IT Holdings

Information Meeting Materials for the Fiscal Year ended March 31, 2011

May 11, 2011

IT Holdings Corporation

Fiscal 2011 Highlights

Fiscal 2012 Performance Forecast

Key Strategies for Medium-term Growth

ITHD Fiscal 2011 Performance Highlights (Consolidated)

External Environment

- The economy appeared to be on a gradual upswing but a full-scale rally failed to materialize.
- In the wake of the Great East Japan Earthquake, consumers were reluctant to make unnecessary purchases, putting the retail sector in a difficult position. This dampened demand from retail clients for IT services, which exacerbated the persistent trend among clients in general to be more selective in their IT investments.

ITHD Group Status

- Sales improved over fiscal 2010, thanks to a full-year contribution from SORUN. A stronger business structure, underpinned mainly by cost reductions, buoyed performance to a certain degree, but profits retreated, primarily owing to a lull in large-scale IT investment by clients and the appearance of unprofitable projects.
- Net sales came in slightly below the revised forecast, while profits were higher than expected, reflecting a successful cost-cutting strategy.
- The Company recorded extraordinary loss of about ¥2.2 billion, associated with asset retirement obligations. The Company also recorded extraordinary profit of about ¥3.0 billion and extraordinary loss of about ¥2.3 billion on the merger of TIS, SORUN and UFIT. This merger, executed on April 1, 2011, is part of the ongoing process of realignment within the Group

(Millions of yen)	Fiscal 2011	YOY Change	Difference from Original Estimate
Net sales	323,173	3.0%	(1.5)%
Operating income	12,818	(19.9)%	2.5%
Recurring profit	12,625	(19.7)%	5.2%
Net income	5,985	(21.9)%	8.8%
Order volume	162,287	10.7%	

Forecast comparisons are based on targets announced on February 3, 2011. Order value reflects only orders for software development.

Fiscal 2011 Performance Summary: ITHD (Consolidated)

(Millions of yen)	Fiscal 2010		Fiscal 2011		YOY Change		Original Estimates (Announced on 2011/2/3)		Difference from Original Estimate	
Net sales		313,856		323,173	3.0%	9,317		328,000	(1.5)%	(4,827)
Outsourcing and network	40.2%	126,164	38.5%	124,496	(1.3)%	(1,668)	38.7%	127,000	(2.0)%	(2,504)
Software development	49.7%	155,976	50.7%	163,889	5.1%	7,913	50.6%	166,000	(1.3)%	(2,111)
Solution services	8.0%	25,021	8.4%	27,183	8.6%	2,162	8.7%	28,500	(4.6)%	(1,317)
Other business	2.1%	6,693	2.4%	7,604	13.6%	911	2.0%	6,500	17.0%	1,104
Operating income	5.1%	15,996	4.0%	12,818	(19.9)%	(3,178)	3.8%	12,500	2.5%	318
Recurring profit	5.0%	15,719	3.9%	12,625	(19.7)%	(3,094)	3.7%	12,000	5.2%	625
Net income	2.4%	7,659	1.9%	5,985	(21.9)%	(1,674)	1.7%	5,500	8.8%	485

Reference: ITHD (Consolidated, Excluding SORUN)

Excluding SORUN (Millions of yen)	Fiscal 2010		Fiscal 2011		YOY Change		Original Estimates (Announced on 2011/2/3)		Difference from Original Estimate	
Net sales		299,822		277,386	(7.5)%	(22,436)		282,000	(1.6)%	(4,614)
Outsourcing and network	41.0%	123,071	41.3%	114,608	(6.9)%	(8,463)	41.4%	116,700	(1.8)%	(2,092)
Software development	48.7%	146,035	47.3%	131,328	(10.1)%	(14,707)	47.4%	133,800	(1.8)%	(2,472)
Solution services	8.0%	24,104	8.7%	24,161	0.2%	57	9.0%	25,300	(4.5)%	(1,139)
Other business	2.2%	6,612	2.6%	7,289	10.2%	677	2.2%	6,200	17.6%	1,089
Operating income	4.9%	14,759	4.6%	12,697	(14.0)%	(2,062)	4.2%	11,973	6.0%	724
Recurring profit	4.8%	14,494	4.5%	12,478	(13.9)%	(2,016)	4.1%	11,473	8.8%	1,005
Net income	2.4%	7,057	2.7%	7,518	6.5%	461	2.0%	5,773	30.2%	1,745

* Only SORUN's consolidated results and amortization of goodwill in SORUN have been excluded from ITHD's consolidated results.
* SORUN became a subsidiary in December 2009, and its business results are therefore included in Group performance from the fourth quarter of fiscal 2010.

Fiscal 2011 Sales by Client Sector: ITHD (Consolidated)

IT Holdings

(Millions of yen)	Fiscal 2010		Fiscal 2011		YOY Change	
Net sales		313,856		323,173	3.0%	9,317
Credit card	18.2%	57,151	16.3%	52,614	(7.9)%	(4,537)
Banking	7.5%	23,480	8.0%	25,819	10.0%	2,339
Insurance	6.7%	21,088	7.3%	23,448	11.2%	2,360
Other finance	6.1%	19,063	5.9%	19,178	0.6%	115
Assembly-based manufacturing	12.8%	40,196	14.3%	46,323	15.2%	6,127
Processing-based manufacturing	9.4%	29,630	8.1%	26,135	(11.8)%	(3,495)
Distribution	8.0%	24,983	7.1%	22,870	(8.5)%	(2,113)
Services	19.7%	61,874	21.7%	70,017	13.2%	8,143
Public institutions	9.0%	28,217	8.7%	28,015	(0.7)%	(202)
Others	2.6%	8,175	2.7%	8,754	7.1%	579

Reference: ITHD (Consolidated, excluding SORUN)

Excluding SORUN (Millions of yen)	Fiscal 2010		Fiscal 2011		YOY Change	
Net sales		299,822		277,381	(7.5)%	(22,441)
Credit card	18.0%	56,637	15.6%	50,376	(11.1)%	(6,261)
Banking	7.3%	23,004	7.4%	23,812	3.5%	808
Insurance	6.6%	20,603	6.3%	20,311	(1.4)%	(292)
Other finance	5.8%	18,181	4.9%	15,903	(12.5)%	(2,278)
Assembly-based manufacturing	11.6%	36,301	10.0%	32,465	(10.6)%	(3,836)
Processing-based manufacturing	9.4%	29,630	8.1%	26,135	(11.8)%	(3,495)
Distribution	7.9%	24,875	6.9%	22,280	(10.4)%	(2,595)
Services	17.4%	54,499	15.5%	50,063	(8.1)%	(4,436)
Public institutions	8.9%	27,923	8.4%	27,288	(2.3)%	(635)
Others	2.6%	8,175	2.7%	8,754	7.1%	579

Fiscal 2011 Performance Summary: TIS (consolidated) and INTEC (Consolidated)

IT Holdings

TIS, Consolidated (Millions of yen)	Fiscal 2010		Fiscal 2011		YOY Change		Original Estimates (Announced on 2011/2/3)		Difference from Original Estimate	
Net sales		90,983		81,930	(10.0)%	(9,053)		83,900	(2.3)%	(1,970)
Outsourcing and network	37.5%	34,093	37.1%	30,414	(10.8)%	(3,679)	36.1%	30,300	0.4%	114
Software development	51.7%	47,027	50.6%	41,457	(11.8)%	(5,570)	51.1%	42,900	(3.4)%	(1,443)
Solution services	10.8%	9,861	12.0%	9,803	(0.6)%	(58)	12.5%	10,500	(6.6)%	(697)
Other business	-	-	0.3%	256	-	256	0.2%	200	28.0%	56
Operating income	5.5%	5,028	5.5%	4,525	(10.0)%	(503)	5.6%	4,700	(3.7)%	(175)
Recurring profit	5.9%	5,376	5.7%	4,659	(13.3)%	(717)	5.7%	4,800	(2.9)%	(141)
Net income	3.6%	3,300	2.4%	2,006	(39.2)%	(1,294)	2.3%	1,900	5.6%	106

INTEC, Consolidated (Millions of yen)	Fiscal 2010		Fiscal 2011		YOY Change		Original Estimates (Announced on 2011/2/3)		Difference from Original Estimate	
Net sales		109,480		103,177	(5.8)%	(6,303)		103,800	(0.6)%	(623)
Outsourcing and network	36.3%	39,702	36.6%	37,813	(4.8)%	(1,889)	37.1%	38,500	(1.8)%	(687)
Software development	52.0%	56,984	51.1%	52,712	(7.5)%	(4,272)	50.7%	52,600	0.2%	112
Solution services	7.3%	8,003	7.5%	7,750	(3.2)%	(253)	7.6%	7,900	(1.9)%	(150)
Other business	4.4%	4,789	4.8%	4,902	2.4%	113	4.6%	4,800	2.1%	102
Operating income	6.1%	6,662	4.3%	4,423	(33.6)%	(2,239)	3.9%	4,100	7.9%	323
Recurring profit	5.4%	5,884	3.9%	3,973	(32.5)%	(1,911)	3.4%	3,500	13.5%	473
Net income	3.3%	3,616	1.8%	1,899	(47.5)%	(1,717)	1.8%	1,900	(0.1)%	(1)

* Chuo System Corporation and IUK Inc., which were put under the direct control of ITHD in April 2010, are not included in the scope of INTEC consolidation.

Fiscal 2011 Performance Summary:
SORUN (Consolidated), UFIT (Consolidated), and Agrex (Consolidated)

IT Holdings

SORUN, Consolidated (Millions of yen)	Fiscal 2010		Fiscal 2011		YOY Change		Original Estimates (Announced on 2011/2/3)		Difference from Original Estimate	
Net sales		46,985		45,787	(2.5)%	(1,198)		46,000	(0.5)%	(213)
Outsourcing and network	21.7%	10,209	21.6%	9,888	(3.1)%	(321)	22.4%	10,300	(4.0)%	(412)
Software development	71.9%	33,765	71.1%	32,561	(3.6)%	(1,204)	70.0%	32,200	1.1%	361
Solution services	5.5%	2,590	6.6%	3,022	16.7%	432	7.0%	3,200	(5.6)%	(178)
Other business	0.9%	421	0.7%	315	(25.2)%	(106)	0.7%	300	5.0%	15
Operating income	3.3%	1,543	2.4%	1,094	(29.1)%	(449)	3.3%	1,500	(27.1)%	(406)
Recurring profit	2.9%	1,378	2.4%	1,120	(18.7)%	(258)	3.3%	1,500	(25.3)%	(380)
Net income	1.3%	603	(1.2)%	(560)	(192.9)%	(1,163)	1.5%	700	(180.0)%	(1,260)

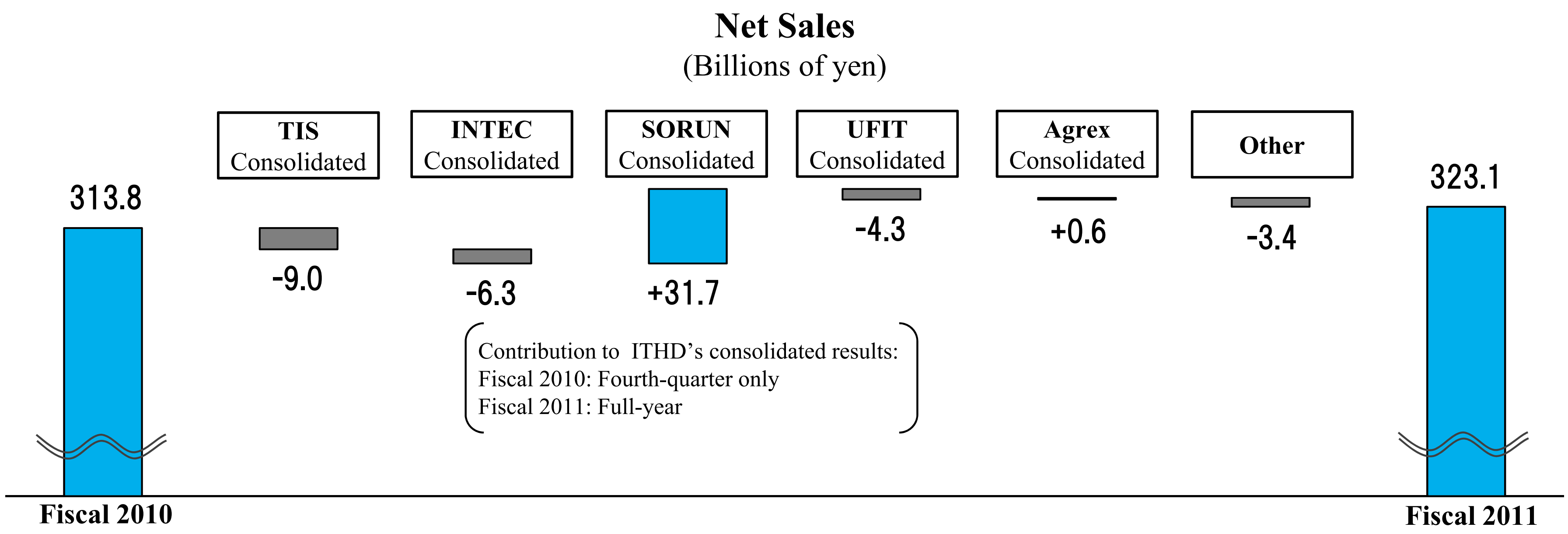
* SORUN became a subsidiary in December 2009, and its business results are therefore included in Group performance from the fourth quarter of fiscal 2010.

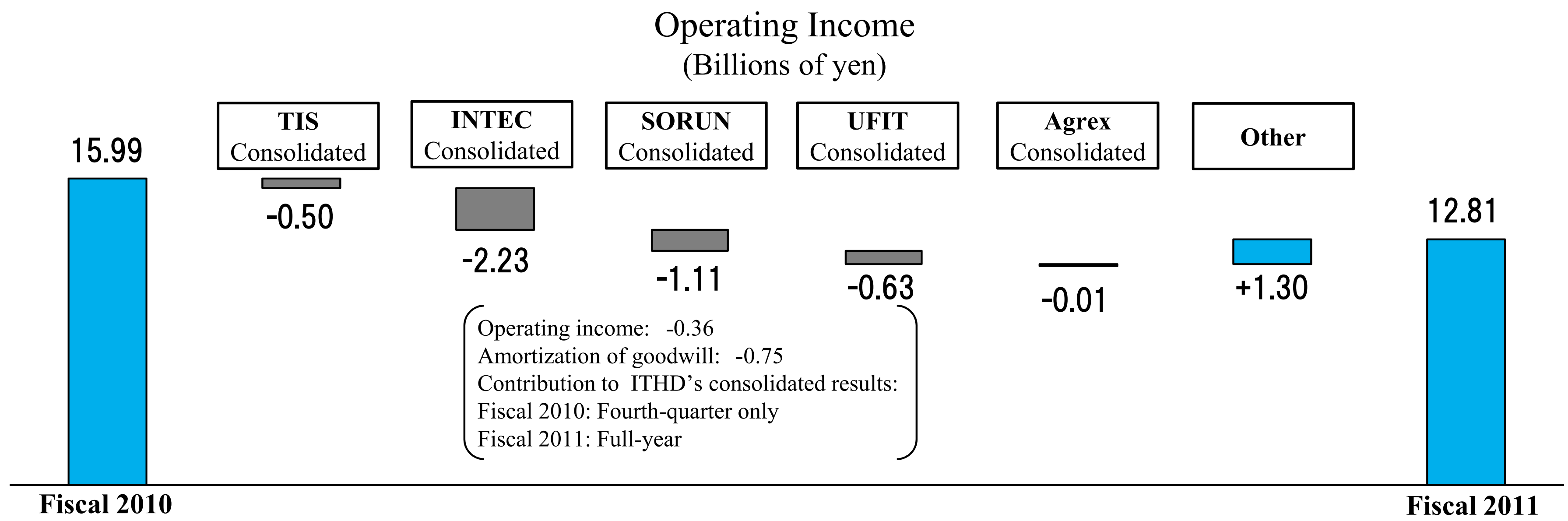
UFIT, Consolidated (Millions of yen)	Fiscal 2010		Fiscal 2011		YOY Change		Original Estimates (Announced on 2011/2/3)		Difference from Original Estimate	
Net sales		42,706		38,373	(10.1)%	(4,333)		38,500	(0.3)%	(127)
Operating income	4.5%	1,904	3.7%	1,419	(25.5)%	(485)	2.6%	1,000	41.9%	419
Recurring profit	4.6%	1,977	3.5%	1,347	(31.9)%	(630)	2.6%	1,000	34.7%	347
Net income	4.7%	2,027	0.8%	306	(84.9)%	(1,721)	1.0%	400	(23.5)%	(94)

Agrex, Consolidated (Millions of yen)	Fiscal 2010		Fiscal 2011		YOY Change		Original Estimates (Announced on 2011/2/3)		Difference from Original Estimate	
Net sales		26,590		27,228	2.4%	638		28,300	(3.8)%	(1,072)
Operating income	2.5%	656	2.4%	650	(0.9)%	(6)	3.2%	900	(27.8)%	(250)
Recurring profit	2.4%	645	2.5%	669	3.7%	24	3.2%	900	(25.7)%	(231)
Net income	0.3%	91	(0.5)%	(138)	-	(229)	0.8%	220	-	(358)

* Revised performance targets were announced on May 9, 2011.

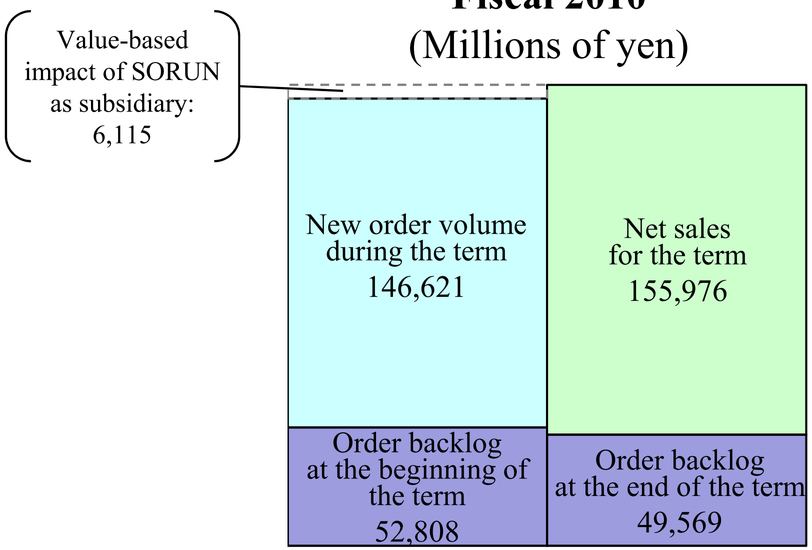
Fiscal 2011 Net Sales and Operating Income Analysis (YOY and by company)



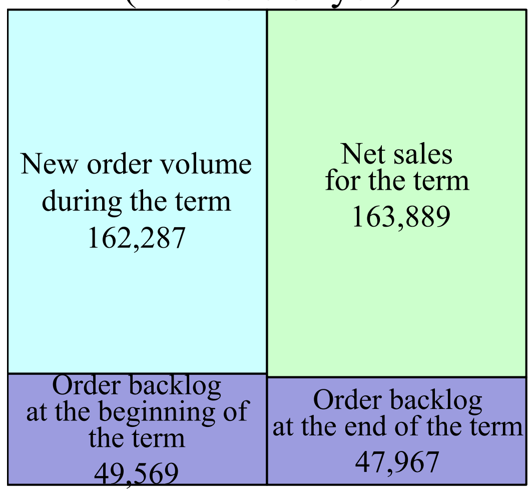


Fiscal 2011 Order Status: Software Development

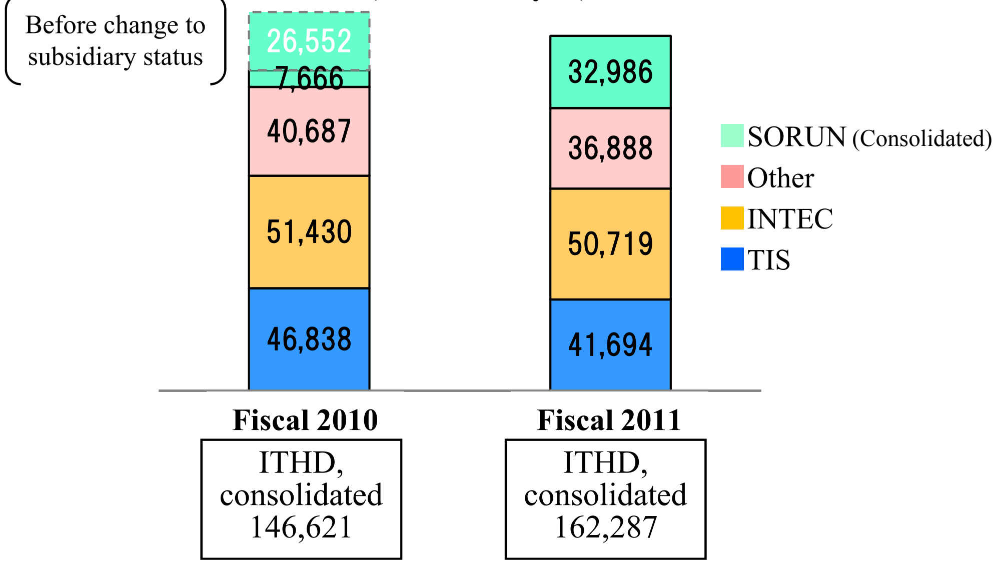
Fiscal 2010
(Millions of yen)



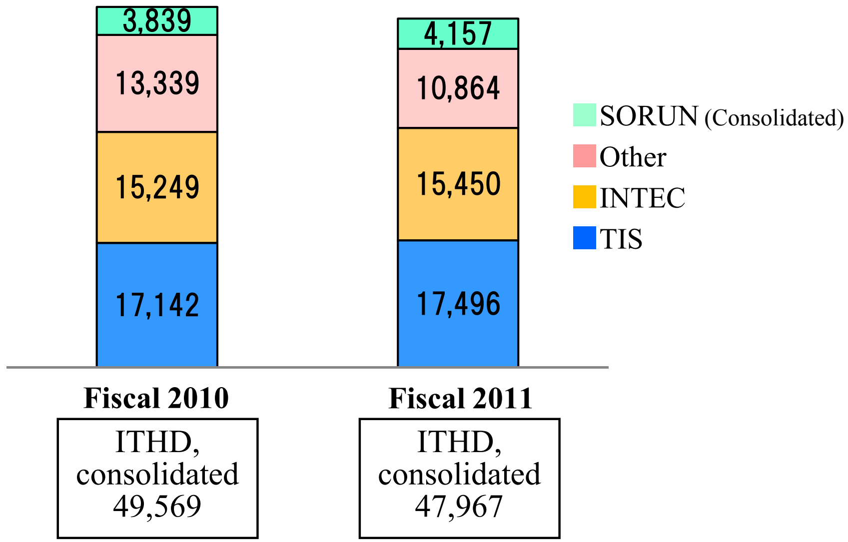
Fiscal 2011
(Millions of yen)



New Order Volume during the Term
(Millions of yen)



Order Backlog at the end of the Term
(Millions of yen)

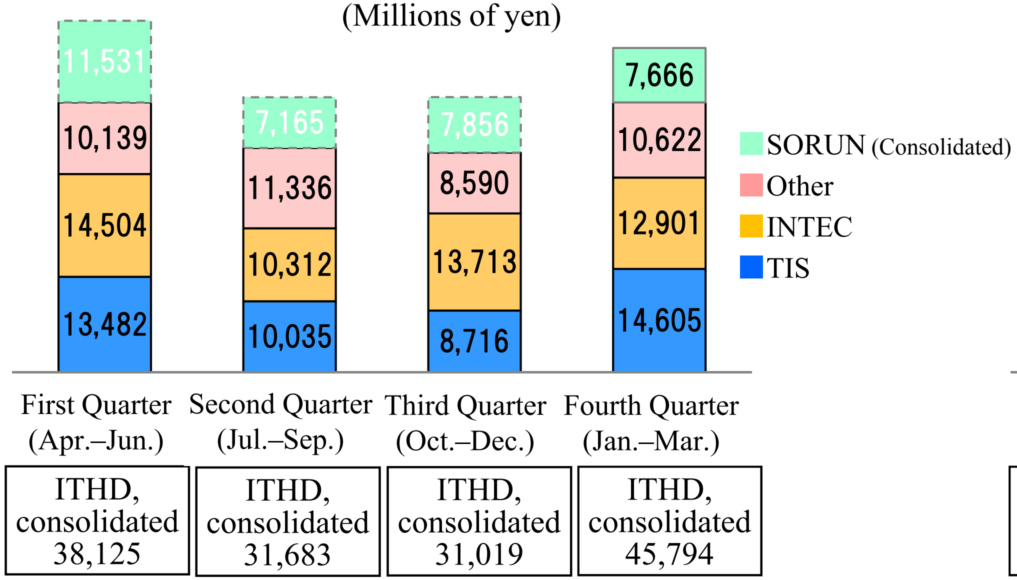


(Reference) Quarterly Changes in Order Status: Software Development

IT Holdings

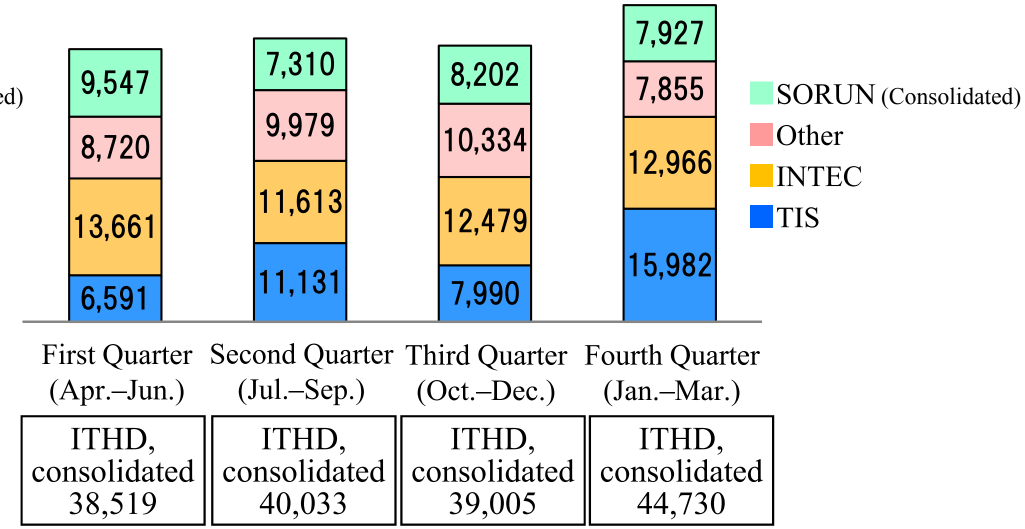
Fiscal 2010 New Order Volume

(Millions of yen)



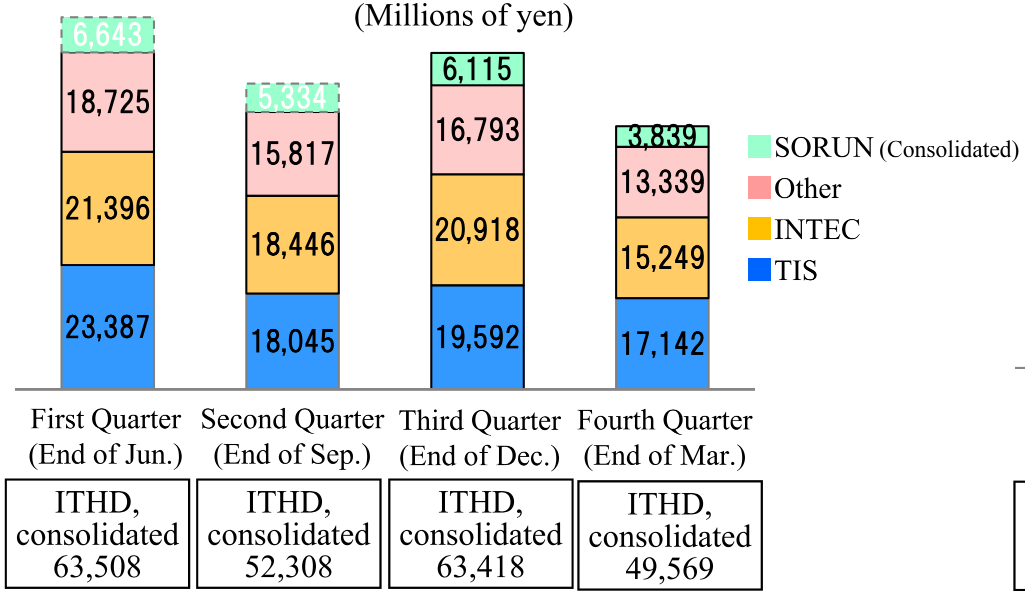
Fiscal 2011 New Order Volume

(Millions of yen)



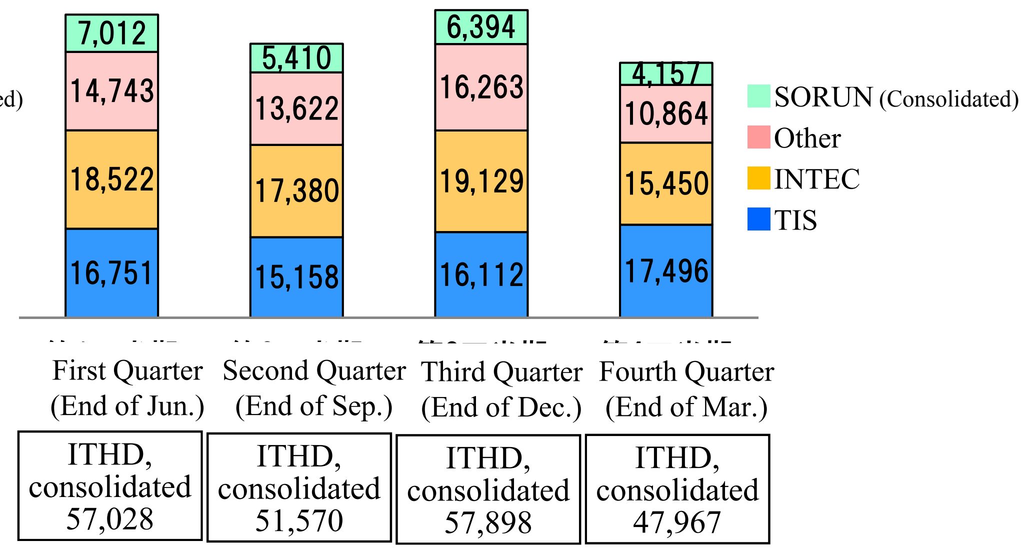
Fiscal 2010 Order Backlog at the End of the Term

(Millions of yen)



Fiscal 2011 Order Backlog at the End of the Term

(Millions of yen)



Fiscal 2011: Financial Position and Cash Flow Status

IT Holdings, Consolidated (Millions of yen)	Fiscal 2010		Fiscal 2011		YOY change	
Current assets	45.3%	141,967	42.7%	128,455	(9.5)%	(13,512)
Property and equipment	54.7%	171,109	57.3%	172,620	0.9%	1,511
Total assets	100.0%	313,077	100.0%	301,076	(3.8)%	(12,001)
Current liabilities	27.6%	86,255	24.3%	73,090	(15.3)%	(13,165)
Non-current liabilities	22.9%	71,746	25.5%	76,875	7.1%	5,129
Net assets	49.5%	155,075	50.2%	151,110	(2.6)%	(3,965)
Total liabilities and net assets	100.0%	313,077	100.0%	301,076	(3.8)%	(12,001)
Interest-bearing debt	29.3%	91,646	25.7%	77,455	(15.5)%	(14,191)

*Total interest-bearing debt is the sum of bank borrowings and bond issues.

- Property and equipment increased, with the addition of new facilities, particularly GDC Gotenyama and Manyo Square.
- The Company applied its cash management system to more companies under the Group umbrella and trimmed interest-bearing debt by improving capital efficiency groupwide.
- Equity ratio up 44.2% ⇒ 47.7%

IT Holdings, Consolidated (Millions of yen)	Fiscal 2010	Fiscal 2011	YOY change	
Cash and cash equivalents at beginning of year	35,104	46,987	33.9%	11,883
Cash flows from operating activities	31,400	27,236	(13.3)%	(4,164)
Cash flows from investing activities	(25,726)	(18,957)	-	6,769
Cash flows from financing activities	6,139	(18,755)	-	(24,894)
Other, net	69	(19)	-	(88)
Cash and cash equivalents at end of year	46,987	36,492	(22.3)%	(10,495)
Free cash flows	5,674	8,279	45.9%	2,605

*Free cash flow is the sum of cash flows from operating activities and cash flows from investing activities.

- With a significant drop in cash flows from financing activities because of a decrease in interest-bearing debt, cash and cash equivalents at the end of fiscal 2011 fell from the level posted in fiscal 2010.
- Free cash flow was up from a year earlier.

Fiscal 2011 Highlights

Fiscal 2012 Performance Forecast

Key Strategies for Medium-term Growth

Fiscal 2012 ITHD Group Management Policy

IT Holdings

1. Redefine Group structure

- Quickly establish a business foundation for the new TIS created through the three-company merger.
- Achieve a smooth start for the new shared services company and deliver results.

2. Extend top lines and expand stock business

- Reinforce marketing capabilities and build a wider client base.
- Utilize cloud business and data centers to underpin development and growth of business continuity plan (BCP) business.

3. Strengthen Group business foundation and revenue structure

- Eliminate projects in the red.
- Reinforce revenue management and pinpoint profitability status more quickly.
- Promote business practices laterally within the Group through application of new management approaches.

4. Build a presence—invest—in activities with the potential to become services and solutions in the medium term

Change in Segment Information Disclosure: New Management Approach

Disclosed Units

Up to March 2011	From April 2012
ITHD, consolidated	ITHD, consolidated
TIS Group	IT Infrastructure Services
INTEC Group	Financial IT Services / Industrial IT Services
SORUN Group	
UFIT Group	
Agrex Group	Other Business

Reason for Change

Standardization of management and accounting systems at companies under the ITHD Group umbrella and visualization of performance and status at each company will facilitate lateral implementation of management practices throughout the Group.

New Segment Business Content

IT Infrastructure Services	Provide self-administered computer utility or system operation services through large IT facilities, including data centers.
Financial IT Services	Support clients in their efforts to make greater use of IT in their operations and in the execution of their business activities with IT expertise and business know-how specific to the finance industry.
Industrial IT Services	Support clients in their efforts to make greater use of IT in their operations and in the execution of their business activities with IT expertise and business know-how in areas other than finance, namely industrial and public sectors.
Other Business	Activities other than those described above.

Business Breakdown Following Change in Segment Information Disclosure

IT Holdings

Basic Correlation between Old and New Segment Classifications

Service (old)		Businesses (Service)
Outsourcing and network	→	IT Infrastructure Services
Outsourcing and network	→	Financial IT Services / Industrial IT Services
Software development	→	Financial IT Services / Industrial IT Services
Solution services	→	Financial IT Services / Industrial IT Services
Other business	→	Other business

Key Changes

- The execution of business activities that hinge not on company-owned facilities but on human resources—that is, primarily the assignment of essential system operation personnel to the large IT facilities of other companies—will be shifted out of the Outsourcing and Network segment.
- The Software Development and Solutions segments are closely connected and will be merged, with inherent expertise allocated separately to address financial and non-financial system integration requests.

Comparison of Fiscal 2011 Net Sales and Order Status under Old and New Segment Classifications (Millions of yen)

Old Segment Classifications

ITHD (Consolidated)	Fiscal 2011	
Net sales		323,173
Outsourcing and Network	38.5%	124,496
Software Development	50.7%	163,889
Solutions	8.4%	27,183
Other	2.4%	7,604

ITHD (Consolidated)	Fiscal 2011
Order volume	162,287
Order balance*	47,967

*Software Development portion only

New Segment Classifications

ITHD (Consolidated)	Fiscal 2011	
Net sales		323,173
IT Infrastructure Services	33.8%	109,099
Financial IT Services	22.5%	72,700
Industrial IT Services	41.5%	134,171
Other Business	2.2%	7,203

ITHD (Consolidated)	Fiscal 2011
Order volume	162,287
Financial IT Services	65,053
Industrial IT Services	97,234
Order balance*	47,967
Financial IT Services	21,075
Industrial IT Services	26,892

*Software Development portion only

Understanding of External Environment: Business Conditions and IT Investment Trends by Industry Sector

- In the wake of the Great East Japan Earthquake, some clients are taking a wait-and-see approach to spending. But demand spurred by reconstruction activity in the areas devastated by the earthquake and tsunami will be a factor supporting demand for IT services, so the trend toward medium- to long-term investment in IT will not change all that much.

Financial Sectors

- In the credit card and consumer finance sector, clients have addressed their need for IT services necessitated by new laws, effectively ending associated requests, while lackluster consumer spending has started to impact demand for IT services to upgrade systems.
  → Key clients are backtracking on plans for large software development projects.
- In the banking sector, clients will probably seek IT services to integrate systems paralleling realignment and to address industry system changes.
  → Demand for peripheral systemsfollowing system integration may increase among key clients.
- In the insurance sector, clients will restrict IT investment, because they anticipate more pressing applications of funds, especially huge compensation claims connected to that monstrous March 11 earthquake.
  → Large-scale software development projects for principal clients have probably reached their peak.

Remain cloudy

Industrial Sectors

- In the manufacturing sector, clients affected by the earthquake have put some projects on hold, but projects to address IFRS requirements are likely to go ahead.
  → Key clients are likely to start moving on projects to upgrade platform systems. Demand for ERP-related projects should be favorable.
- Given lackluster purchasing activity among consumers, clients in the service sector, especially the distribution, travel and entertainment segments, are unlikely to prioritize IT investment in their spending plans. As a result, the trend to curb IT investment will probably continue.

Sunny breaks

Public Sectors

- Demand will increase from national and local government offices for emergency preparedness systems, particularly contingency planning and disaster prevention information platforms. But demand related to administrative services could shrink.
- In the electric power segment, IT investment aimed at ensuring safety and maintaining lifelines are sure to take priority.

Remain cloudy

*These trends may differ from general industry trends since management's assumptions also take into consideration the status of IT investment by clients of the ITHD Group.

Fiscal 2012 Full-Year Performance Forecast Highlights

IT Holdings

External Environment

- The Great East Japan Earthquake has caused a growing sense of uncertainty over possible improvement in business conditions, so the challenging operating environment is likely to persist.
- Demand for data center services will grow, mainly because clients are concerned about the impact of rolling power failures on their operations.

ITHD Group Status

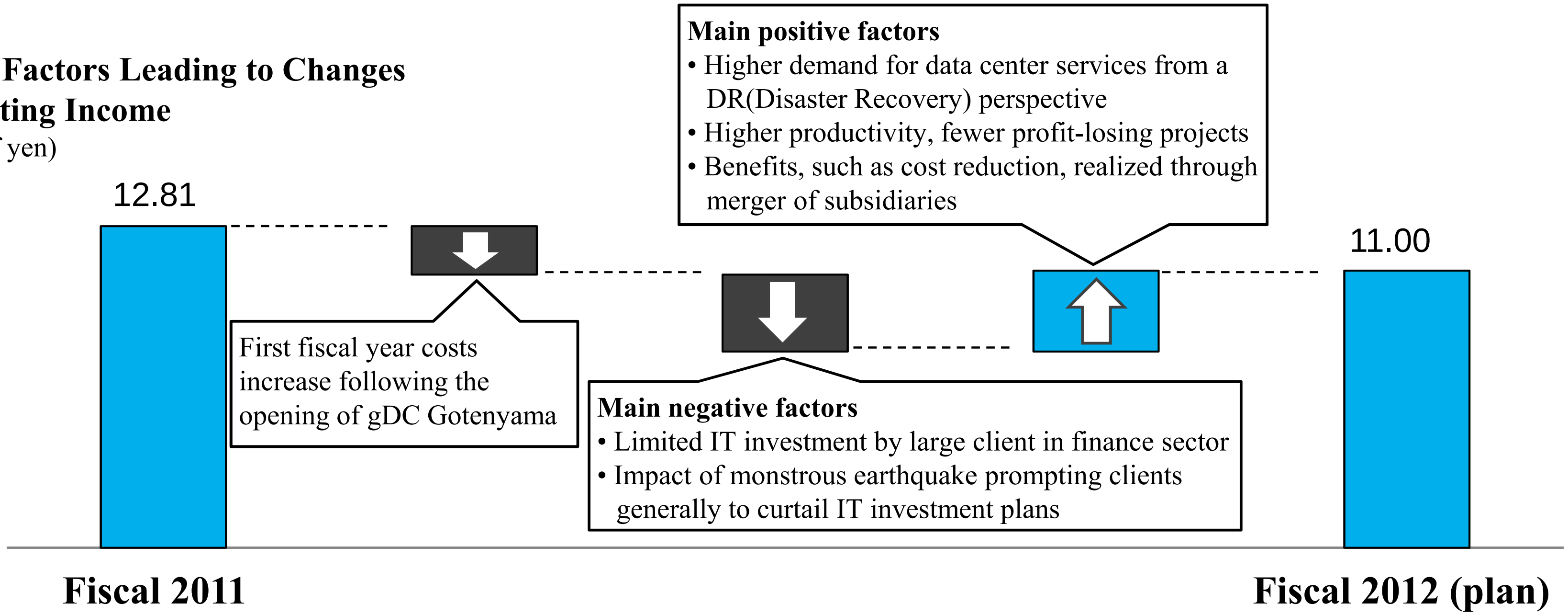
- Focus on the data center business as a pillar of growth.
- Accelerate post-merger plans at the new TIS and target cost-cutting of around ¥1 billion.
- Apply new management approaches to promote lateral implementation of business practices throughout the Group.
- Some clients are taking a wait-and-see approach to IT investment because their end users are not in a buying frame of mind, which means less capital to invest and less pressure to acquire the latest in IT. However, demand spurred by reconstruction activity in the areas devastated by the earthquake will be a positive factor supporting renewed demand for IT services.

ITHD, Consolidated (Millions of yen)	Fiscal 2012 (plan)	YOY change
Net sales	308,000	(4.7)%
Operating income	11,000	(14.2)%
Recurring profit	10,500	(16.8)%
Net income	3,500	(41.5)%

Fiscal 2012 Performance Forecast

ITHD, Consolidated (Millions of yen)	Fiscal 2011				Fiscal 2012 (plan)				YOY change			
	1st half		Full year		1st half		Full year		1st half		Full year	
Net sales		154,009		323,173		151,500		308,000	(1.6)%	(2,509)	(4.7)%	(15,173)
IT Infrastructure Services	35.4%	54,585	33.8%	109,099	35.5%	53,800	34.9%	107,600	(1.4)%	(785)	(1.4)%	(1,499)
Financial IT Services	22.7%	34,904	22.5%	72,700	21.7%	32,800	21.4%	66,000	(6.0)%	(2,104)	(9.2)%	(6,700)
Industrial IT Services	39.5%	60,778	41.5%	134,171	40.5%	61,300	41.3%	127,300	0.9%	522	(5.1)%	(6,871)
Other Business	2.4%	3,744	2.2%	7,203	2.4%	3,600	2.3%	7,100	(3.8)%	(144)	(1.4)%	(103)
Operating income	3.0%	4,667	4.0%	12,818	2.0%	3,000	3.6%	11,000	(35.7)%	(1,667)	(14.2)%	(1,818)
Recurring profit	3.1%	4,762	3.9%	12,625	1.8%	2,800	3.4%	10,500	(41.2)%	(1,962)	(16.8)%	(2,125)
Net income	0.7%	1,004	1.9%	5,985	0.7%	1,000	1.1%	3,500	(0.4)%	(4)	(41.5)%	(2,485)

Primary Factors Leading to Changes in Operating Income
(Billions of yen)



Fiscal 2012 Net Sales and Operating Income Forecasts by Segment

ITHD, Consolidated (Millions of yen)		Fiscal 2011		Fiscal 2012 (plan)		YOY change			
		1st half	Full year	1st half	Full year	1st half		Full year	
IT Infrastructure Services	Net sales	55,528	110,923	54,700	109,700	(1.5)%	(828)	(1.1)%	(1,223)
	Composition		34.3%		35.6%		33.0%		8.1%
	Operating income	3,864	8,127	2,100	5,600	(45.7)%	(1,764)	(31.1)%	(2,527)
	Composition		63.4%		50.9%		105.8%		139.0%
	Operating income ratio	7.0%	7.3%	3.8%	5.1%				
Financial IT Services	Net sales	34,941	72,815	32,900	66,400	(5.8)%	(2,041)	(8.8)%	(6,415)
	Composition		22.5%		21.6%		81.3%		42.3%
	Operating income	1,082	2,969	800	2,000	(26.1)%	(282)	(32.6)%	(969)
	Composition		23.2%		18.2%		16.9%		53.3%
	Operating income ratio	3.1%	4.1%	2.4%	3.0%				
Industrial IT Services	Net sales	64,203	141,137	64,700	134,500	0.8%	497	(4.7)%	(6,637)
	Composition		43.7%		43.7%		(19.8)%		43.7%
	Operating income	(80)	2,432	400	3,900	-	480	60.4%	1,468
	Composition		19.0%		35.5%		(28.8)%		(80.7)%
	Operating income ratio	(0.1)%	1.7%	0.6%	2.9%				
Other Business	Net sales	8,313	16,596	8,200	16,500	(1.4)%	(113)	(0.6)%	(96)
	Composition		5.1%		5.4%		4.5%		0.6%
	Operating income	645	1,314	600	1,300	(7.0)%	(45)	(1.1)%	(14)
	Composition		10.3%		11.8%		2.7%		0.8%
	Operating income ratio	7.8%	7.9%	7.3%	7.9%				
Internal elimination adjustments	Net sales	(8,976)	(18,298)	(9,000)	(19,100)	-	-	-	-
	Operating income	(844)	(2,024)	(900)	(1,800)	-	-	-	-

Net sales for each segment include intersegment sales.

Key Factors of Change
Assumed Impact Value
(Net Sales/Operating Income)

IT Infrastructure Services:
Reduced or concluded system operation services for clients in finance sector (-¥2 billion / -¥500 million)
Opening of GDC Gotenyama (¥1.5 billion / -¥2 billion)
Benefits from merger of subsidiaries (-/+¥200 million)

Financial IT Services:
IT investment at major clients either curtailed or peaking out (-¥4.6 billion / -¥1.1 billion)
Benefits from merger of subsidiaries (-/+¥400 million)
Earthquake effect (-¥1.8 billion / -¥200 million)

Industrial IT Services:
Fewer profit-losing projects (-/+¥1.9 billion)
Benefits from merger of subsidiaries (-/+¥400 million)
Earthquake effect (-¥7.2 billion/ -¥700 million)

(Reference) Fiscal 2012 Performance Forecast: TIS (Non-consolidated), INTEC (Non-consolidated)

TIS, Non-consolidated (Millions of yen)	Fiscal 2011				Fiscal 2012 (plan)				YOY change			
	1st half		Full year		1st half		Full year		1st half		Full year	
Net sales		72,967		153,567		70,000		148,600	(4.1)%	(2,967)	(3.2)%	(4,967)
IT Infrastructure Services	39.8%	29,067	37.8%	58,058	40.3%	28,200	38.2%	56,800	(3.0)%	(867)	(2.2)%	(1,258)
Financial IT Services	30.7%	22,429	30.4%	46,673	29.1%	20,400	28.9%	43,000	(9.0)%	(2,029)	(7.9)%	(3,673)
Industrial IT Services	29.4%	21,471	31.8%	48,836	30.6%	21,400	32.8%	48,800	(0.3)%	(71)	(0.1)%	(36)
Operating income	2.7%	1,986	3.8%	5,847	0.1%	100	3.0%	4,500	(95.0)%	(1,886)	(23.0)%	(1,347)
Recurring profit	4.6%	3,335	4.6%	7,133	0.6%	400	3.2%	4,700	(88.0)%	(2,935)	(34.1)%	(2,433)
Net income	2.0%	1,441	1.5%	2,301	0.2%	150	0.9%	1,300	(89.6)%	(1,291)	(43.5)%	(1,001)

TIS, SORUN and UFIT merged on April 1, 2011. Amounts for fiscal 2011 are simple totals adding together the non-consolidated results of TIS, SORUN and UFIT.

INTEC, Non-consolidated (Millions of yen)	Fiscal 2011				Fiscal 2012 (plan)				YOY change			
	1st half		Full year		1st half		Full year		1st half		Full year	
Net sales		41,555		89,406		41,500		87,700	(0.1)%	(55)	(1.9)%	(1,706)
IT Infrastructure Services	25.9%	10,747	24.3%	21,751	25.8%	10,700	24.7%	21,700	(0.4)%	(47)	(0.2)%	(51)
Financial IT Services	20.8%	8,654	20.5%	18,339	21.0%	8,700	19.4%	17,000	0.5%	46	(7.3)%	(1,339)
Industrial IT Services	53.3%	22,154	55.2%	49,316	53.3%	22,100	55.9%	49,000	(0.2)%	(54)	(0.6)%	(316)
Operating income	3.5%	1,436	3.8%	3,377	3.9%	1,600	4.3%	3,800	11.4%	164	12.5%	423
Recurring profit	3.3%	1,379	3.3%	2,963	3.6%	1,500	3.9%	3,400	8.8%	121	14.7%	437
Net income	0.7%	311	0.6%	574	0.9%	360	1.4%	1,200	15.8%	49	109.1%	626

Fiscal 2012 Dividend per Share

Basic Policy

- ITHD makes the long-term, comprehensive return of profits to shareholders a top management priority.

Additional Perspective

A paradigm shift in the IT services industry has heightened the importance of a business model underpinned by prior investments. Management endeavors to enrich internal reserves to ensure that ITHD has the flexibility to pursue vital investments at a sufficient level.

⇒ With a payout benchmark of 30%, we aim to maintain a stable return of profits to shareholders.

➢ Management expects an annual dividend at ¥18 per share in fiscal 2012, for a payout ratio of 45.1%.

Dividend per Share	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012 (plan)
Annually	32yen	32yen	32yen	18yen
Interim	ー	12yen	12yen	ー
At year end	32yen	20yen	(plan)20yen	18yen
Payout ratio	28.9%	35.9%	46.9%	45.1%

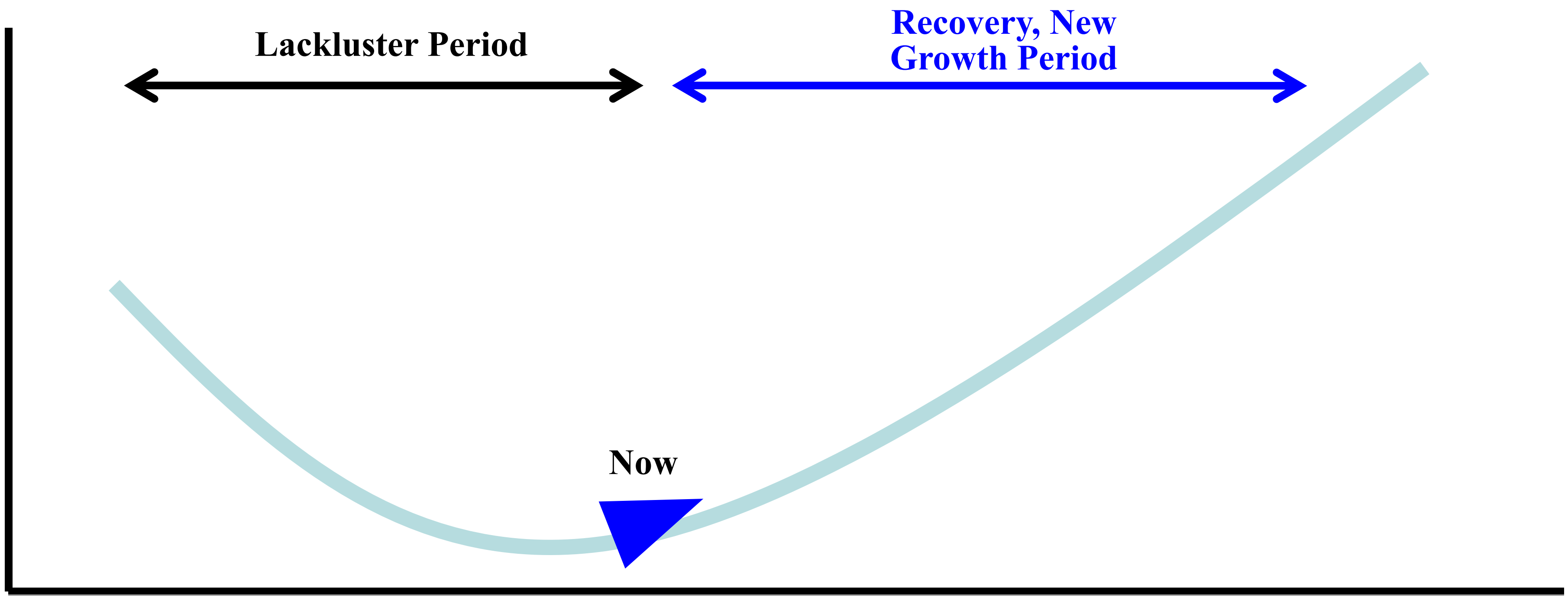
* No interim dividend was distributed in fiscal 2009—the Company's first fiscal year—because the books for this inaugural term had not yet closed. The year-end dividend included a ¥5 per share bonus.

Fiscal 2011 Highlights

Fiscal 2012 Performance Forecast

Key Strategies for Medium-term Growth

Medium-to Long-term Growth Forecast



Strategies

① Group formation (page 23)
→ Enhanced efficiency through integration and realignment

② Low-cost operations
→ Shared services company (pages 26-27)
→ Possible office integration (page 25)
→ Wider application of cash management system

③ Standardized in-house systems (page 25)

Strategies

① Prior investments, service-style responses
→ Expand data center business (page 28)
→ SaaS-style cloud services (pages 29-30)

② Global strategies (page 31)

IT Holdings Group

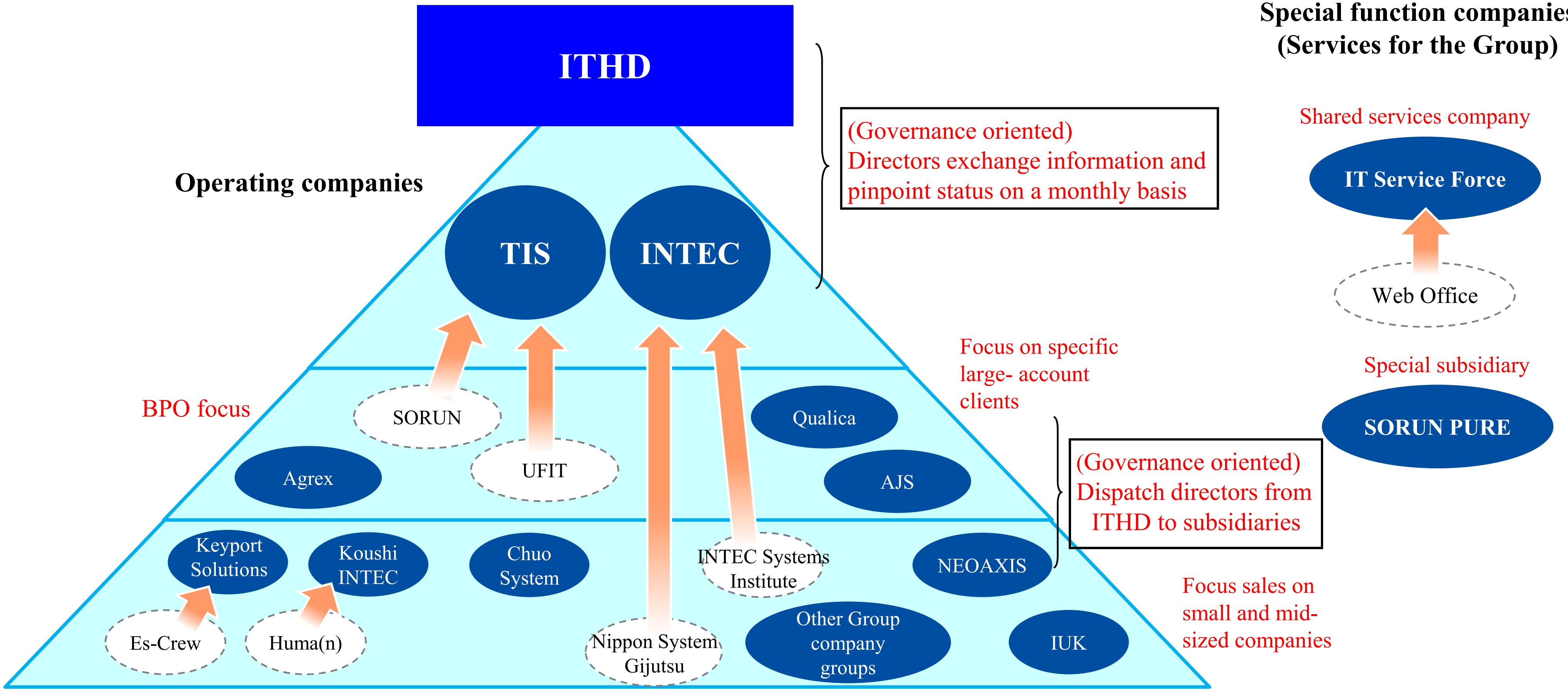
Group Formation and Group Management

IT Holdings

➢Promote streamlining, integration and realignment by function

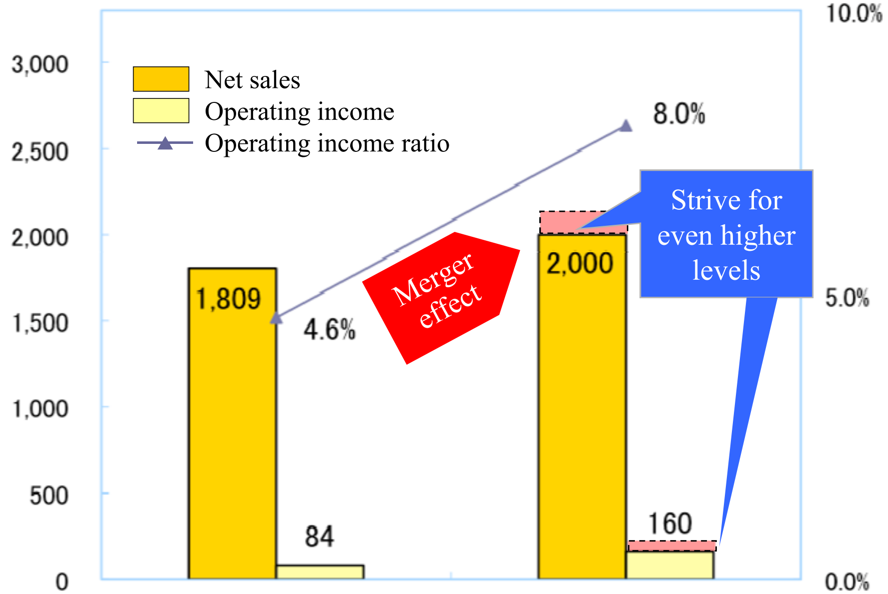
Push ahead with integration of Group companies from a perspective of sharper competitive capabilities matched to major changes in the operating environment

Centralize common functions within the Group with an eye to enhance efficiency



New TIS

(Hundred million yen)



Fiscal 2011
(Sum of results by three merged companies)

Fiscal 2014
(Targets)

Steps to Expand Top-Line Operations
Establish Sales Innovation Committee Form a sales innovation committee, chaired by the president, that cuts across the whole company to tackle four key objectives. 1. Raise TIS transactions in major clients. 2. Enhance solution business. • Implement strategies conscious of the synergy between solutions and system integration. 3. Build a larger base of potential clients. • Draw out orders from dormant clients and expand transaction value per company. 4. Reinforce data center business • Strengthen operations undertaken at data centers in Tokyo, Nagoya and Osaka and in Tianjin.
Steps to Improve Profitability
Centralize procurement functions and do more work in-house. Integrate platform systems. Merge head office divisions and consolidate offices.

Strengths	New TIS
Solutions and services	• More than 220 solutions • High development platform expertise, exemplified by Xenlon
Data centers	Top-class in all regards, from floor space (100,000m^2) and geographical area to service menu, including cloud computing.
Major clients	Extensive client base comprising more than 3,000 companies from all sectors of industry.

Status of Merger Process for the New TIS

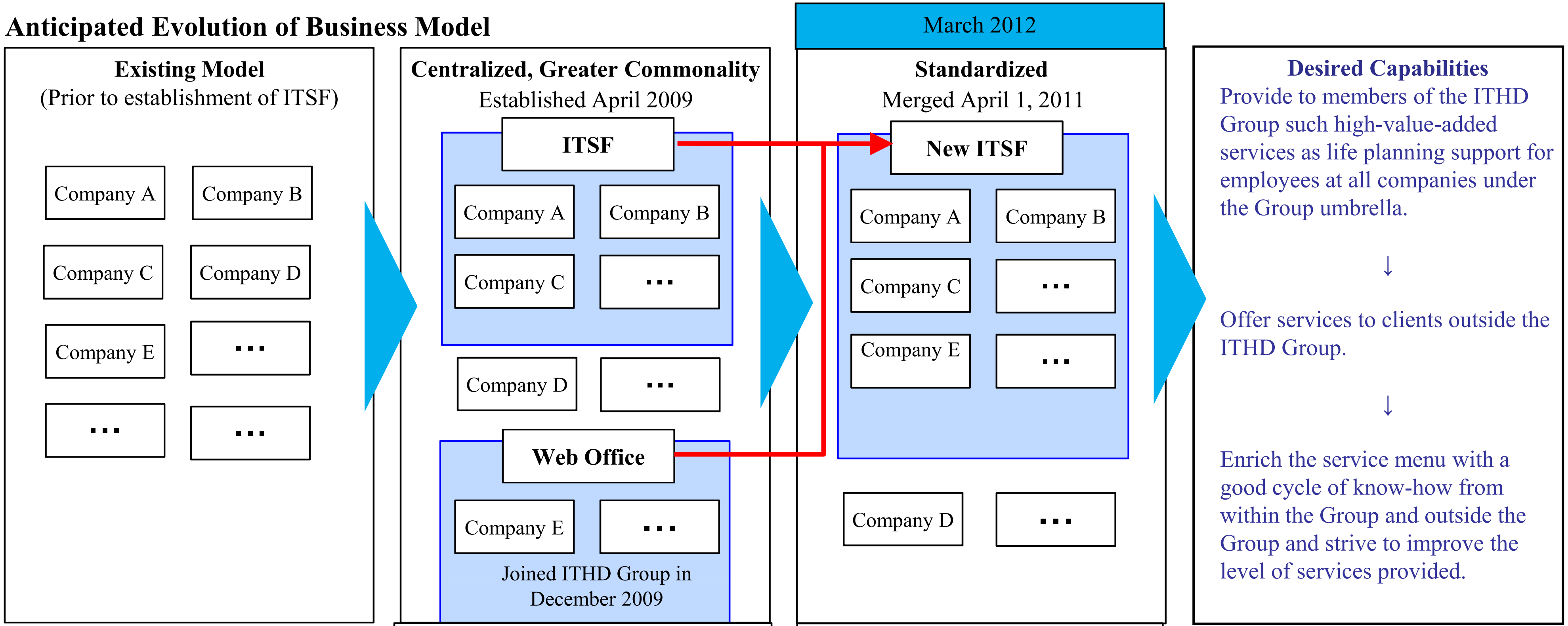
	April 1, 2011		April 1, 2012
Organizational structure	• Organizational structures of the three head offices merged. • In principle, organizational structures of divisions also combined, although some corporate lines remain separate.	Possibly move up implementation	• Divisional organizational structures will be completely merged.
Personnel system	• Office rules, health insurance plans and hiring practices consolidated. • Personnel and retirement/pension systems used by each company prior to merger still in force until new TIS versions are formulated.		• New personnel system will be in place.
Offices	• Offices in the Tokyo area reorganized and personnel reassigned to all divisions—namely, head office administration, financial IT services and industrial and public sector IT services business segments. • Offices in the Osaka area consolidated.	Possibly move up implementation*	• Offices in the Tokyo area will be consolidated. • Offices in the Nagoya area will be consolidated.
Administration	• Practices and approaches used by merging companies integrated into TIS' accounting system and business procedures.		• Transitioning to systems and services conforming to the next ITHD group system will commence.
Internal systems	• All internal systems of merging companies integrated into TIS' existing systems.		• Transitioning to new systems hinging on the next ITHD group system will commence.
Internal systems	• All internal systems of merging companies integrated into TIS' existing systems.	Possibly move up implementation	• Procurement methods will be integrated under centralized procurement structure.
Subsidiaries	• Recently merged shared services company and special subsidiary under ITHD control are realigned.	Possibly move up implementation	• Integration of operating subsidiaries will commence.

*Coinciding with office integration of other ITHD Group companies.

Strategy for Shared Services Company

- Administrative operations have gradually been centralized and a greater level of commonality achieved. The company has expanded its reach, now offering shared services for 12 companies and covering 63 types of back-office operations.
- Establishment of an invigorated IT Service Force (ITSF) will accelerate access to shared services.

Anticipated Evolution of Business Model



Group companies handled administrative operations on their own.

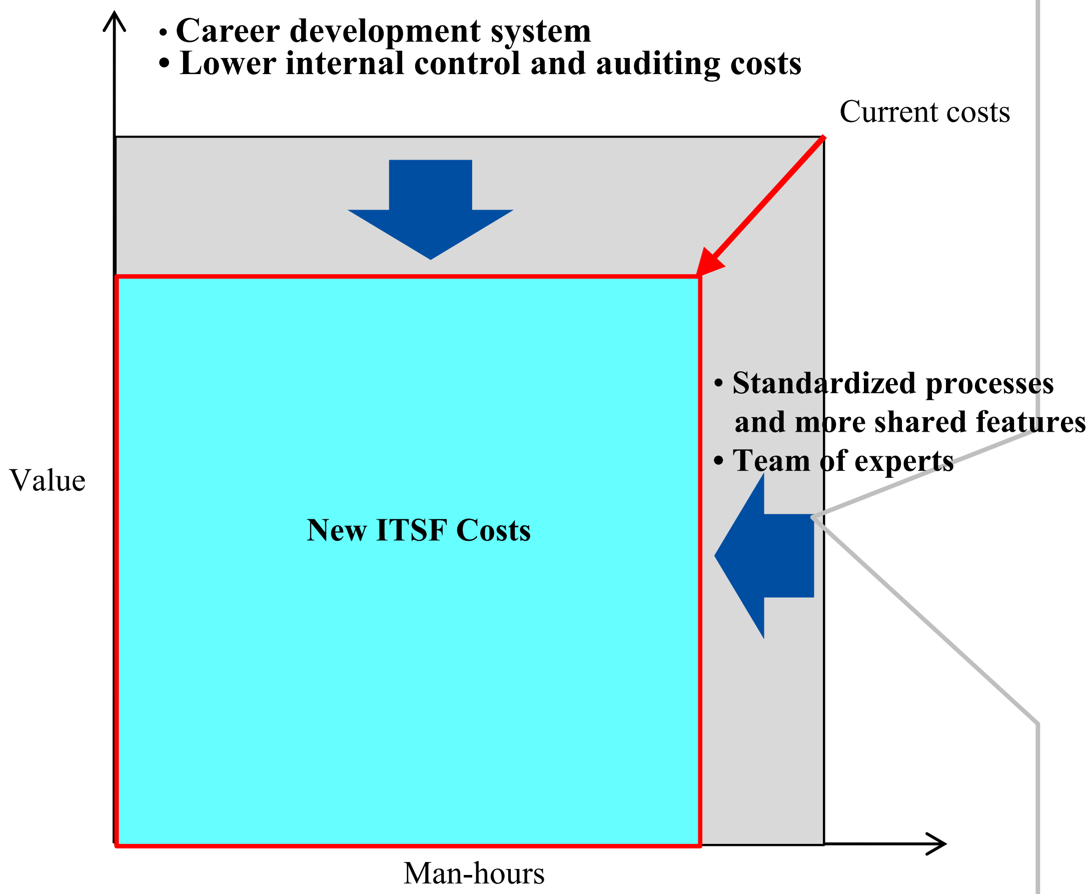
Since its establishment, ITSF has gradually expanded its menu of services to centralize administrative operations and promote common processes.
The SORUN Group consolidated its administrative operations into Web Office prior to joining the ITHD Group.

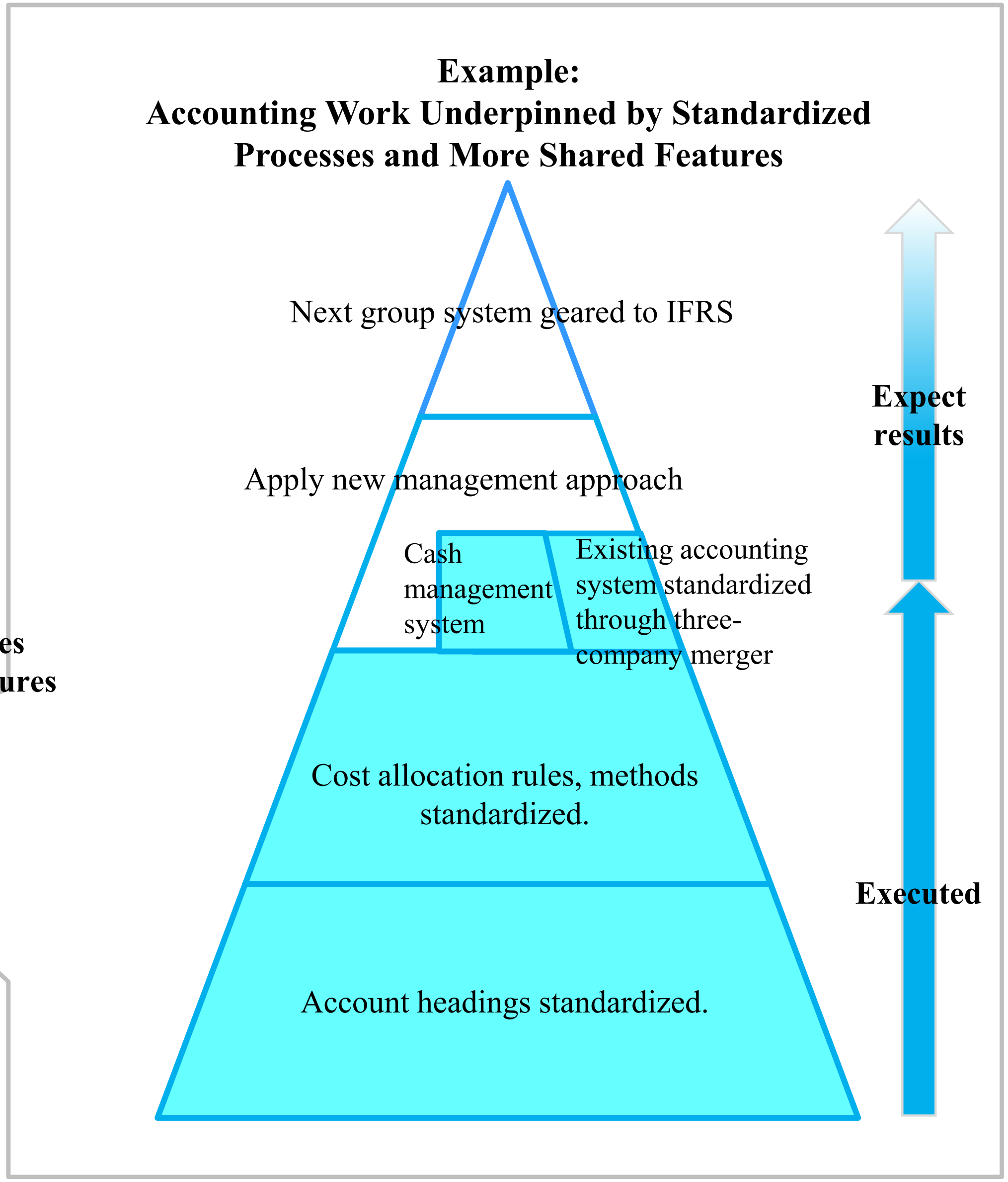
1. Two shared services companies merge.
- In-house standardization level rises.
- Processes share more features and enhanced level of standardization.

2. TIS, SORUN and UFIT merge.
⇒ Extends scope of business activities as well as content.

Fiscal 2010	ITSF established, 10 companies and 35 operations centralized.
Fiscal 2011	Wider scope of response encompasses 12 companies and 63 operations; preparations begin for integration with Web Office.
Fiscal 2012	ITSF and Web Office merge, with ITSF the surviving entity.

Accelerated Cost Reduction Through Promotion of Shared Services





Top-Line Expansion Plan 1: Reinforce IT Infrastructure (Data Center Business, DR)

IT Holdings

➢Open new data centers, expand stock business platform

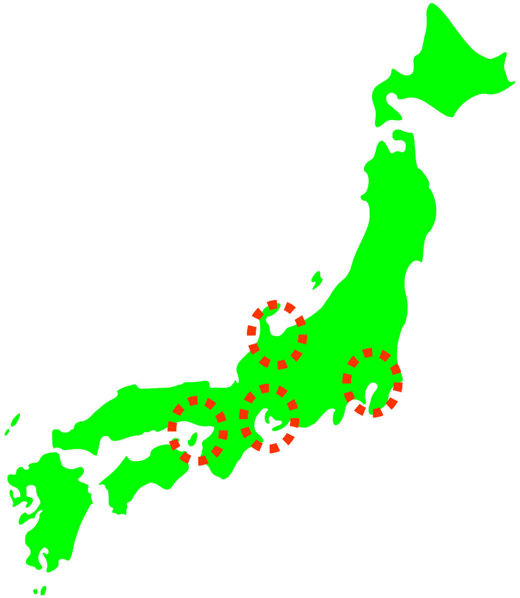
Operating Capabilities × **Facilities** × **Location**

◎ Located outside rolling power failure zones.
◎ Built in areas less susceptible to damage in a natural disaster and incorporating a base-isolation structure for enhanced earthquake tolerance.
◎ Large, in-house power generator and priority supply contracts for fuel.
◎ Newest data center facilities.

GDC Gotenyama (TIS)

Shinsaibashi gDC (TIS)

INTEC Manyo Square



22 centers worldwide,
boasting 122,000m^2 of floor space

- Offer services matched to clients' business activities and their purpose for using a data center.
- Develop high-value-added services.

Top-Line Expansion Plan 2: SaaS Cloud Service

IT Holdings

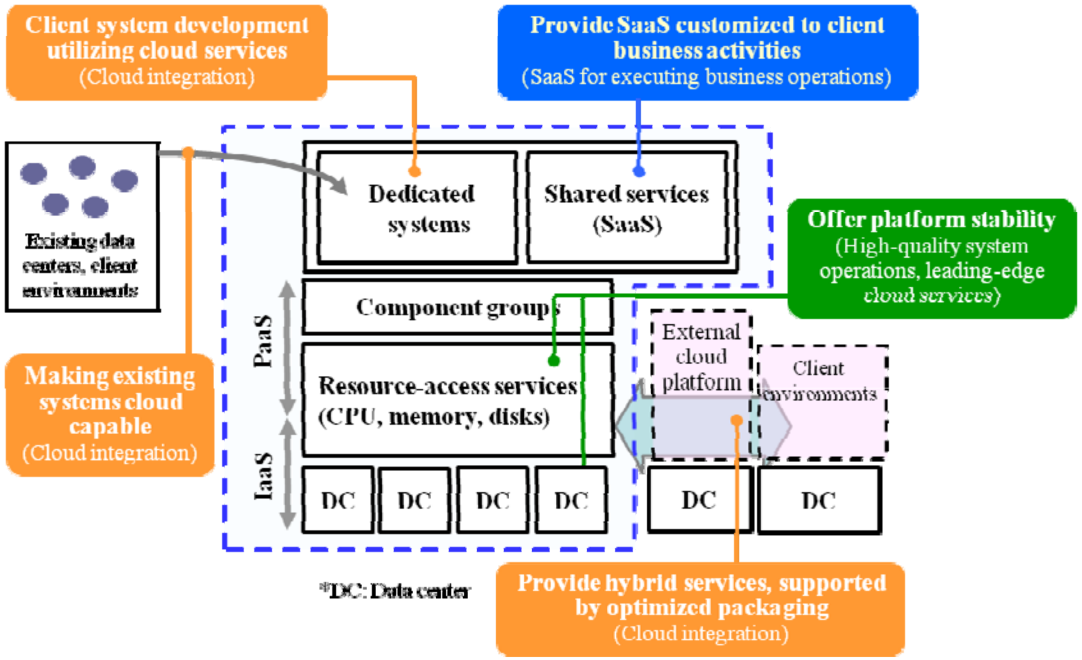
ITHD Group Cloud Strategy

The ITHD Group will promote the cloud business from an integrated perspective, with each company drawing from a rich, groupwide reservoir of services and cloud technology and applying new ideas and added value for enhanced optimization. The business catchphrase —Our Cloud, Your Dream— embodies our shared goal to provide cloud services that support the business dreams of our corporate clients.

ITHD Group Cloud Strengths

Cloud Integration	As an independent systems integrator, ITHD utilizes cloud services provided by companies under the Group umbrella as well as non-Group companies to build cloud environments perfectly suited to clients' needs.
SaaS for Immediate Application to Business	We utilize business know-how and proven results for clients in a wide range of industries, including finance, manufacturing and distribution and the public sector, and offer the best solutions from a client's perspective.
Quality of System Operations Is Highest in Japan	With the largest data center network in Japan, we boast the newest facilities and proven system operation results to ensure safe and secure service platforms.
Leading-Edge Cloud Services Foster Value Creation	We aggressively strive to develop the most advanced cloud technology around, leading the way in Japan and the industry as a whole. We aim to create value for our clients and the communities in which we all work.

Four Strengths Underpin Five Cloud Services



Exhibited at the **"Second Cloud Computing EXPO [Spring] "** as ITHD

Date & Time：Wednesday, May 11, 2011~Friday, 13, 2011, 10:00~18:00 Close at 17:00 on Fri. 13

Place：TOKYO BIG SITE East-6 Hall, Booth number E45-2

Top Line Expansion Plan 2: Spotlight on SaaS-format Cloud Services

IT Holdings

Business- and Industry-Specific Services

クラウド対応の生産管理システム
AToMsQube

機械予防保全支援システム
CareQube

食の安心を確保する
食品トレーサビリティシステム
i-TRe

相続手続き支援サービス
astas

履修管理システム
シラバス・アット・ネット
SaaS 版

化学物質情報管理 SaaS ソリューション
ChemiKarte

EDI アウトソーシングサービス
EDI-Hub

流通 EDI ソリューション
ediPort

Kentucky Fried Chicken Japan Ltd.
Introduced i-TRe cloud-format product specification traceability service.

Services Providing Platform Stability

企業向けクラウドサービス
TIS Enterprise Ondemand Service

エンタープライズ向け
クラウドサービス基盤
EINS/SPS

リアルクラウドストレージ
& NoSQL データベース
EXAGE

OSGi サービス
アプリケーション
配信プラットフォーム

IaaS サービス
Qcloud

IBM System i 向け
仮想ホスティングサービス
ASクラウドサービス

Shochiku Co., Ltd.
Subscriber to TIS Enterprise Ondemand Service.

Business-Specific, Industry-Crossing Services

SaaS 型着信管理サービス
Call ノート

Web・電話連動型
顧客接点強化ソリューション
Call クレヨン

クラウド型 SAP ERP
TIS On-demand Service for SAP ERP

紙に書いた手書き文字を
簡単にデジタル化
デジタルペン
ソリューション

スマートフォン向け報告業務サービス
ビジネス伝書鳩
Re:port

次世代型グループウェア
ナレジオン

ソーシャルウェア
SKIP

スマートフォン遠隔制御
クラウドサービス
Smart-let

Web 対応電子帳票システム
快速サーチャーGX

観光ナビゲーションサービス
SKYWARE

SaaS 型人事給与サービス
QuefitZeeM

ハイブリッド型コールセンター
CTI-One/AS

SaaS 型リモートアクセス環境
SORUN-Desktop

e ラーニングシステム
楽々てすと君

オンラインデータデリバリーサービス
Web@Postman

Rakuten Travel, Inc.
Subscriber to combination service featuring Call Crayon SaaS system and Fusion Communications Corp. phone network.

*These are a few examples from press releases issued in fiscal 2011.

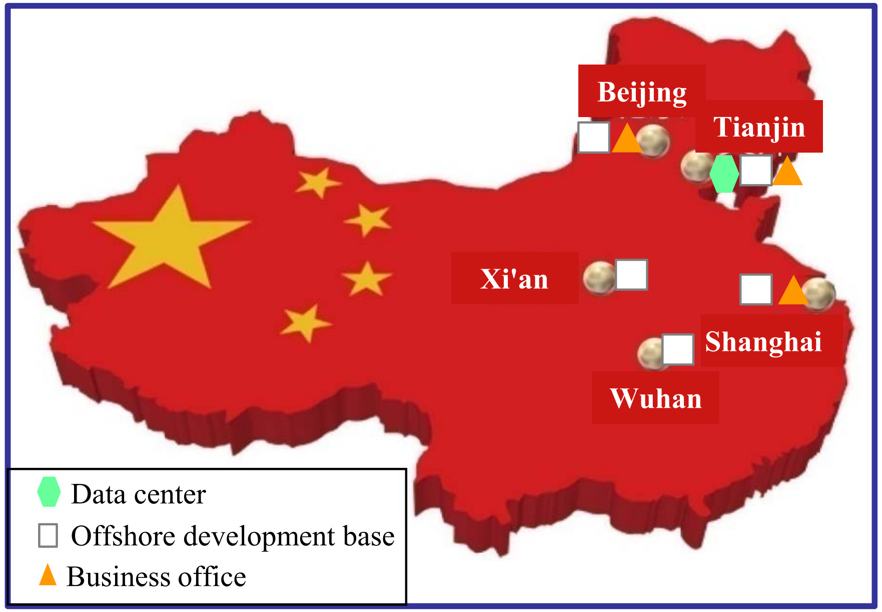
Top-Line Expansion Plan 3: Global Strategies

IT Holdings

➢ **China is taking on a different status for ITHD, evolving beyond its original purpose for offshore development to become a market for the Group's services.**
Fiscal 2011 was tapped as the inaugural year of globalization, with an emphasis on developing a stronger business presence in Asia.

• Split off INTEC Shanghai Co., Ltd., as a separate entity.
• Laid out the current network of 11 places of business and more than 600 employees.

	Goals	Highlights	Fiscal 2011	Fiscal 2012 (plans)	Key Players
Securing a market presence	• Data center business • Solution services business	• Alliances (business tie-ups and agency connections)	• Tianjin Data Center fully open for business	• Expand Tianjin Data Center • Business alliance with Dawning Information Industry Ltd. to promote cloud services.	TIS INTEC
Overseas investment by clients (Japanese companies)	• System configuration	•Japanese know-how • Local hiring of essential personnel	• Accelerate assignment of personnel to factories being set up in China by major ITHD Group clients	• Expand activities of Qualica (Shanghai) Inc. and start offering SaaS AToMsQube and JSCAST	Qualica AJS

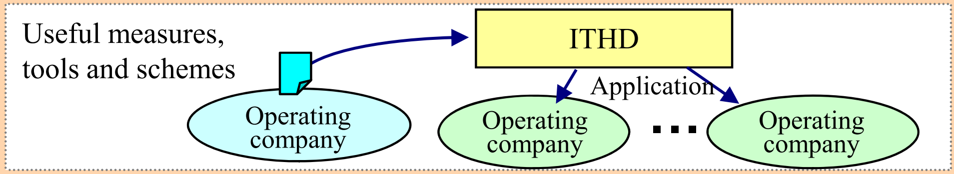


AToMsQube is a cloud-oriented production control system for processing- and assembly-based manufacturers.
JSCAST is a casting design computer-aided-engineering system.

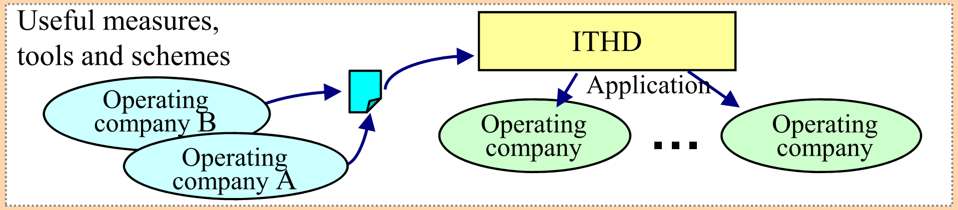
Efforts Aimed at Enhancing Technical Capabilities, Reinforcing Production Platform and Eliminating Unprofitable Projects

	Eliminate red-zone projects	Improve quality
(1) Apply measures effective at special operating companies to other groups	• Framework for process inspection committee • Visualization tools	• Automated development (such as Xenlon)
(2) Apply measures created jointly by several operating companies to other groups	• Checklist • Advice pool	• Virtual development environment • Component emphasis
(3) Work with operating companies to resolve common front-line issues	• Share case studies and associated responses • Highlight expertise in project management office activities	• Quality control process (Metrics) • Estimation techniques • Project management training

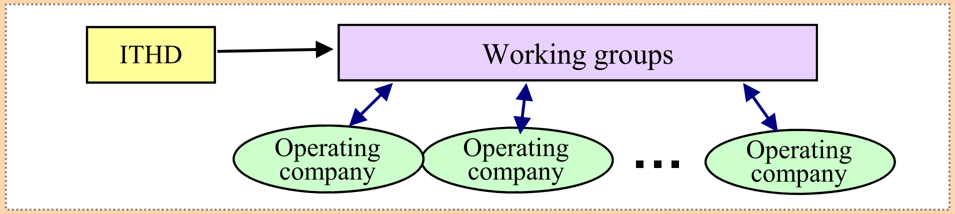
(1) Apply measures effective at special operating companies to other groups



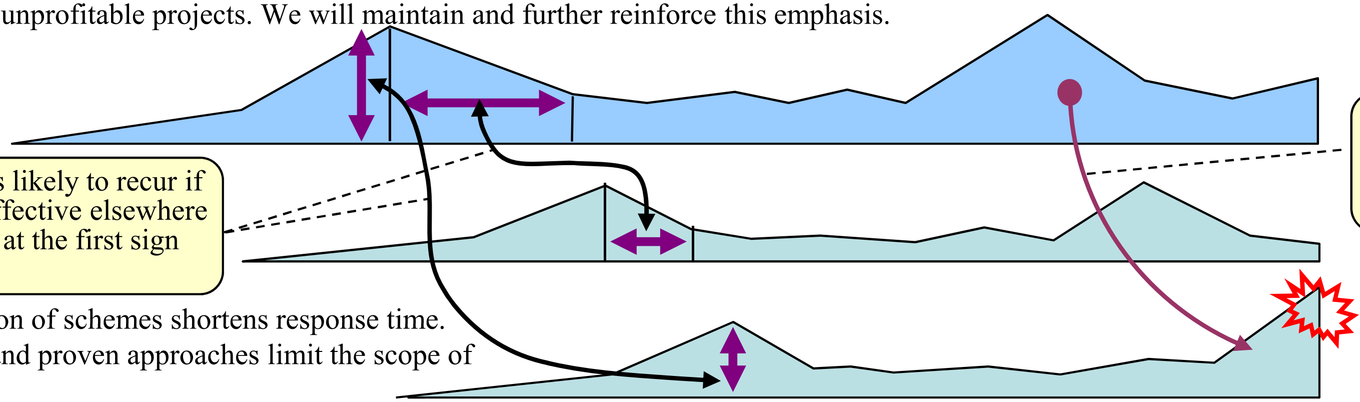
(2) Apply measures created jointly by several operating companies to other groups



(3) Work with operating companies to resolve common front-line issues



➢ By applying measures already implemented at other companies more broadly within the Group, we are shortening response time and shrinking the scale of losses on unprofitable projects. We will maintain and further reinforce this emphasis.



Problems are less likely to recur if actions proven effective elsewhere are implemented at the first sign of concern.

- Wider application of schemes shortens response time.
- Past situations and proven approaches limit the scope of possible losses.

If schemes are only partially implemented, losses could still appear.

- Problems suddenly spread.
- Measures to deal with problems take longer to address the situation.

Progress on Key Strategies (1/2)

				Fiscal 2009	Fiscal 2010	Fiscal 2011 (Goals)	Fiscal 2011 (Results)	Executed in Fiscal 2012, as of May 2011
				Plan Preparation	First Medium-term Management Plan			
Business Development	Existing Business	Expand activities through synergy fusion	Flagship account strategy	Investigation	Pursuit (3 companies)	Expansion (9 companies)	9 companies	
			Candidate Committee (identifying clients by industry/sector for possible flagship account status)	Manufacturing	Finance			
			Solution Forum	Preliminary discussion (35 projects)	Announcement of results	Preliminary discussion (38 projects)	Undertook preliminary discussion, joint seminars, six exhibitions. Secured unofficial OK and orders on six projects	
		(Joint order results)		(29 projects/ ¥2.4 billion)	(121 projects/ ¥5.4 billion)		(200 projects/ ¥14.0 billion)	
		Build and expand next-generation data centers (DC)		Shinsaibashi gDC		Tianjin DC, INTEC Manyo Square under construction	Opened Tianjin DC and INTEC Manyo Square	･Opened for GDC Gotenyama ･Gearing up for Power and IT Company (July)
	Overseas Business	Expand business presence, especially in the rest of Asia			Opened representative office in Vietnam	Dominant position strategy in China, specifically, Tianjin and Beijing, through SORUN connection	80% of Tianjin DC first stage construction (400 m^2) has been reserved	Started work on second stage construction (500 m^2) at Tianjin DC
		Support clients in their globalization efforts			Business alliance with BT	IT support for clients' overseas bases	Suggested Europe VDC to principal clients	Expanded activities of Qualica Shanghai and began offering SaaS
	New Business	Solution business			Combine the know-how and technologies of TIS and INTEC into marketable solutions	• Utilize BT alliance to cultivate cloud telephony business • Add to service menu with solutions targeting the environment business • Establish department to address IFRS	Promoted cloud telephony solution services ･Call Note (July) ･Call Crayon (September)	
		Create business platform business			Real Cloud Solution (IUK/INTEC Systems Institute)	Business platform business (cloud business) ⇒Start with three layers of services: SaaS, PaaS, IaaS		

Progress on Key Strategies (2/2)

			Fiscal 2009	Fiscal 2010	Fiscal 2011 (Goals)	Fiscal 2011 (Results)	Executed in Fiscal 2012, as of May 2011
			Plan Preparation	First Medium-term Management Plan			
Business Efficiency	Operations, Assets, Capital and Finances	Visualization of management system	Group presidents committee, executive committee and information exchange committee	Introduced hierarchical management method	Expand scope of Cash Management System (CMS)	CMS: 4 companies →13 companies • Introduced management cockpit system	Apply new management approaches
		Concentration of Group's headquarter operations		Established shared company (IT Service Force Inc.)			Merge ITSF and Web Office
		(Number of companies and business activities targeted)		(10 companies/35 operations)	(15 companies/60 operations)	(12 companies/63 operations)	
		Cost reduction through centralized purchasing		Implemented Group purchasing for indirect materials	Expand scope of products under Group purchasing structure and the number of companies involved	Targeted products: 10 Targeted companies: 13	
		(Reduction)		(¥20 million)	(¥60 million)	(¥55 million)	
		Effective use of capital			Introduce CMS	Made progress toward reduced interest-bearing debt through CMS use.	
		(Number of companies targeted)			4 companies	13 companies	
	Personnel, Corporate Culture	Set up employee health and welfare benefits program		Made preparations for groupwide health insurance plan	Establish Group health insurance plan	Established Group health insurance plan	• Integrate SORUN health insurance plan into Group plan • Extend the reach of activities undertaken by SORUN PURE (special subsidiary) to the Group
		Enhance Group communication platform		Introduced groupwide social networking system Registered users: 2,300		Registered users: 4,282	
Group Formation		Promote optimization to create a leading corporate group in the IT industry.	• NEXWAY joins the Group • Restructured old TIS Group	• Established ITSF • Established NEOAXIS • INTEC Holdings merged into INTEC • SORUN joins Group		• Reassignments: IUK, Chuo System, TIS Total Service, Oartech. • Mergers: Keyport Solutions and es Crew, AC Medical and Cronova, and Koushi INTEC and Huma(n)	Mergers • TIS, SORUN and UFIT • ITSF and Web Office • INTEC, INTEC Systems Institute and Nippon System Gijutsu

IT Holdings

Cautionary Statements

- In these materials, ITHD is abbreviated ITHD.
- All statements described in these materials are based on information available to management regarding the ITHD Group—that is, ITHD and the subsidiaries under its umbrella—as of the presentation date and reflect somewhat objective assumptions deemed reasonable at this time. Various factors may cause future results to be substantially different from the assumptions presented in these materials.
- The consolidated figures of each subsidiary group may differ from figures determined on a management approach basis.