



MEMBERSHIP

October 29, 2015

(Translated from the Japanese original)

Company Name:	IT Holdings Corporation
Representative:	Norio Maenishi, President
Stock Listing:	First Section of the Tokyo Stock Exchange
Stock Code:	3626
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## **Notice regarding Group Reorganization (Merger of Subsidiaries (Simplified and Short-Form)), Name Change and Partial Revision of Articles of Incorporation**

IT Holdings Corporation (hereafter, “ITHD” and “the Company”) hereby announces that the Board of Directors decided at its meeting today to move ahead with reorganization of the Group (hereafter, “the Reorganization”), encompassing the Company and its wholly owned subsidiaries and to also change the corporate name, effective July 2016, and partially revise the Articles of Incorporation. Details are provided below.

Because the Reorganization (simplified and short-form merger) targets the Company and its wholly owned subsidiaries, some items and descriptions have been omitted from the following disclosure.

### **Details**

#### **I. About the Reorganization**

##### **1. Purpose**

As indicated in the press release “Beginning of Deliberations on Group Reorganization,” dated May 8, 2015, management launched a review of the existing group structure and deliberation approaches for building a framework primed for top business performance through reorganization that would, in conjunction with the start of the Third Medium-term Management Plan, facilitate overall optimization of Group capabilities and enhance portfolio management.

From this process, management concluded that ITHD and wholly owned subsidiary TIS, Inc. (hereafter, “TIS”), would merge in July 2016 under a structure wherein the Company functions as an operating holding company. Ahead of this transition, management plans to reallocate some businesses between TIS and INTEC, Inc. (hereafter, “INTEC”) in April 2016.

Management believes the reorganization will maximize the Group’s operating competitiveness and strengthen governance practices, which will fuel further improvement in corporate value and shareholder value of the Company.

##### **2. Overview of the Reorganization**

###### **(1) Basic scheme**

This will be an absorption-style merger (hereafter, “the merger”) wherein TIS is absorbed into ITHD and dissolved, with ITHD as the surviving company.

(2) Schedule

Board of Directors (ITHD) meet to approve merger agreement	October 29, 2015
Board of Directors (TIS) meet to approve merger agreement	October 28, 2015
Merger agreement concluded	October 29, 2015
Date of merger (Effective date) (Planned)	July 1, 2016

If, as preparations go forward, a major situation arises with the potential to significantly impede execution of the merger plan as it currently stands, key points of the merger, such as date, procedures and terms, may be changed through mutual consultation by ITHD and TIS.

(3) Merger outline

i. Method

This will be an absorption-style merger with ITHD as the surviving company and TIS being dissolved.

ii. Details of allocation relating to the merger

There will be no allocation of shares or other compensation due to the merger.

iii. Treatment of stock acquisition rights or bonds with stock acquisition rights accompanying the merger

There are no applicable items.

### 3. Outline of the Merging Companies

#### Surviving Company

(1) Name	IT Holdings Corporation	
(2) Head office	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo	
(3) Representative	Norio Maenishi, President	
(4) Business	Management of Group companies and related business	
(5) Paid-in capital	¥10,001 million	
(6) Established	April 1, 2008	
(7) Number of shares issued	87,789 thousand	
(8) Fiscal year-end	March 31	
(9) Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Limited (Trust Account)	5.8%
	Japan Trustee Services Bank, Limited (Trust Account)	5.7%
	ICHIGO Trust	5.6%
	Employees' Shareholding Association of IT Holdings Corporation	2.8%
	Nippon Life Insurance Company	2.4%
(10) Financial status and business results for most recent fiscal year (Year ended March 31, 2015)	Net assets	¥188,789 million (consolidated)
	Total assets	¥345,851 million (consolidated)
	Net assets per share	¥2,108.19 (consolidated)
	Net sales	¥361,025 million (consolidated)
	Operating income	¥21,121 million (consolidated)
	Recurring profit	¥21,251 million (consolidated)
	Net income	¥10,275 million (consolidated)
	Net income per share	¥117.40 (consolidated)

#### Company to be dissolved

(1) Name	TIS, Inc.	
(2) Head office	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo	
(3) Representative	Toru Kuwano, Chairman and President	
(4) Business	Outsourcing services, software development and solution services related to investment in information technology	
(5) Paid-in capital	¥23,110 million	
(6) Established	April 28, 1971	
(7) Number of shares issued	45,336 thousand	
(8) Fiscal year-end	March 31	
(9) Major shareholders and shareholding ratios	IT Holdings Corporation	100%
(10) Financial status and business results for most recent fiscal year (Year ended March 31, 2015)	Net assets	¥116,038 million (non-consolidated)
	Total assets	¥173,737 million (non-consolidated)
	Net assets per share	¥2,599.48 (non-consolidated)
	Net sales	¥148,819 million (non-consolidated)
	Operating income	¥6,210 million (non-consolidated)
	Recurring profit	¥7,424 million (non-consolidated)
	Net income	¥4,098 million (non-consolidated)
	Net income per share	¥90.39 (non-consolidated)

#### 4. Status after Merger

(1) Name	IT Holdings Corporation
(2) Head office	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo
(3) Representative	Toru Kuwano, President
(4) Business	Outsourcing services, software development and solution services related to investment in information technology
(5) Paid-in capital	¥10,001 million
(6) Fiscal year-end	March 31

#### 5. Outlook

The merger is a reorganization between the Company and a wholly owned subsidiary so the impact on consolidated results in the current fiscal year is minimal.

## II. Change in Name

### 1. Reason

Due to reorganization of the ITHD Group, as described in I. above, the Company is to transition from a pure holding company to an operating holding company that operates and oversees the activities of Group companies and also conducts associated businesses. In line with this shift, the Company will adopt the high-profile name of its operating company.

This change in name is conditioned upon shareholder approval of a proposal for partial revision of the Articles of Incorporation at the 8th General Meeting of Shareholders scheduled for June 24, 2016.

### 2. New name

TIS Inc.

### 3. Effective date

July 1, 2016 (planned)

### III. About Partial Revision of Articles of Incorporation

#### 1. Purpose

Due to reorganization of the ITHD Group, as described in I. above, the Company is to transition from a pure holding company to an operating holding company that runs and oversees the activities of Group companies and also conducts associated businesses. In line with this shift, the Company will adopt the high-profile name of its operating company, necessitating partial revision of the Articles of Incorporation.

This partial revision of the Articles of Incorporation is conditioned upon shareholder approval of a proposal to this end, which will be put forth at the 8th General Meeting of Shareholders scheduled for June 24, 2016.

#### 2. Content of revision

(Changes are underlined.)

Current Article	Proposed Change
(Name) Article 1 The Company's name shall be <u>IT Holdings Corporation</u> in English.	(Name) Article 1 The Company's name shall be <u>TIS Inc.</u> in English.
(The rest of the article is omitted.)	(The rest of the article is omitted.)

#### 3. Schedule

(1) Board of Directors' resolution	October 29, 2015
(2) Approval by shareholders at General Meeting of Shareholders	June 24, 2016
(3) Date revision takes effect	July 1, 2016

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 consolidated results (Year ended March 31, 2015)	361,025	21,121	21,251	10,275	117.40

END