

IT Holdings Corporation

SORUN Corporation

Joint Explanatory Meeting on the Execution of the Basic Agreement for the Management Integration

November 10, 2009



IT Holdings



Background and Purpose of the Consolidation ~

Objective of Establishing ITHD

Customer Trend

- The market is in a tough condition in the short term, but we believe stable growth is possible over the medium to long term.
- Customer needs have become more sophisticated.
- The business model has changed along with trends in the information service industry, shifting from owning systems to using and operating systems.
- Some of the customers' industries are undergoing restructuring.

Competition

- Competitors are attempting to retain major customers through M&A.
- Competitors are sharing and standardizing technologies through M&A.
- The presence of foreign companies has become stronger.
- Strong competitors from different industries are entering the market and posing strong competition.

In order to secure a solid position as a leading company in the IT industry...

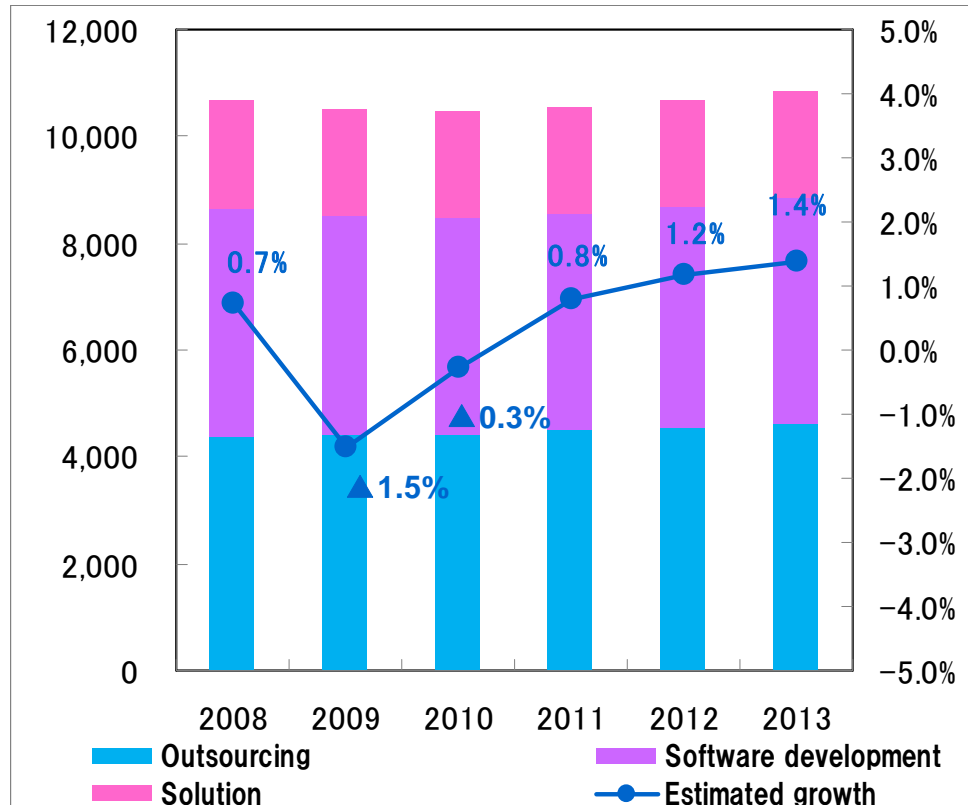
**Pursuit of benefiting from
economies of scale and evolution
through synergies**

Recognition of Business Environments

1. While the market is unlikely to show significant growth, customers' demands are shifting to effective use and operation of systems such as outsourcing and XaaS.
2. IT service price is showing a declining trend over the long term.
 - In the short term, the decline in price is expected to be accelerated due to the overall decline in IT investment under the depressed economy.

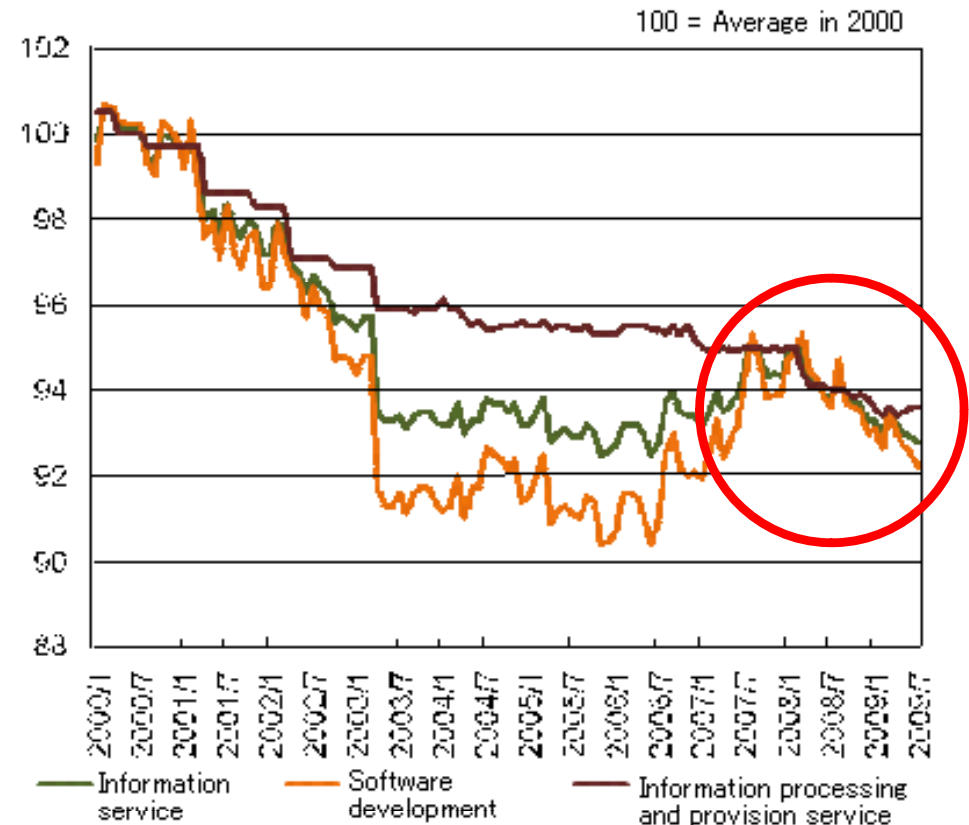
Forecast of the size of the Japanese IT service market

Dollars in billions



(Prepared by ITHD based on Gartner's "Forecast of the size of the Japanese IT service market by industry – September 2009")

Trend of the information service price index



(Source: "Corporate Service Price Index" in the Bank of Japan quarterly short-term economic survey)

Aspirations for the Management Integration

Increased corporate value through pursuit of synergies of technologies and know-how and realization of economies of scale

ITHD Group

- A corporate group consisting of independent prime contractors
- Provision of a full range of services for major financial industries such as credit cards, banking, life and non-life insurance industries
- Stable profit structure that is less likely to be affected by IT investment trends that are specific to particular businesses, through solid and diversified customer bases
- Accumulation of technologies and know-how such as production management technology and project risk management
- Experience and competitiveness gained through network operation in the data center business

SORUN Group

- Many years of experience and long history with trusted customers that are major and medium size corporations mainly from financial business and manufacturing business
- Sales structure that does not depend on particular customers and that uses diverse business channels and commercial materials
- Provision of flexible solutions utilizing characteristics of independent system integrators
- Experience and ample resources relating to offshore development
- Advanced technological skills gained through many years of involvement with space system related technologies

Purpose of the Management Integration

Expansion of profit bases
Improvement of technologies and know-how
Improvement of productivity
Cost reductions

SORUN Group agrees with the management policies of ITHD and decided to participate in the ITHD Group.

Effects of the Management Integration

Purpose of the Management Integration

Improvement of
profit bases

Improvement of
technologies and
know-how

Improvement of
productivity

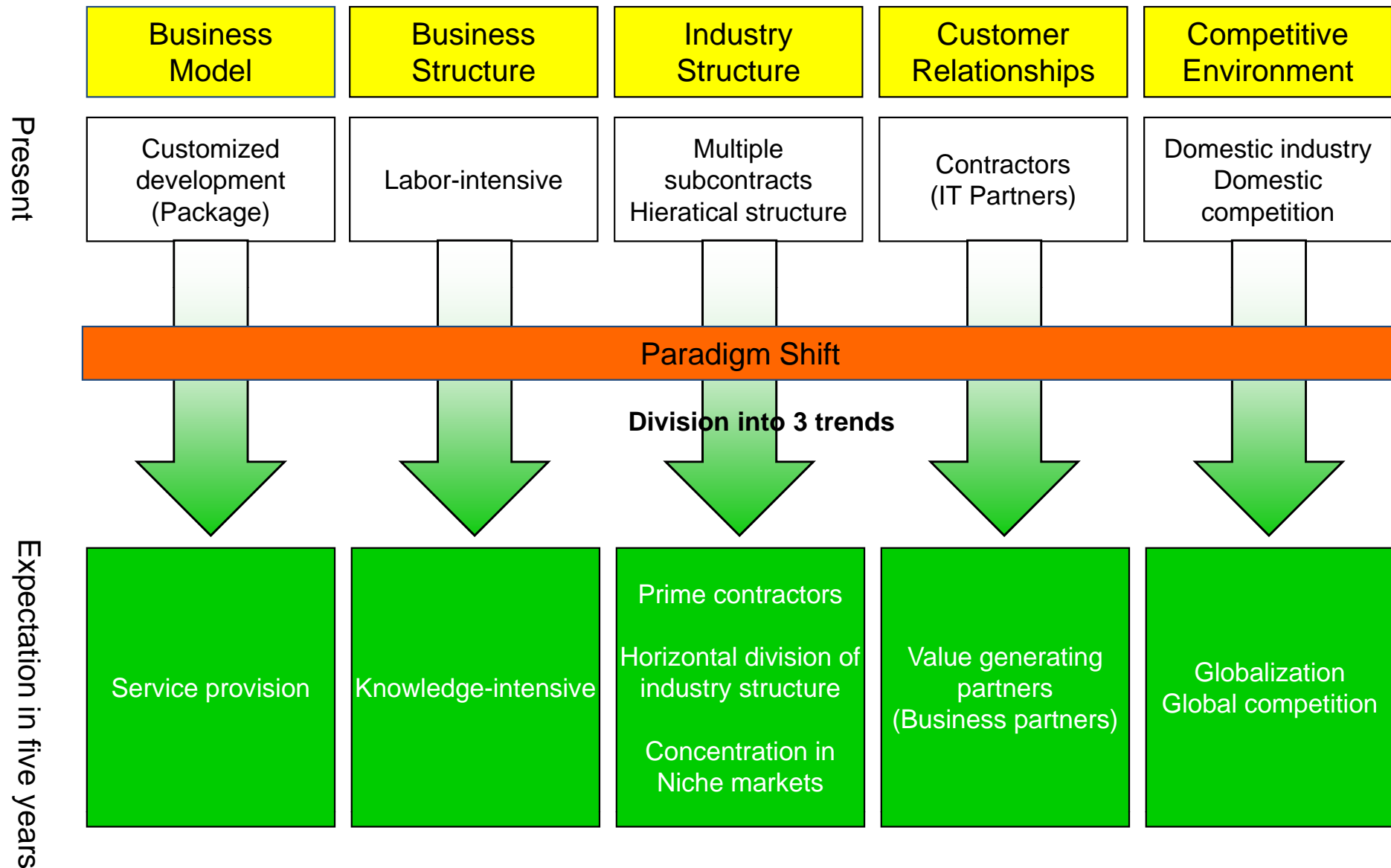
Cost reductions

Under uncertain business environments, the management integration is expected to be effective in stabilizing performance through mutual setoff effects and risk diversification.

(In the medium term)
Increased corporate value through pursuit of synergies of technologies and know-how and realization of economies of scale

Acceleration in effectuating the
medium term management plan
“IT Evolution 2011”

Moving toward a Paradigm Shift



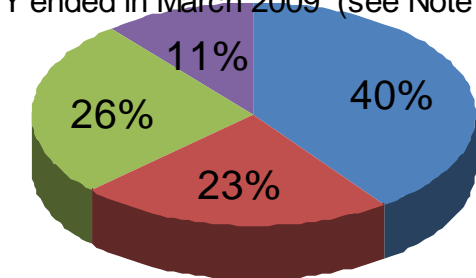
ITHD Group after the Management Integration (combined value)

ITHD Group (see Note 1)	
Sales	JPY 338,302 million
Profit	JPY 23,787 million
Employees	15,259 people

SORUN Group (see Note 2)	
Sales	JPY 61,402 million
Profit	JPY 3,252 million
Employees	4,166 people

Combined Values (approximated addition) of ITHD Group and SORUN Group for the FY ended in March 2009 (see Note 3)	
Sales	JPY 400 billion
Profit	JPY 27 billion
Employee	19,000 people

Estimated sales by industry for the FY ended in March 2009 (see Note 4)



■ Financial ■ Manufacturing
■ Logistics and services ■ Public and others

Note 1: Consolidated performance of ITHD for the FY ended in March 2009

Note 2: Consolidated performance of SORUN for the FY ended in March 2009

Note 3: Approximated addition of the consolidated performance of ITHD and SORUN for the FY ended in March 2009

Note 4: Simple addition of sales by industry of ITHD and SORUN for the FY ended in March 2009

ITHD Group after the Management Integration

1. A leading company among independent prime contractors
2. A leading company in the large scale financial system development and operation business, including systems for credit card, banking and life insurance industries
3. Stable profit structure that is less likely to be affected by IT investment trends that are specific to particular businesses through stable and diversified customer bases
4. Accumulation of a variety of technologies and know-how and effective management resources



IT Holdings
Group



Becomes a part of
ITHD Group



NOTE

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