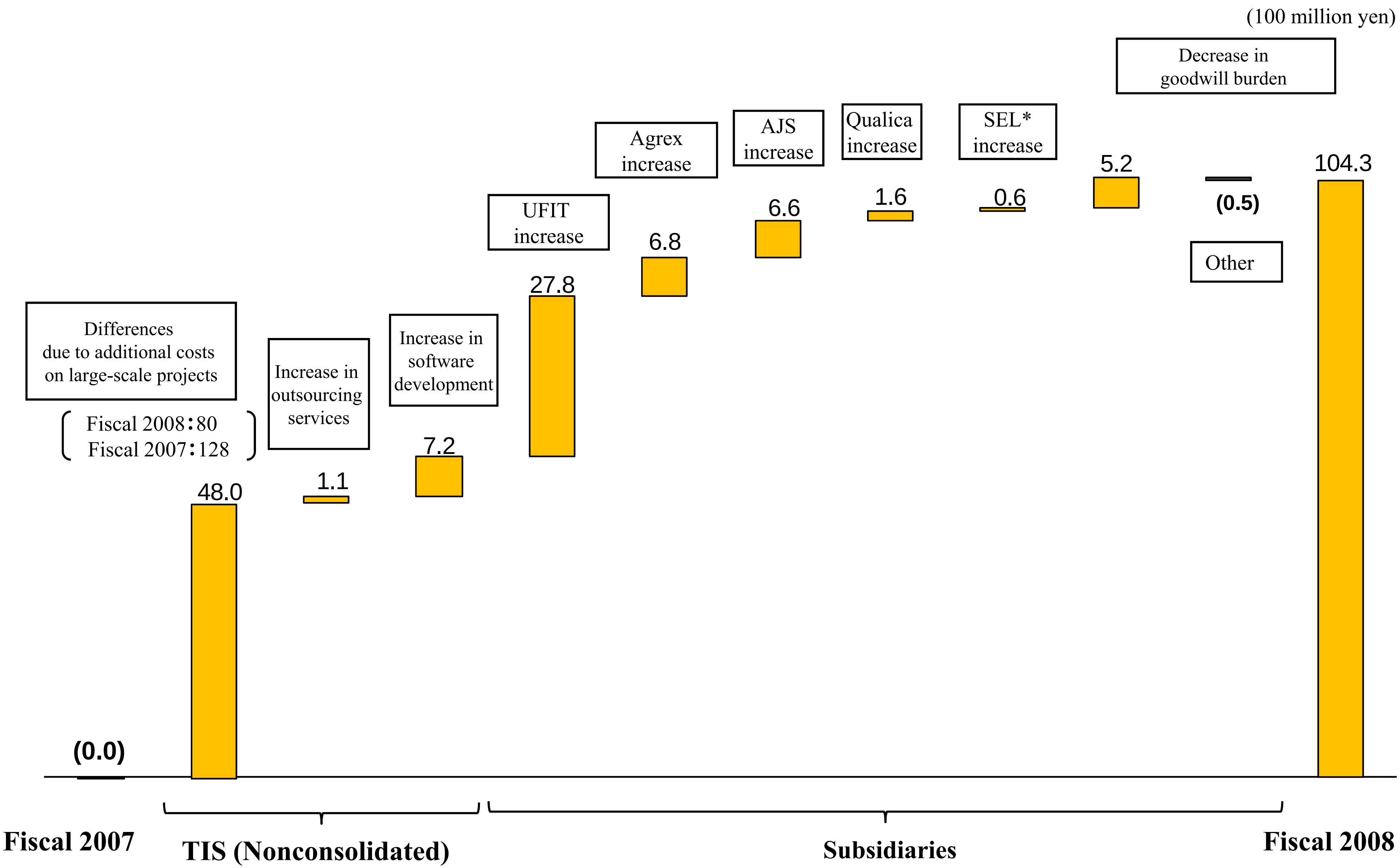
Net Sales by Client Sector (INTEC)

(Millions of yen)

INTEC: Nonconsolidated

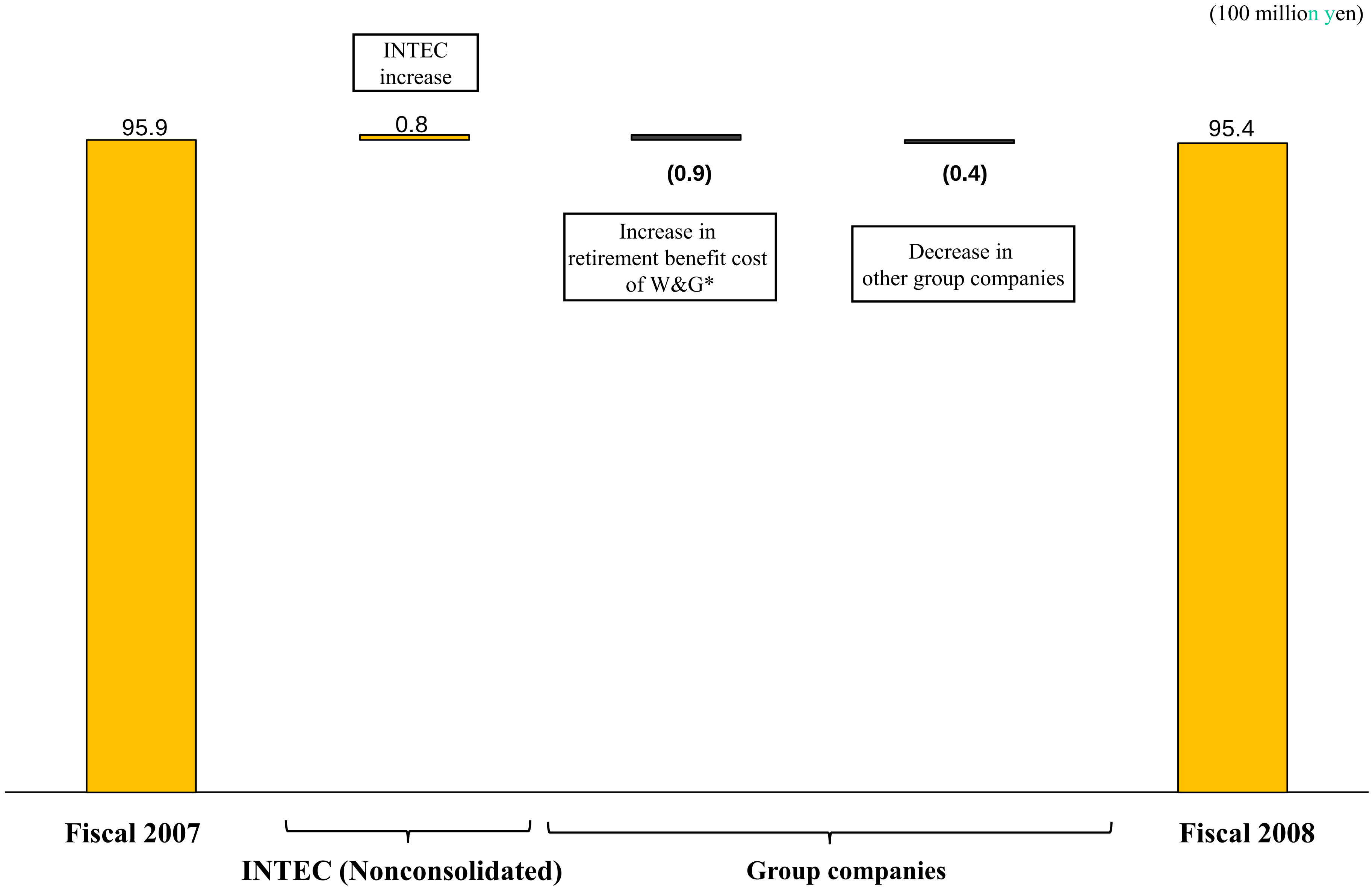


Fiscal 2008 Operating Income Analysis (TIS: Consolidated)



*Systems Engineering Laboratory Co., Ltd.

Fiscal 2008 Operating Income Analysis (INTEC Holdings)



*INTEC Web and Genome Infomatics Corporation（Currently, INTEC Systems Institute, Inc.）

Order Volume and Balances (TIS)

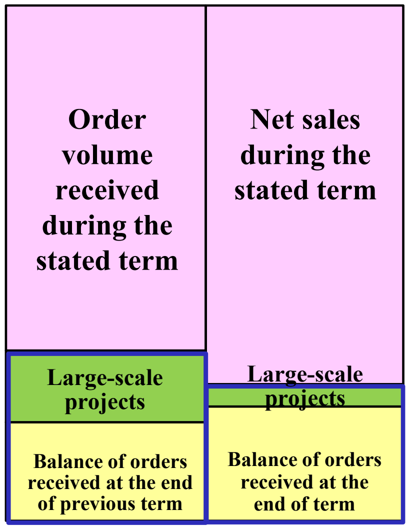
(Millions of yen)

TIS (Consolidated)	Fiscal 2007	Fiscal 2008	YOY change	
Balance of orders received at the end of the previous term (1)	46,473	36,909	(9,564)	(20.6)%
(Excluding large-scale projects)	26,973	30,888	3,915	14.5%
Order volume received (2)	93,380	109,616	16,236	17.4%
Net sales (3)	102,944	92,655	(10,289)	(10.0)%
Balance of orders received at the end of the stated term (1)+(2)-(3)	36,909	53,870	16,960	46.0%
(Excluding large-scale projects)	30,888	40,088	9,200	29.8%

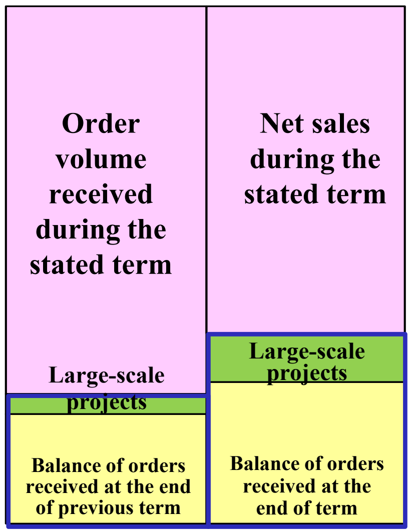
(Millions of yen)

TIS (Nonconsolidated)	Fiscal 2007	Fiscal 2008	YOY change	
Balance of orders received at the end of the previous term (1)	31,210	21,776	(9,434)	(30.2)%
(Excluding large-scale projects)	11,710	15,755	4,045	34.5%
Order volume received (2)	50,936	67,468	16,531	32.5%
Net sales (3)	60,370	52,023	(8,346)	(13.8)%
Balance of orders received at the end of the stated term (1)+(2)-(3)	21,776	37,221	15,444	70.9%
(Excluding large-scale projects)	15,755	23,440	7,685	48.8%

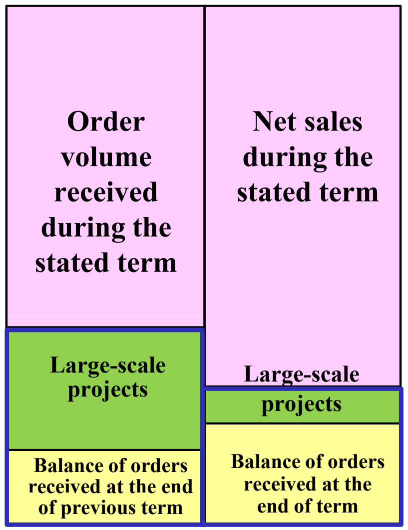
Fiscal 2007



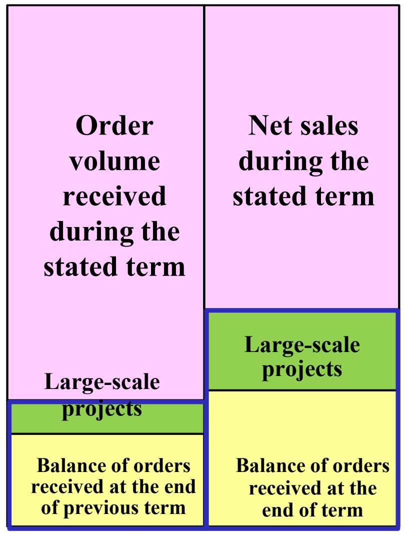
Fiscal 2008



Fiscal 2007



Fiscal 2008

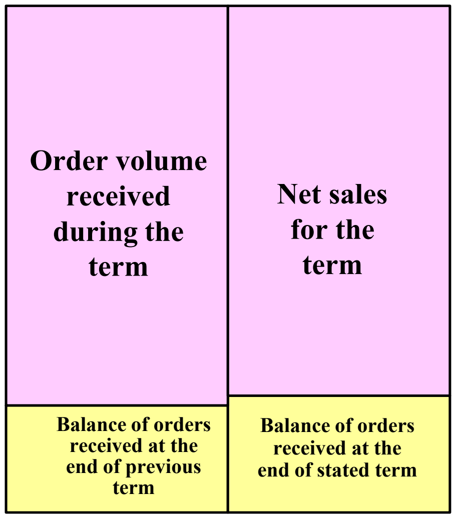


Order Volume and Balances (INTEC)

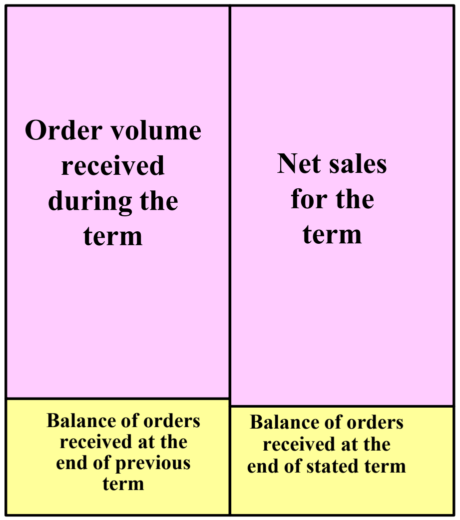
(Millions of yen)

INTEC (Nonconsolidated)	Fiscal 2007	Fiscal 2008	YOY change	
Balance of orders received at the end of the previous term (1)	10,899	12,093	1,195	11.0%
Order volume received (2)	41,092	41,308	216	0.5%
Net sales (3)	39,897	42,045	2,148	5.4%
Balance of orders received at the end of the stated term (1)+(2)-(3)	12,093	11,357	(737)	(6.1)%

Fiscal 2007



Fiscal 2008



Status of Principal Subsidiaries (TIS Group, as of March 31, 2008)

IT Holdings

UFIT Co., Ltd.

TIS holds 70.4% equity. Particularly strong in services for credit card and consumer finance companies. Focuses on outsourcing services.

Fiscal 2008 Results

- Despite reduced demand, owing to completion of large-scale development projects for clients in the public service sector and streamlined investment among finance-related clients, due to challenges in their operating environment, the contribution from new projects kept net sales on a par with fiscal 2007.
- Achieved dramatic improvement in profits, largely by resolving the issue of unprofitable large-scale projects for credit card companies and by cutting system operation costs.
- Took a medium- to long-term perspective toward expanding client base to reinforce the marketing structure.

Fiscal 2009 Forecast

- Net sales are likely to decrease, as system integration at major clients, particularly banks, reduces the number of requests for system operation and maintenance and more large-scale development projects wrap up.
- Profits may also decline, owing to the lower net sales starting point as well as higher costs, especially costs incurred to reinforce marketing processes and upgrade facilities.

(Millions of yen)

	Fiscal 2007	Fiscal 2008 (planned)	Fiscal 2008 (actual)	Fiscal 2009 (forecast)
Net sales	40,900	38,000	40,900	36,730
Operating income	960	2,300	3,740	2,800
Recurring profit	1,170	2,500	3,850	2,890
Net income	830	1,400	2,300	1,660

Agrex Inc.

TIS holds 50.6% equity. Leading company in Japan's business process outsourcing (BPO) business. Listed on First Section of Tokyo Stock Exchange.

Fiscal 2008 Results

- Expanded scope of outsourcing to include more sophisticated services for insurers, such as premium reassessment, address searches and contract correction, prompted by issues surrounding unpaid premiums and overpayments.
- Marked an increase in sales of Trillium, a data-cleansing and name-identification tool, and the enterprise resource planning (ERP) software LX (formerly, BPCS).
- Recorded favorable order activity for special system integration and system upgrades from clients in the finance industry, particularly insurers, banks and securities firms.
- Welcomed full-year sales contribution from Agrex Fine Techno.

Fiscal 2009 Forecast

- Will strive enhance services by applying know-how gained through contract correction services for insurers.
- Will endeavor to boost sales of competitive client resource management (CRM) software and promote services, especially system configuration, peripheral development and maintenance support, that utilize CRM software.
- Expect demand for system development to remain high among members of the finance industry, particularly life insurers and banks.
- Look forward to full-year contribution from Registration Network, Ltd., which became an Agrex subsidiary in March 2008.

Note: In the first half of fiscal 2009, Agrex plans to consolidate two centers in Tama and enhance the amalgamated operations. The company will also relocate its headquarters.

(Millions of yen)

	Fiscal 2007	Fiscal 2008 (planned)	Fiscal 2008 (actual)	Fiscal 2009 (forecast)
Net sales	23,027	25,500	25,558	29,000
Operating income	1,400	1,940	2,079	2,300
Recurring profit	1,304	1,950	2,123	2,310
Net income	668	1,050	998	1,170

Status of Principal Subsidiaries (TIS Group, as of March 31, 2008)

IT Holdings

Qualica Inc.

TIS holds 80% equity and Komatsu Ltd., 20%. Maintains a high profile with services for the manufacturing, distribution and service industries.

Fiscal 2008 Results

- Capitalized on favorable IT investment trends among construction equipment makers to boost revenue and income.
- Large-scale projects for major manufacturers also contributed to higher revenues.

Fiscal 2009 Forecast

- Software development and system operation services for major construction equipment makers will continue to drive growth.
- Will expand overseas development support on systems for major construction equipment makers.
- Expect wider demand for large-scale projects from major manufacturers.

(Millions of yen)

	Fiscal 2007	Fiscal 2008 (planned)	Fiscal 2008 (actual)	Fiscal 2009 (forecast)
Net sales	16,600	18,000	17,973	20,000
Operating income	1,200	1,200	1,355	1,360
Recurring profit	1,200	1,200	1,356	1,360
Net income	620	630	716	730

AJS Inc.

TIS holds 51% equity and Asahi Kasei Corp., 49%. Focuses on systems for the manufacturing and medical services industries.

Fiscal 2008 Results

- Favorable demand for system operation and maintenance services from the Asahi Kasei Group.
- Despite efforts to cut prices and expand sales routes for products used in medical systems, the opening of new sales channels was delayed and order volume suffered as a result.
- Revenues dropped about 5%, but enhanced productivity and quality, as well as cost-cutting measures, underpinned substantial year-on-year increases in operating income, recurring profit and net income.

Fiscal 2009 Forecast

- Will focus on major companies and major projects associated with services for the Asahi Kasei Group.
- Will carve out sales channels and invest management resources in the development of new products in the medical systems business.
- Will continue to seek enhanced productivity and quality and cut costs, which should push revenues up over the level achieved in fiscal 2008.

(Millions of yen)

	Fiscal 2007	Fiscal 2008 (planned)	Fiscal 2008 (actual)	Fiscal 2009 (forecast)
Net sales	10,460	10,670	9,930	10,800
Operating income	250	600	910	500
Recurring profit	220	600	900	470
Net income (loss)	(70)	520	540	470

Status of Principal Subsidiaries (TIS Group, as of March 31, 2008)

IT Holdings

Systems Engineering Laboratory Co., Ltd.

The TIS Group holds 51% equity. The company has experience building IBM i-series systems.

Fiscal 2008 Results

- Sales from SE services, the packaged software business and the information equipment business were in line with estimates. Sales of new package releases and information equipment were particularly brisk, supporting improved business performance.

Fiscal 2009 Forecast

- Will improve profitability in the SE services business by selecting orders more carefully and executing meticulous project management.
- Will establish a presence in new business fields, such as security and information-sharing platforms, and then expand service profiles to elicit greater interest in system operation and maintenance services and thereby boost profits.

(Millions of yen)

	Fiscal 2007	Fiscal 2008 (planned)	Fiscal 2008 (actual)	Fiscal 2009 (forecast)
Net sales	2,811	3,050	3,279	3,300
Operating income	105	120	169	160
Recurring profit	107	120	166	160
Net income	36	59	94	65

Fiscal 2009 Forecasts

Full-Year Performance Outlook (IT Holdings)

(Millions of yen)

Consolidated	Fiscal 2008 (actual)				Fiscal 2009 (forecast)				YOY change	
	Amount			Composition	Amount			Composition	Amount	%
	1st half	2nd half	Full year		1st half	2nd half	Full year			
Net sales	152,278	170,134	322,412	100.0%	160,000	180,000	340,000	100.0%	17,588	5.5%
Outsourcing and network	–	–	–	–	58,500	61,500	120,000	35.3%	–	–
Software development	–	–	–	–	81,500	97,000	178,500	52.5%	–	–
Solution services	–	–	–	–	16,500	18,000	34,500	10.1%	–	–
Other business	–	–	–	–	3,500	3,500	7,000	2.1%	–	–
Operating income	2,553	17,420	19,973	6.2%	8,000	14,000	22,000	6.5%	2,027	10.1%
Recurring profit	2,563	17,384	19,947	6.2%	8,300	13,700	22,000	6.5%	2,053	10.3%
Net income	1,198	7,476	8,673	2.7%	3,900	7,100	11,000	3.2%	2,327	26.8%

Note: Fiscal 2008 amounts are simple totals combining the consolidated results of TIS and the consolidated results of INTEC Holdings. IT Holdings has used these totals in the calculation of year-on-year changes.

Full-Year Performance Outlook (TIS Group)

IT Holdings

(Millions of yen)

TIS Group (note)	Fiscal 2008 (actual)				Fiscal 2009 (forecast)				YOY change	
	Amount			Composition	Amount			Composition	Amount	%
	1st half	2nd half	Full year		1st half	2nd half	Full year			
Net sales	95,592	103,669	199,261	100.0%	102,000	111,000	213,000	100.0%	13,738	6.9%
Outsourcing and network	39,921	40,922	80,844	40.6%	41,000	41,000	82,000	38.5%	1,156	1.4%
Software development	42,432	50,223	92,655	46.5%	49,000	58,000	107,000	50.2%	14,345	15.5%
Solution services	11,296	10,730	22,026	11.1%	10,500	10,500	21,000	9.9%	(1,026)	(4.7) %
Other business	1,942	1,793	3,735	1.8%	1,500	1,500	3,000	1.4%	(735)	(19.7) %
Operating income (loss)	(1,077)	11,509	10,432	5.2%	4,300	7,700	12,000	5.6%	1,568	15.0%
Recurring profit (loss)	(640)	11,810	11,170	5.6%	5,000	7,600	12,600	5.9%	1,430	12.8%
Net income (loss)	(1,300)	5,454	4,153	2.1%	2,100	3,900	6,000	2.8%	1,847	44.5%

Note: Figures under "Fiscal 2009 (forecast)" are combined amounts based on anticipated performances by companies under TIS' consolidated umbrella as of March 31, 2008.

(Millions of yen)

TIS	Fiscal 2008 (actual)				Fiscal 2009 (forecast)				YOY change	
	Amount			Composition	Amount			Composition	Amount	%
	1st half	2nd half	Full year		1st half	2nd half	Full year			
Net sales	45,954	51,458	97,412	100.0%	51,000	60,000	111,000	100.0%	13,588	13.9%
Outsourcing and network	15,427	16,060	31,488	32.3%	16,500	16,500	33,000	29.7%	1,511	4.8%
Software development	23,521	28,502	52,023	53.4%	28,000	37,000	65,000	58.6%	12,977	24.9%
Solution services	7,005	6,895	13,900	14.3%	6,500	6,500	13,000	11.7%	(900)	(6.5) %
Operating income (loss)	(4,330)	5,944	1,614	1.7%	1,000	3,500	4,500	4.1%	2,886	178.8%
Recurring profit (loss)	(3,927)	5,893	1,966	2.0%	1,600	3,400	5,000	4.5%	3,034	154.3%
Net income (loss)	(2,403)	2,875	471	0.5%	1,000	2,000	3,000	2.7%	2,529	536.9%

Full-Year Performance Outlook (INTEC Holdings)

(Millions of yen)

INTEC Holdings (note)	Fiscal 2008 (actual)				Fiscal 2009 (forecast)				YOY change	
	Amount			Composition	Amount			Composition	Amount	%
	1st half	2nd half	Full year		1st half	2nd half	Full year			
Net sales	56,686	66,465	123,151	100.0%	58,000	69,000	127,000	100.0%	3,849	3.1%
Outsourcing and network	–	–	–	–	17,500	20,500	38,000	29.9%	–	–
Software development	–	–	–	–	32,500	39,000	71,500	56.3%	–	–
Solution services	–	–	–	–	6,000	7,500	13,500	10.6%	–	–
Other business	–	–	–	–	2,000	2,000	4,000	3.1%	–	–
Operating income	3,630	5,911	9,541	7.7%	3,700	6,300	10,000	7.9%	459	4.8%
Recurring profit	3,203	5,574	8,777	7.1%	3,300	6,100	9,400	7.4%	623	7.1%
Net income	2,498	2,022	4,520	3.7%	1,800	3,200	5,000	3.9%	480	10.6%

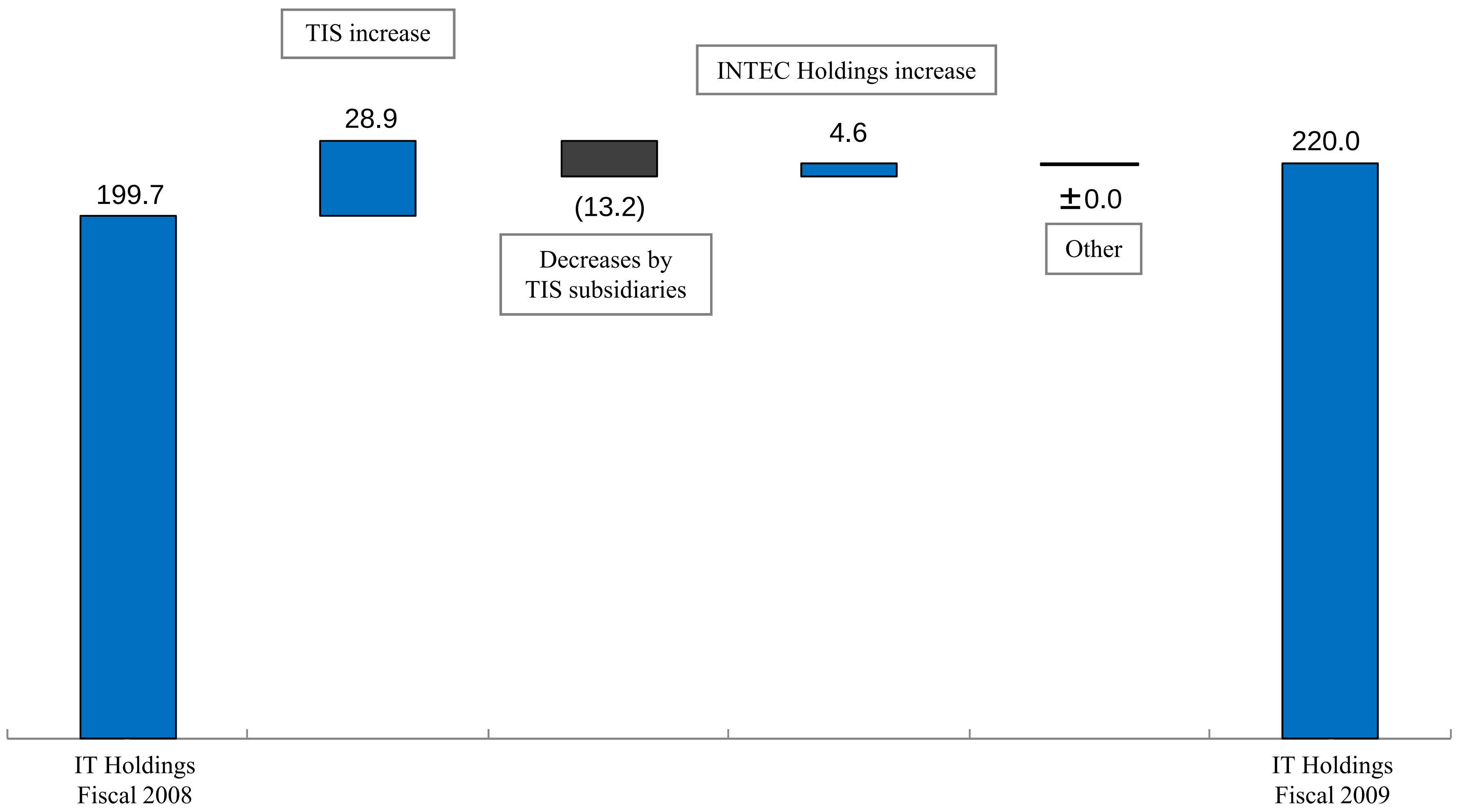
Note: Figures under "Fiscal 2009 (forecast)" are combined amounts based on anticipated performances by companies under INTEC Holdings' consolidated umbrella as of March 31, 2008.

(Millions of yen)

INTEC	Fiscal 2008 (actual)				Fiscal 2009 (forecast)				YOY change	
	Amount			Composition	Amount			Composition	Amount	%
	1st half	2nd half	Full year		1st half	2nd half	Full year			
Net sales	44,662	53,834	98,496	100.0%	47,000	57,000	104,000	100.0%	5,504	5.6%
Outsourcing services	10,718	10,808	21,526	21.9%	10,500	12,000	22,500	21.6%	974	4.5%
Software development	18,415	23,630	42,044	42.7%	20,000	24,500	44,500	42.8%	2,456	5.8%
System integration	10,730	14,387	25,116	25.5%	12,000	15,000	27,000	26.0%	1,884	7.5%
Network	4,799	5,010	9,809	10.0%	4,500	5,500	10,000	9.6%	191	1.9%
Operating income	2,803	4,906	7,709	7.8%	3,100	5,400	8,500	8.2%	790	10.2%
Recurring profit	2,350	4,554	6,904	7.0%	2,550	5,050	7,600	7.3%	696	10.1%
Net income (loss)	(1,039)	2,769	1,730	1.8%	1,290	2,710	4,000	3.8%	2,269	131.2%

Full-Year Operating Income Analysis for IT Holdings

(100 million yen)



* The fiscal 2008 amount is the combined total of consolidated results posted by TIS and INTEC Holdings.

Operating Environment Highlights

IT Holdings

Status of Japan's Information Services Industry

Positive Factors

Special finance-related demand

Megabank integration and large-scale system configuration will probably ease up in 2008. Favorable trends in reconfiguration of platform systems for life insurers and front-end system development for members of the finance industry should keep the market growing until 2009.

Continued investment in globalization, especially by the manufacturing sector

There will be a need to reconfigure corporate systems, primarily those for manufacturing, distribution and sales and marketing, and promote respective connectivity. This is sure to spur interest in various enterprise application systems, including product lifecycle management, ERP and CRM.

Diversification in methods to provide services

SaaS, a service-style architecture, can deliver results for mid-sized businesses. Use is still rather exclusive but should see increased interest. Demand is bound to rise for jointly executed outsourcing services typical of shared regional bank centers.

Negative Factors

Sluggish growth in IT investment among client companies

Economic conditions might dampen the enthusiasm of companies to pursue IT investment, including the allocation of funds to new projects.

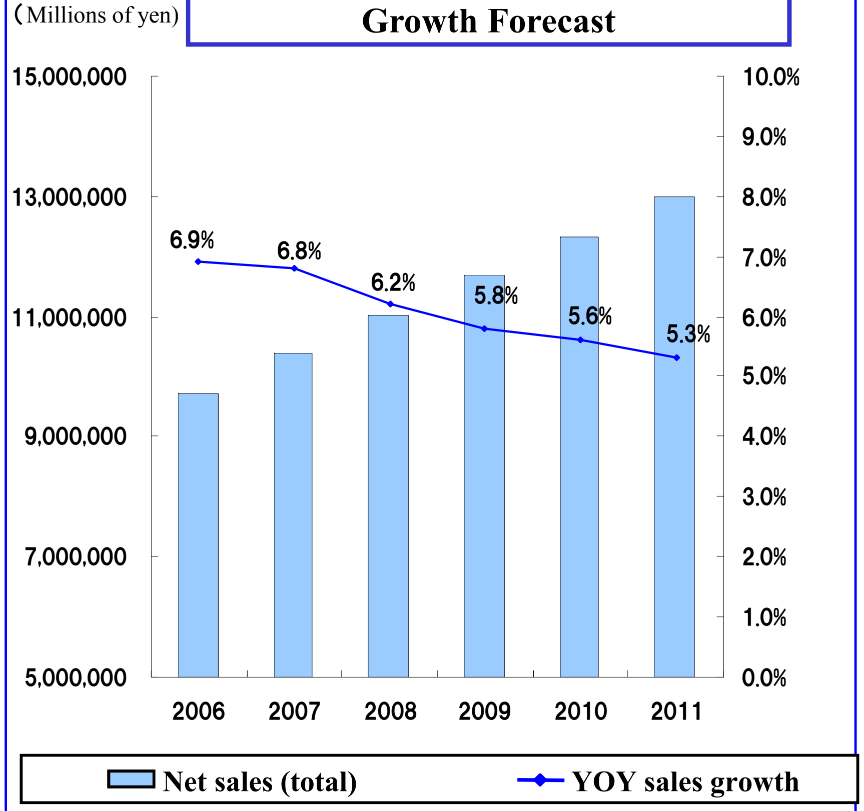
Clear differences in projects for client companies

Seeking to secure the best results possible through steady investment and minimize the risks inherent in large-scale projects, some client companies may prioritize projects that other client companies do not. Projects with a low priority rating may still be important but they will not receive the necessary funds for execution.

Continued downward trend in engineering prices

Since finance-related development projects will peak in 2008, the average price for system engineering services could return to a low level.

Japan's IT Services Industry Growth Forecast



Note: Compiled by IT Holdings from Gartner's 2007 second-half IT service industry projections

Client Trends by Industry Sector — Part 1
Finance Industry

Sector	General Industry Trends	Impact on IT Holdings Group
Banking	･System investment has resumed in wake of business realignment, including megabank integration. ･New system development is required, paralleling looser intra-industry rules and agency restrictions. ･Data center and outsourcing needs are growing. ･Development of next-generation standard platform systems for the finance industry is moving forward.	Investments by major clients to upgrade platform systems are at a high level, but will begin to taper off. However, many system investment themes remain and these should keep the Group’s services in high demand.
Credit Card	･Operating environment is changing, following revision of the Money-Lending Law. ･Legislative revisions increasingly require system response, but system investment budgets are being squeezed by lower profitability. ･Next-generation system upgrades matched to new services and system integration, following industry realignment, will remain urgent priority.	･Projects to upgrade the platform systems of major credit card companies are heading toward convergence. ･While some existing clients are holding back on system upgrades, the need to investment remains strong, and this should buoy demand for engineering services.
Insurance	･Demand is strong for the development of new applications to standardize insurers’ business processes and make them more efficient, to enable insurers to create and provide new insurance products over the Internet, and to improve the quality of services extended to clients through such access points as contact centers. ･Growing need for new system configuration, following government guidance and tougher rules. ･Rising interest in BPO and system configuration to deal with unpaid premiums.	Big clients are likely to embark on full-scale IT investment projects. Efforts to enhance the sector-specific expertise of consultants as well entry into such areas as solution development will pay off and contribute nicely to overall performance.
Leasing	･Capital spending, which had been strong until last year, is now retreating. ･Demand is particularly lackluster for mainstay information and communications equipment, and year-on-year leasing transaction volumes have fallen for nine consecutive months, since June 2007. ･A change in the application of accounting standards for leasing facilities, effective from the fiscal year ending March 2009, has muddied the outlook even more.	Trends among big clients have fluctuated wildly, but stronger partnerships have helped to pinpoint investment needs quickly, and this should lead to stable demand and results.
Securities	･Systems are being revamped, following revision of the industry system. ･New products require system response. ･Dematerialization of stock certificates requires system response. ･IT investment is essential for the industry to address market changes, but deteriorating profitability levels will hamper the ability to execute required system responses.	Each company is beginning to take a specific position, prioritizing measures to address either deteriorating profits or IT investment needs.

Notes: 1. The information in this slide applies to the IT investment trends of our clients, grouped by industry sector, and may differ from general conditions.
2. The impact on the Group is a prediction based on information available to management as of May 16, 2008. Because such predictions may be influenced by unforeseen factors, such as changes in the business environment, management does not guarantee that the anticipated impact will actually materialize.
3. References: *Nihon Keizai Shimbun* and Gartner.

Client Trends by Industry Sector — Part 2

Sector	General Industry Trends	Impact on IT Holdings Group
Assembly-based Manufacturing (Construction equipment)	Solutions aimed at honing an internationally competitive edge and rationalizing operations are attracting more attention. Greater effort extended toward supply chain management, product data management, accelerated integration of production and sales systems, and optimization of global supply chains.	・Qualica will expand its support to major construction equipment makers seeking to develop systems overseas. ・IT investment by key clients will keep order level high. No drop from the plateau is expected.
Assembly-based Manufacturing (Electric appliances)	・All-out sales battles in swing ahead of Beijing Olympics. ・Continued growth in sales of thin TVs. ・Domestic shipments of white goods—refrigerators, washing machines and other typically white-colored household appliances—favorable, and big-ticket items spurring demand. ・Some market watchers sense a consumer spending cooldown, due to the high yen and low stock prices.	A large increase in orders was recorded up to fiscal 2008, but it is unclear if the momentum can be maintained. A high yen and low stock prices could weaken the sales potential of special demand prompted by the Summer Olympics.
Processing-based Manufacturing	Price of naphtha—key raw material in petrochemical products—soaring along with price of oil, thereby squeezing profits.	Development of systems ordered previous to fiscal 2009 should continue at a full-scale pace.
Commerce, Distribution (Retailing)	・Trend toward greater investment in information systems to ensure timely response to consumer needs. ・Market is growing, thanks to frontline demand in the value chain, such as store system overhauls, as well as a shift toward open systems, efforts to enhance back-office efficiency, such as inventory control, and approaches to carve out new sales channels.	・Within the commerce, distribution (retailing) sector, the Group has particular expertise for retailers, who happen to be quite keen to invest in IT right now. ・Department stores are in the midst of sector realignment and are actively investing in IT to facilitate shared purchasing and handle more store-brand credit cards in issue.
Public Corporations	・Although national government-led IT strategy entered new phase, public budgets are generally too tight for IT investment. ・Municipal mergers have caused a convergence of IT investment in regional offices, so overall IT spending should remain stable.	The Group should benefit from stable IT investment, especially from regional governments in Hokuriku, the region bordering the Sea of Japan.

Notes: 1. The information in this slide applies to the IT investment trends of our clients, grouped by industry sector, and may differ from general conditions.
2. The impact on the Group is a prediction based on information available to management as of May 16, 2008. Because such predictions may be influenced by unforeseen factors, such as changes in the business environment, management does not guarantee that the anticipated impact will actually materialize.
3. References: *Nihon Keizai Shimbun* and Gartner.

Management Philosophy, Business Direction and Management Strategy of IT Holdings

IT Holdings Management Philosophy

Management Philosophy

The IT Holdings Group seeks to be a corporate citizen whose activities, namely, the provision of services utilizing IT, match its status as a leading corporate group, and will strive to raise corporate value, supported in this effort by the high regard of all its stakeholders, including clients and shareholders as well as employees and their families.

We will cultivate a vibrant corporate culture that encourages companies and individuals under the Group umbrella to work toward higher goals and embrace new challenges, and thereby ensure corporate growth.

We will always provide our clients with our very best, through excellent quality and technology built on the composite strengths of the Group.

We will uphold high corporate morals and fulfill our social obligations.

Formulating a Medium-term Management Plan (Roadmap)

IT Holdings

Formulate medium-term management plan, which will starts from April 2009

Dec. 2007	Feb. 2008	Apr. 2008	May 2008	Mar. 2009	Mar. 2010	Mar. 2011
Basic agreement	Approval at extraordinary shareholders' meeting	Establish new company			For fiscal 2011, ending March 31, 2011 Net sales: ¥400 billion Operating income: ¥40 billion	Accelerate pace toward net sales of ¥500 billion and operating income of ¥50 billion

Formulate and implement account plan

Key Issues

- Combine technology and marketing divisions
- Promote sharing of back office operations
- Streamline/amalgamate peripheral and redundant activities
- Integrate information systems
- Determine basic strategy for personnel system
- Redefine the new group structure

Promote medium-term management plan

*Source: Interim Report on IT Holdings Business Integration, announced on January 31, 2008

Formulating a Medium-term Management Plan

IT Holdings

Business Direction

- Picture the type of organization that the IT Holdings Group seeks to become and draft a medium-term management plan with concrete measures to facilitate the transformation process.
- Group companies will reflect the content of the medium-term management plan in the creation of their own management plans, effective from fiscal 2010.

Measures

First Half	Second Half
■ **Prepare draft of medium-term management plan** →	■ **Explain draft version to Group companies and exchange information**
Key Points • **Secure industry position** • **Promote business synergies** • **Enhance management efficiency** • **Expand presence overseas**	↓ **Finalize the medium-term management plan for IT Holdings as well as the individual plans of Group companies designed in line with the measures stated in the former.**

Objective: Promote Cross-Selling

Creating and implementing account plans

IT Holdings

Business Direction

Utilize overall Group capabilities to position IT Holdings as an IT partner to management at client companies.

Measures

First Half	Second Half
■ Designate target sectors and concentrate efforts at clients in these sectors ■ Identify flagship accounts (3 industries, 8 sectors) • Finance (banking, insurance, credit cards) • Manufacturing (assembly and processing) • Distribution (traders, consumer goods, retail) ■ Create account teams ■ Create plans suited to each account	■ Develop top sales promotion and marketing activities → Presentations for management at client companies → Promote cross-selling of top-selling products and services → Utilize consulting function within the Group to offer clients strategic solutions that surpass the advantages afforded by current products and services ■ Establish a consultation monitoring structure

Achieve balance between target sectors —forte fields—and growth sectors

Assumed Annual Growth of IT Services Market

	2008	2009
Banking	8.2%	6.7%
Insurance	7.7%	5.5%
Finance, including banking and insurance	8.0%	6.4%
Assembly-based manufacturing	6.8%	6.2%
Processing-based manufacturing	5.9%	5.9%
Industry average	6.2%	5.8%

Note: Based on Gartner's anticipated scale of IT services market in Japan in the second half of 2007 by industry and best-case scenarios.

Objective: Promote Cross-Selling

Integrating marketing techniques

IT Holdings

Business Direction
Distribute information, personnel and ideas between operating companies, promote business models that elicit maximum synergies, and implement measures that ensure the desired results from business models.

Measures
(Concentration and Promotion of Groupwide Marketing Efforts)

First Half	Second Half
■ Establish cross-selling model unique to IT Holdings → Completed initial selection of key solutions, including EC Center for Bugyo, SynCube, Thin Client servers, Kaisoku-Searcher, IDM (YUITO SOKUTO) and F^3 (F-Cube) ■ Revitalize marketing perspective with groupwide activities → Introduce new products in May. → Open Group Solution Forum in June.	■ Implement groupwide marketing plans → TIS, INTEC and Agrex will have a joint display at FIT 2008, an IT expo aimed at financial institutions that will take place in Tokyo in October 2008. → IT Holdings will have a presence at RetailTech Japan 2009, a specialized trade show on information systems for the retail sector scheduled for March 2009. ■ Present product and service cross-selling proposals to flagship accounts → Promote top-selling products and services ■ Undertake personnel exchanges → Cultivate an atmosphere of collaboration, starting with jointly executed projects and new business pursuits.

Objective: Promote Cross-Selling
Shared operation of data centers

Basic Direction

Systemize the services of the Group and establish a framework that allows Group companies to select forte fields and offer solutions tailored to client needs.

Measures

First Half	Second Half
■ Reevaluate the service menu → Resource planning → Service content, pricing and service level agreements ■ New menu and structure for cross-selling → Create new menu → Create marketing tools → Increase number of marketing representatives at each operating company ■ Resource status at operating companies and sharing of expansion and action plans → Function: Specialized data centers, standard and shared data centers, high-specification data centers → Regions: In Kanto, surrounding Tokyo, 7; in Chubu, surrounding Nagoya, 2; in Kansai, surrounding Osaka, 3; and five other centers, for a total of 17.	■ Begin consideration of value-added plans → Disaster recovery → Green IT → Thin Client data center → BPO → SaaS ■ Promote cross-selling with new service menu → Groupwide campaign

Objective: Higher Quality and Efficiency

Promoting shared back-office operations and amalgamation of peripheral and duplicate businesses

IT Holdings

Basic Direction

The Group's headquarter-based administrative function and support services will facilitate shared operations and the amalgamation of peripheral and duplicate businesses. The goal is to maximize merits of scale to reduce costs and ensure standardization consistent with the formation of an internal control system.

Mid-term Promotion Plan

Operating companies under IT Holdings umbrella

IT Holdings

Shared business promotion and supervisory functions

Support

Shared administrative support center

By fiscal 2011, ended March 2011, integration and concentration of operations will have cut costs by about ¥1 billion over the fiscal 2008 level.

Accounting • Labor • Centralized purchasing • Facilities management • Insurance agency • Source of key administrative personnel • Shipping • Employee welfare • Advertising agency

Measures

First Half	Second Half
■ Limit flow of cash outside the Group by utilizing the expertise of Group companies. ■ Review peripheral and duplicate businesses. ■ Inventory operations, pinpoint activities that need improvement, then promote standardization and greater efficiency. ■ Establish administrative system.	Prepare to implement shared services Expect to set up new company for this purpose in fiscal 2010, ended March 2010

Objective: Higher Quality and Efficiency

Underpinned by Group production technology strategy

IT Holdings

Basic Direction

Medium-term Direction

Maximize groupwide profits and establish the industry's best production platforms that—

- maintain the integrated quality of the Group but also fully demonstrate the independence of each Group company;
- are applicable to a wide range of projects—from small to large scale—by any employee;
- facilitate cooperation among Group companies right away, regardless of the hour, and deliver high quality and sophisticated technology; and
- earn client trust, present peace-of-mind and raise international competitiveness

Guided by this medium-term direction, management will define methods in fiscal 2009 to pinpoint current status and promote Group activities and determine approaches to successfully address priority issues.

Measures

First Half	Second Half
■ Identify the status of Group company and share this information → Problems at system development sites and requests for improvement → Status of production platform promotion structure and issues to be resolved ■ Establish promotion structure for Group production platforms → Make strategic planning more effective by utilizing experts more intensively → Accelerate problem-solving efforts by sharing resources → Prioritize activities that yield good results	■ Act on high-priority issues → Those directly linked to quality and productivity improvements, such as the establishment of quality standards and benchmark tools → Those that reinforce technological capabilities and enhance the outcome of personnel exchanges, such as better training programs and wider use of information portals → Those that use shared techniques for visualizing project status to avert problematic projects ■ Address new technology before the competition does → Explore technologies connected to R&D activities → Execute verification tests, such as virtualization techniques and IPv6, on new technologies

Objective: Higher Quality and Efficiency

By consolidating information systems

IT Holdings

Basic Direction

Establish a management information system that quickly relays management information about the Group.

Create systems that foster a sense of unity among members of the Group.

Measures

First Half	Second Half
■ Build a groupwide network. → Lay the groundwork for smooth communication processes • Interconnected systems for e-mail and teleconferencing • Standardized extension numbers ■ Create a structure to facilitate information-sharing within the Group → Share management and technology-related information ■ Review and analyze business systems used at Group companies to build a better management information system	■ Establish a system to monitor the business performance of the entire Group. → Devise a system that quickly identifies and analyzes numerical data, based on data from accounting systems ■ Formulate a plan for establishing a management information system → Consolidated accounting systems, both fiscal accounting and management accounting

Cautionary Statement

All content described in these materials is based on information available to management regarding the IT Holdings Group—that is, IT Holdings and the subsidiaries under its umbrella—as of the presentation date and reflect somewhat objective assumptions deemed reasonable at this time. Please be advised that various factors may cause future results to be substantially different from expectations.