



September 30, 2015

(Translated from the Japanese original)

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Representative: Norio Maenishi, President
Stock Listing: First Section of the Tokyo Stock Exchange
Stock Code: 3626
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Notice of Extraordinary Loss and Extraordinary Income

The Board of Directors at IT Holdings Corporation (hereafter, “ITHD” and “the Company”) resolved at its meeting on this date to proceed with a review of the strategy for the data center operations of TIS Inc., an ITHD subsidiary, and to sell investment securities held by this subsidiary. The Company will be booking an extraordinary loss as well as extraordinary income, paralleling these steps. Details are provided below.

Details

1. Reason for Reviewing TIS’ Data Center Operation Strategy and Details of Extraordinary Loss

(1) Reason for reviewing TIS’ data center operation strategy

ITHD subsidiary TIS began data center services more than 40 years ago. At some data centers, existing equipment specifications and capacity have become insufficient to properly meet current customer needs. To provide continuous services into the future, management realized that sweeping measures would be required as equipment becomes outdated over time, and so measures will be taken to integrate data center operations in Tokyo and Osaka areas.

Also, with rapid progress in cloud services and the prospect of heightened competition among providers, management undertook a thorough review of TIS’ approach to the data center business and the future direction of this business, that is, what services are needed and how best to provide such services. This review indicated that TIS would have to apply impairment loss accounting to some of its data centers, which will result in the booking of an extraordinary loss.

(2) Details of extraordinary loss

Impairment losses About ¥ 14 billion (estimate)

2. Reason for Sale of Investment Securities Held by TIS and Details of Extraordinary Income

(1) Reason for sale

As part of efforts to utilize corporate assets more efficiently and improve financial footing, management decided to sell investment securities, with gains from the associated sale to be booked under extraordinary income.

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| (2) Sold assets | Listed securities: One issue |
| (3) Date of sale | September 30, 2015 |
| (4) Details of extraordinary income | Gain on sales of investment securities: ¥16 billion |

3. Outlook

The impact of extraordinary loss and extraordinary income, as described above, was considered and, given the fact that ITHD's consolidated performance is moving generally in line with targets announced on May 8, 2015, no changes will be made to the consolidated forecast.

Reference: ITHD's Consolidated Performance Forecast (Announced May 8, 2015) and Previous Year's Actual Results

(Millions of yen)

	Net sales	Operating income	Recurring profit	Net income attributable to parent company	Net income per share (yen)
Fiscal 2016 consolidated forecast (Year ending March 31, 2016)	370,000	23,500	23,000	12,800	146.34
Fiscal 2015 (actual) (Year ended March 31, 2015)	361,025	21,121	21,251	10,275	117.40

END