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(Translated from the Japanese original)

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Extraordinary Loss Booked, Consolidated Performance Forecast Revised

IT Holdings Corporation (hereafter, “the Company”) has revised its consolidated performance forecast, announced on May 11, 2011, for the first two quarters of fiscal 2012, the year ending March 31, 2012. The reassessment reflects the booking of an extraordinary loss for the second quarter as well as recent performance trends. Details are provided below.

Details

1. Components of Extraordinary Loss

- (1) Seeking to strengthen mutual cooperation among companies under the Group umbrella and cut costs, the Company decided that it and eight other Group companies would gradually relocate to a central point in Shinjuku-ku, Tokyo. This is expected to generate an extraordinary loss of about ¥3.4 billion in the current term. About ¥2.0 billion of this amount will appear on the books for the second quarter.
- (2) TIS, Inc., a subsidiary of the Company, is pushing through corporate structural reforms. As part of this effort, TIS implemented a special career-change support program, which prompted expenses, largely comprising payment of funds related to special severance pay and rehiring support, that will show as an extraordinary loss of about ¥4.4 billion on the books. For details, please refer to the press release “Results Following Implementation of Special Career-Change Support Program in Conjunction with Corporate Restructuring at Subsidiary TIS and Associated Extraordinary Loss,” dated October 4, 2011.

2. Revised Consolidated Performance Forecast

- (1) Revised consolidated performance forecast for the first two quarters of fiscal 2012 (April 1, 2011 to September 30, 2011)

(Millions of yen)

	Net Sales	Operating Income	Recurring Profit	Net Income (Loss)	Net Income (Loss) per Share (yen)
Previous forecast (A)	151,500	3,000	2,800	1,000	11.39
Revised forecast (B)	156,500	4,000	4,000	(2,000)	(22.79)
Difference (B-A)	5,000	1,000	1,200	(3,000)	—
Change	3.3%	33.3%	42.9%	—	—
(Reference) First two quarters of previous fiscal year, ended March 31, 2011	154,009	4,667	4,762	1,004	11.44

- (2) Reason for Revised Forecast

For the first two quarters of fiscal 2012, favorable order activity and concerted efforts to cut costs leads management to expect net sales, operating income and recurring profit will come in above original performance forecasts. However, the impact of the aforementioned extraordinary losses will pull quarterly net income below the original forecast in this category.

For full-year consolidated results, management will carefully track changes in the operating environment and watch performance trends and if necessary will review forecasts when financial statements for the second quarter are released (scheduled for November 2, 2011).

With regard to dividends, no changes will be made to the previously announced forecast since business conditions are, as described above, generally favorable and the extraordinary loss is a short-lived factor affecting the Company's results.

Note: Forward-looking statements, such as performance forecasts described herein, are based on information available to management as of the press release date and reflect certain assumptions deemed reasonable by management at that time. Please be aware various factors may cause actual results to differ substantially from expectations.

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