



IT HOLDINGS

Go Beyond

# IT Holdings Corporation

## Annual Report 2015

Year Ended March 31, 2015

(From April 1, 2014, to March 31, 2015)

Securities Code 3626

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# IT Holdings (ITHD) Group Value Creation Process

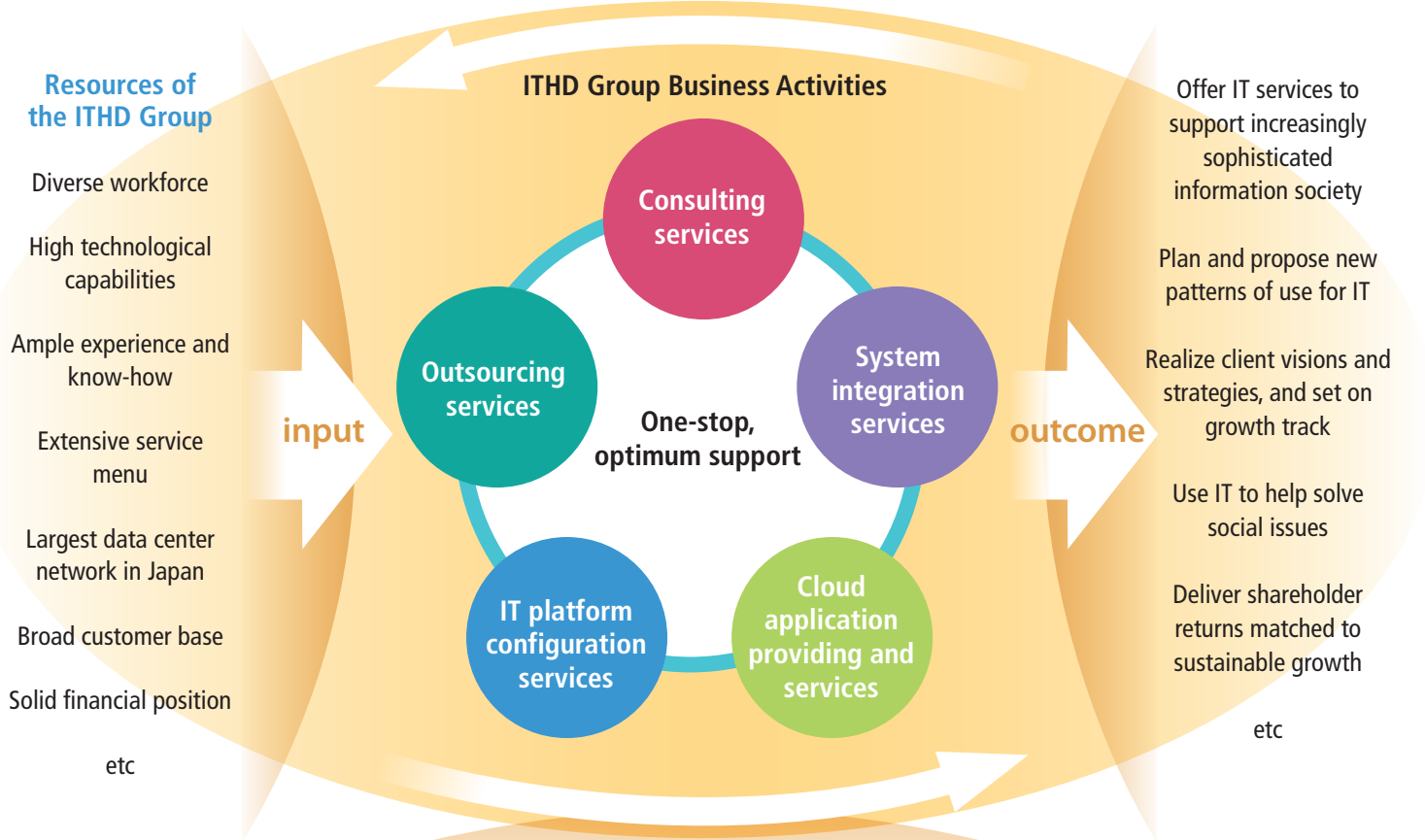
Create value through IT

Change society through IT

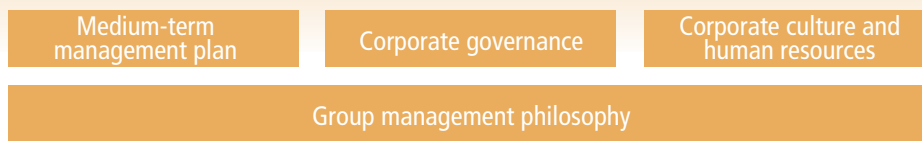
Open doors to the future through IT

## Helping to Solve Social Issues Through Business Activities

The ITHD Group will, as an IT brain, provide development and support optimized to the IT needs of clients based on a deep reservoir of know-how and IT solutions utilizing expertise across diverse industries and business sectors and will also create new value for society and help to cultivate a comfortable tomorrow.



## Structures supporting ITHD Group businesses and sustainable growth



# What is the ITHD Group?

The ITHD Group was formed in April 2008 as one of Japan's leading information technology (IT) business groups. At its core are five principal operating companies—TIS Inc., INTEC Inc., AGREX INC., QUALICA INC. and AJS Inc., which deliver accurate responses to the diverse needs of clients across a wide range of industry sectors.

ITHD Group companies have been leaders in the information services industry since its inception

**1964**  
Toyama Computer Center, Inc. (now, INTEC) established.

**1971**  
Toyo Information Systems, Co., Ltd. (now, TIS) established.

**April 2008**  
ITHD is created through the management integration of TIS and INTEC Holdings, Ltd.

**2008–2009**  
ITHD Group is reorganized. INTEC Holdings is merged into INTEC, and nine TIS subsidiaries are put under the direct control of ITHD.

**December 2009**  
SORUN Corporation joined the ITHD Group.

**April 2011**  
ITHD orchestrated a three-company merger involving TIS, SORUN and UFIT Co., Ltd., with TIS as the surviving company.

**June 2014**  
ITHD debuted a single logo for all Group companies and adopted a new brand message, "Go Beyond".

**March 2015**  
ITHD turned AGREX Inc. into a 100% consolidated subsidiary.

**May 2015**  
Discussions on Group reorganization began

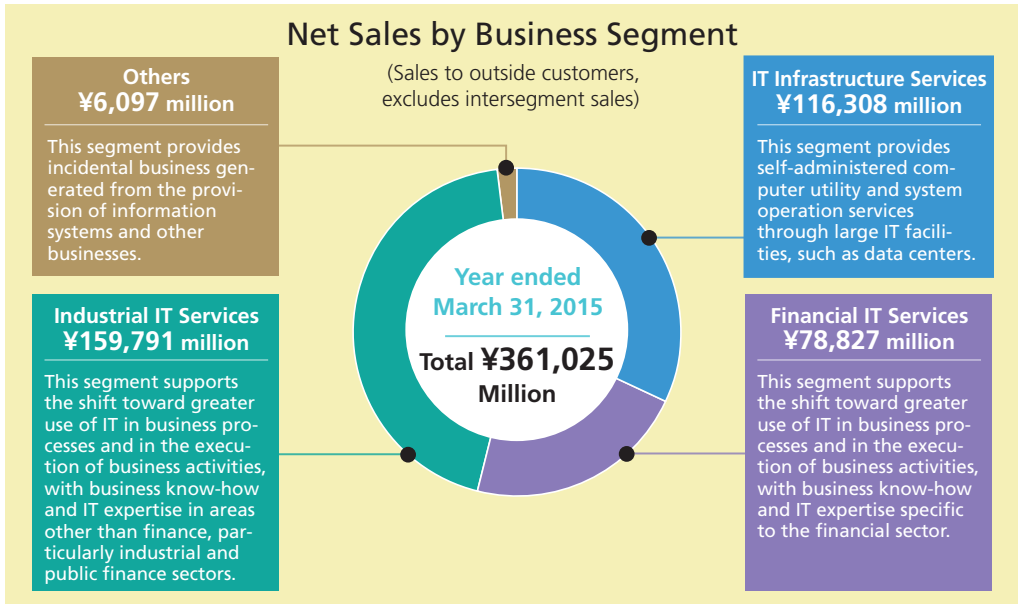
### Group Management Philosophy

The ITHD Group seeks to be a corporate citizen whose activities, namely, the provision of various services utilizing IT, match its status as a leading corporate group, and will strive to raise corporate value, supported in this effort by the high regard of all its stakeholders, including clients and shareholders as well as employees and their families.

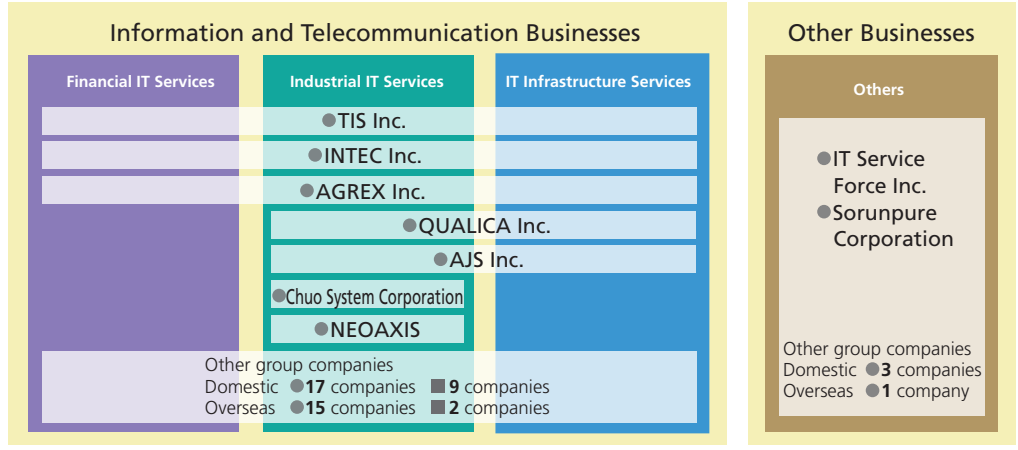
We will cultivate a vibrant corporate culture that encourages companies and individuals under ITHD Group umbrella to work toward higher goals and embrace new challenges, and thereby ensure corporate growth.

We will always provide our very best to clients by combining Group strengths to foster higher quality and greater sophistication in our technological capabilities.

We will uphold high corporate morals and fulfill our social obligations.



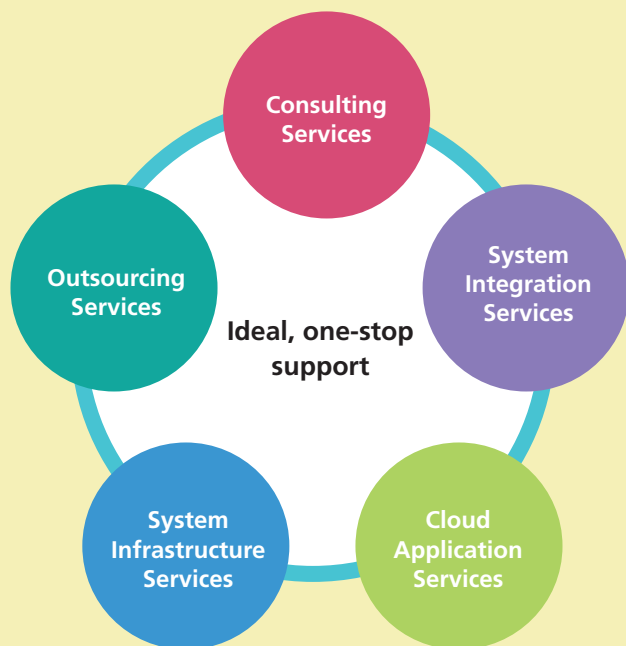
As of March 31, 2015, the ITHD Group consists of the parent company, 45 consolidated subsidiaries, and 11 affiliated companies accounted for under the equity method, for a total of 57 companies.



● Consolidated subsidiaries ■ Equity-method affiliates

# What is the ITHD Group?

The ITHD Group provides comprehensive IT-related support to address a wide range of client needs, from secure, large-scale backbone systems to leading-edge cloud services.



## ■ Consulting Services

Helping clients use IT to raise business value

## ■ System Integration Services

Providing one-stop access to systems perfectly matched client needs

## ■ Outsourcing Services

Everything from system operation to full business-process outsourcing at state-of-the-art data centers

## ■ System Infrastructure Services

Building safe and secure computer networks, from host to public, matched to client needs.

## ■ Cloud Application Services

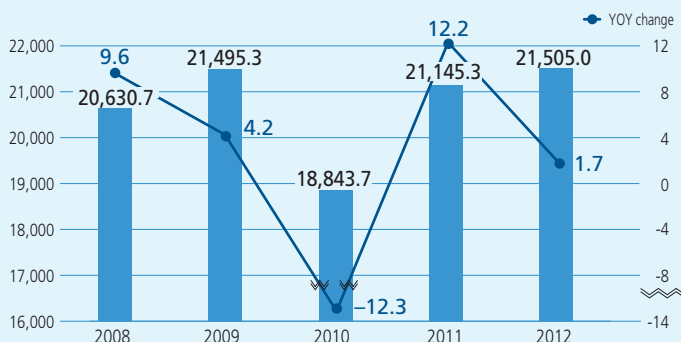
Providing cloud-based business applications under a pay-for-what-is-used approach

## IT Services Industry Market Scale and Industry Position

**ITHD belongs to the IT services industry. The Company is a leading, independent prime contractor, ranked as the industry's No. 2 system integrator on a consolidated sales basis.**

### IT Services Industry Net Sales

(Billions of yen, %)



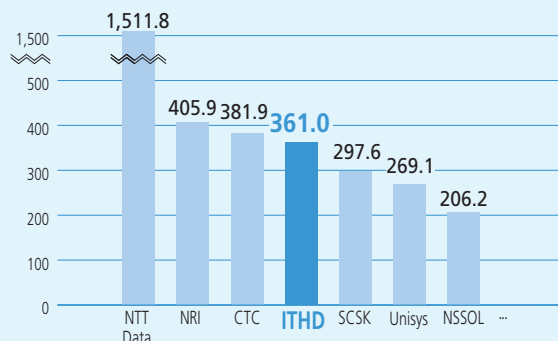
Note: Japan Information Technology Services Industry Association classifies the software sector, the information processing services sector and the Internet-based service sector as the IT services industry. Number of companies under examination increased in 2008 and 2009, because of the review of investigation targets.

Source: ITHD calculated the data prepared by the Japan Information Technology Services Industry Association, based on the Ministry of Economy, Trade and Industry's "Survey of Selected Service Industries".

### Net Sales of Japan's Leading IT Companies

(Year ended March 31, 2015)

(Billions of yen)

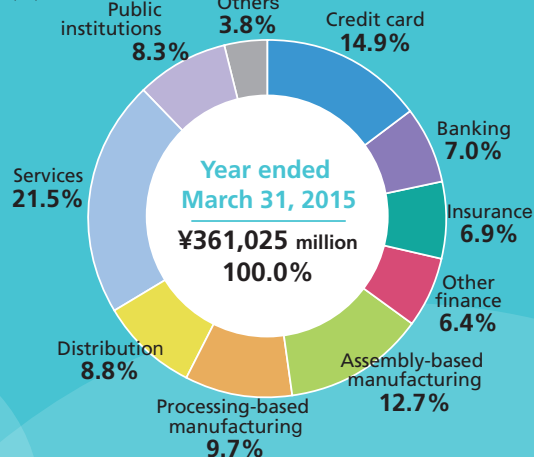


Note: The graph data indicates net sales of NTT Data Corporation, Nomura Research Institute, Ltd., ITOCHU Techno-Solutions Corporation, SCSK Corporation, Nihon Unisys, Ltd., NS Solutions Corporation, and ITHD.

# IT Solutions Utilizing Expertise Across Diverse Industries and Business Sectors

The ITHD Group's business segments extend to all facets of everyday life.

## Net Sales by Client Sector (%)



The companies under the Group umbrella will demonstrate respective strengths and provide IT services that address the needs of clients involved a diverse range of businesses activities and industry sectors. The concerted efforts of these companies will help solve the various issues that society faces. Some of the services offered recently through the ITHD Group are described below.

### Realization of convenient, worry-free cashless society

PAYCIERGE is offered by TIS, which demonstrates strengths in the areas of finance and credit card operations.



### Activities linked to food safety and consumer confidence

i-TRE is a traceability cloud service from INTEC that supports food safety public relations efforts in areas hit by disaster.



### Using cloud services to watch over the elderly and improve forestry productivity

CareQube is a cloud service developed by QUALICA as a system for the assembly-based manufacturing sector that is being applied in other uses as well, including a system for watching over the elderly and a system that raises the level of forestry business and efficiency in Japan.



## Utilizing the features of IT to create various social solutions

### Dealing with reality of society with fewer children and more seniors

The business process outsourcing (BPO) business is a forte field for AGREX which is enjoying wider demand for services while contributing to labor-saving measures in a society characterized by fewer children and more seniors.

### Addressing domestic power system reform

eneLink, from TIS, is a total solution for the energy industry.



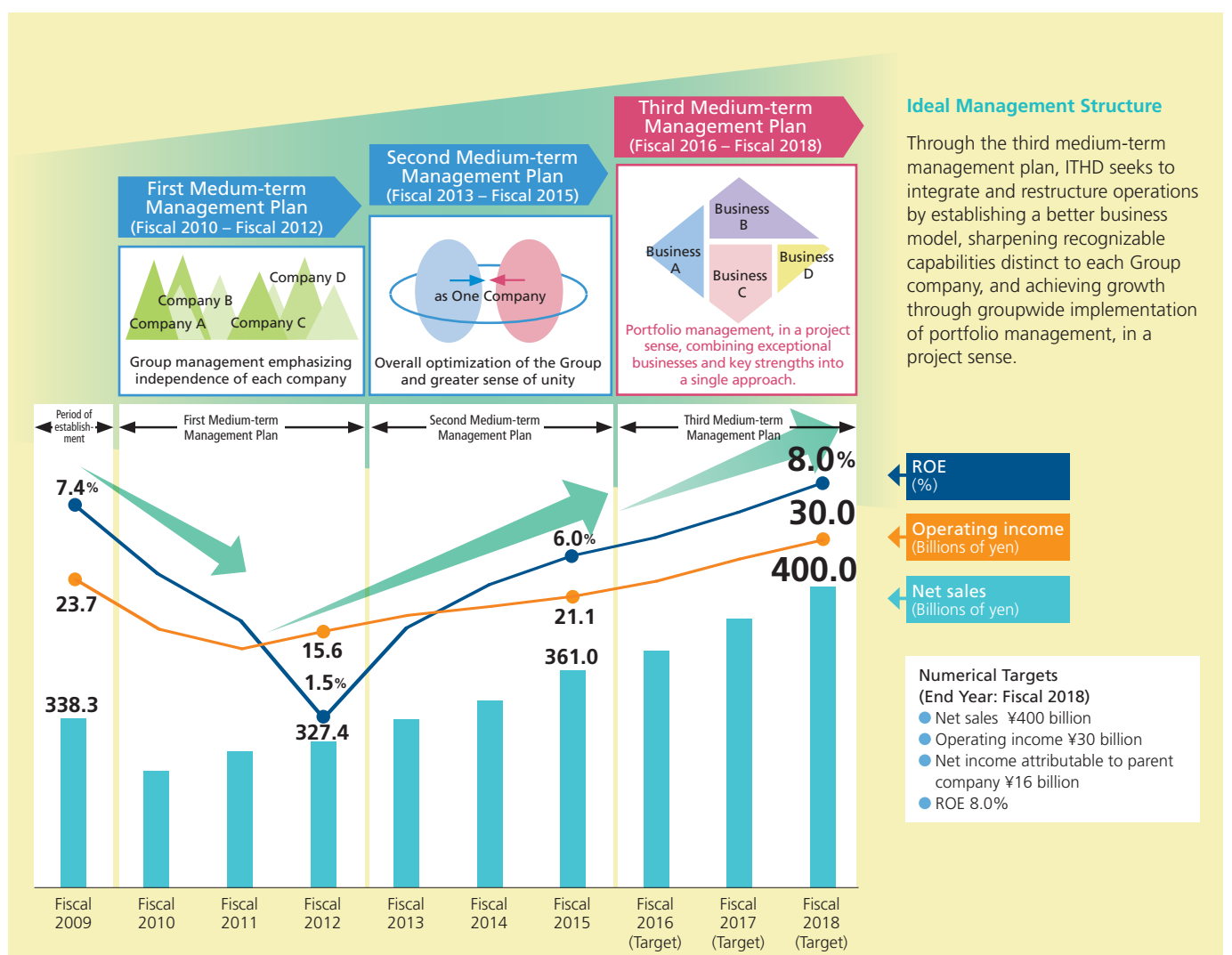
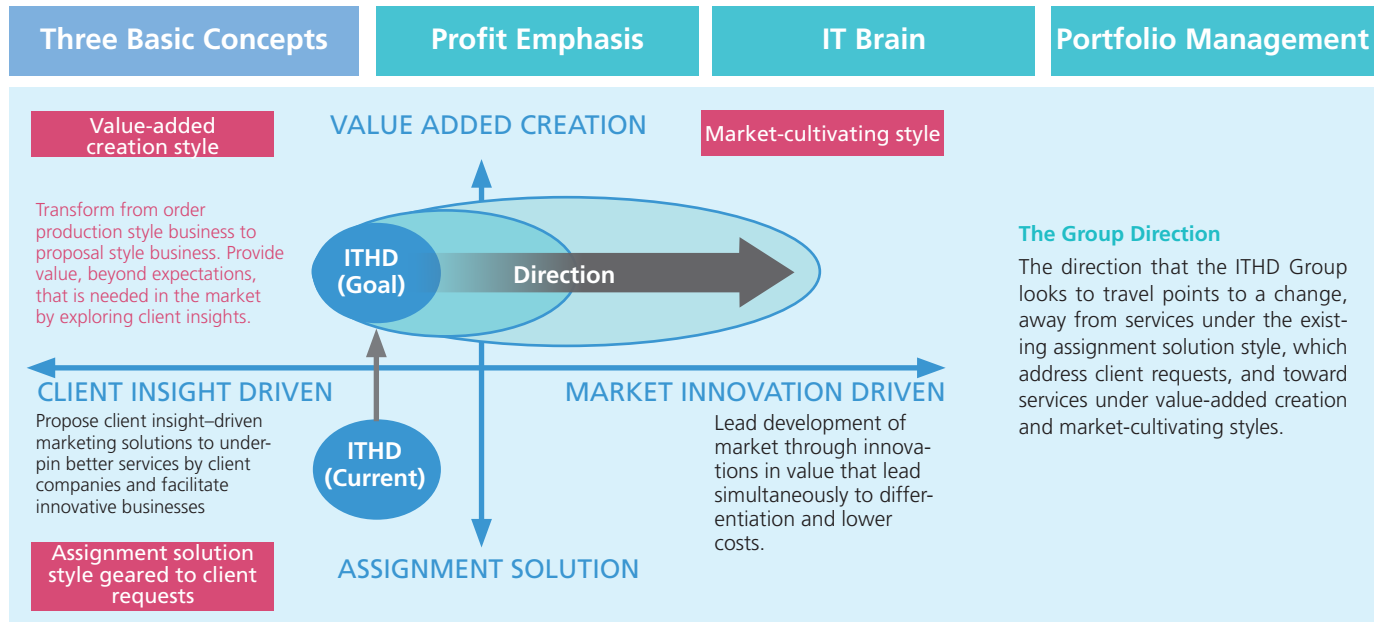
### Contributing to greater sophistication in services for residents and cost reduction

CIVION-7th is a general administration information system independently developed by INTEC which emphasizes its regional roots.



# ITHD Group Vision: Third Medium-Term Management Plan "Beyond Borders 2017"

"Beyond Borders" evokes the idea of going beyond perceived barriers between companies and business structures to achieve cooperation and collaboration, to transform the current business model, to shift from a domestic perspective to a global view, and to see each and every employee within the Group transcend their own boundaries. (Details on the medium-term management plan are presented on page 8.)

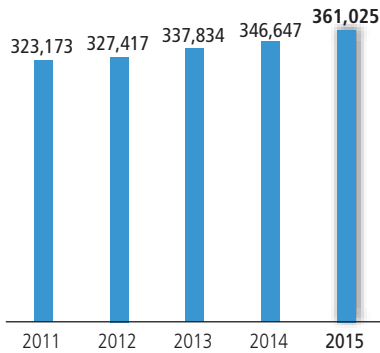


# Consolidated Financial/Non-Financial Highlights

IT Holdings Corporation and Its Consolidated Group Companies  
Years Ended March 31

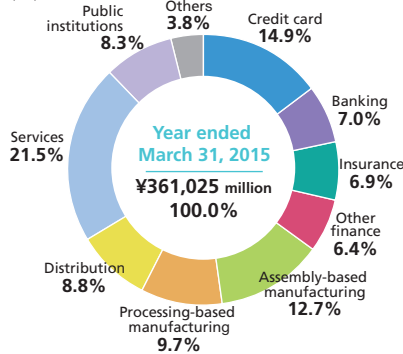
## Net Sales

(Millions of yen)



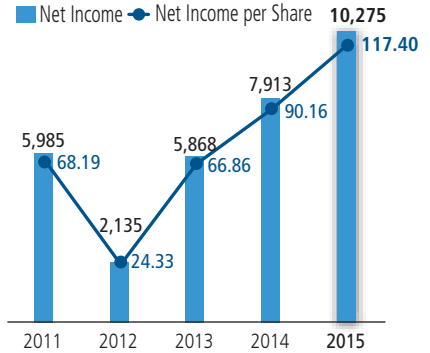
## Net Sales by Client Sector

(%)



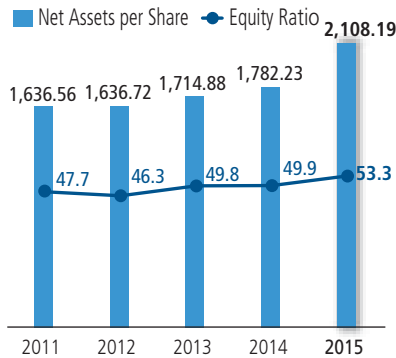
## Net Income (Millions of yen)

Net Income per Share (Yen)



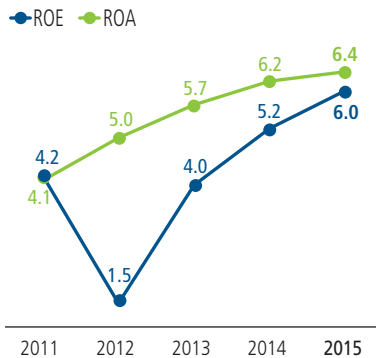
## Net Assets per Share, Equity Ratio

(Yen, %)



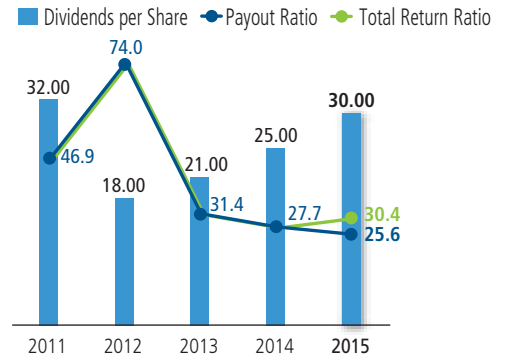
## ROE, ROA

(%)



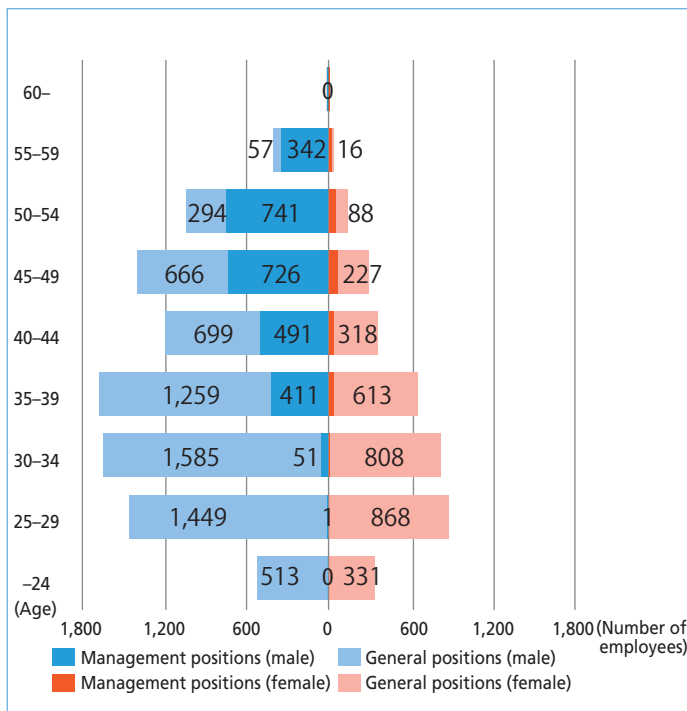
## Dividends per Share, Payout Ratio, Total Return Ratio\*

(Yen, %)



\*Total return ratio: Total amount of dividends and treasury stock buybacks as a percentage of net income.

## Employee Composition (As of April 1, 2015)



## Non-Financial Data (As of April 1, 2015)

Number of full-time employees	Male	9,288	Average total working hours	182.26
	Female	3,473	Non-scheduled hours worked	28.06
	Total	12,761	Ratio of annual paid leave taken	62.72%
Average age	Male	38.42	Number of employees on maternity leave	390
	Female	33.97	Of this, men (paternity leave)	20
	Total	37.21	Number of employees working shorter number of hours to care for young children	401
Average length of service (years)	Male	13.68	Of this, men	2
	Female	10.13	Employees on nursing care leave	6
	Total	12.73	Employees working shorter number of hours to care for elderly family	1
Turnover rate		4.75%	Number of non-Japanese employees (foreign nationals)	136
Number of employees in management positions	Male	2,766	Percentage of employees with a disability*3	2.0%
	Female	204	Percentage of employees over the age of 60	1.32%
	Total	2,970		
Number of employees in general positions	Male	6,522	* Senior employment: Following amendments to the Law on Stabilization of Employment of Older Persons in April 2013, we introduced a continuous employment system that enables all employees and anyone who falls under the criteria of this law, who are in good health and have the desire to continue working after mandatory retirement, the opportunity to be reemployed and continue working up to the age of 65.	
	Female	3,269		
	Total	9,791		
Percentage of employees in management positions	Male	29.78%		
	Female	5.87%		
	Total	23.27%		

Notes: 1. The above are totals and averages for the ITHD Group's five principal companies (TIS, INTEC, AGREX, QUALICA and AIS).  
2. The numbers above are simple combined averages or weighted averages.  
3. The percentage of employees with a disability represents the combined total for ITHD, SorunPure Inc. and 12 affiliated specially recognized companies under the Group umbrella (employees hired under regular : 20,035.5 people; employees with a disability: 401.5 people).



# Consolidated Financial Summary

IT Holdings Corporation and Its Consolidated Group Companies  
For Years Ended March 31

	(Millions of yen)					(Millions of U.S. dollars)
	2011	2012	2013	2014	2015	2015
Net sales	¥323,173	¥327,417	¥337,834	¥346,647	¥361,025	\$3,004
Cost of sales	261,145	266,159	276,935	283,881	294,927	2,454
Gross profit	62,027	61,258	60,899	62,766	66,097	550
Selling, general and administrative expenses	49,209	45,636	42,727	43,255	44,976	374
Operating income	12,818	15,621	18,171	19,510	21,121	175
Recurring profit	12,625	15,393	17,440	18,971	21,251	176
Net income	5,985	2,135	5,868	7,913	10,275	85
Current assets	128,455	142,442	138,219	143,519	140,450	1,168
Fixed assets	172,620	167,560	164,083	170,091	205,401	1,709
Total assets	301,076	310,003	302,302	313,610	345,851	2,878
Current liabilities	73,090	83,065	91,063	72,790	77,666	646
Non-current liabilities	76,875	75,972	53,079	76,316	79,395	660
Total liabilities	149,965	159,038	144,143	149,107	157,062	1,307
Net assets	151,110	150,965	158,159	164,502	188,789	1,571
Total liabilities and net assets	301,076	310,003	302,302	313,610	345,851	2,878
Total interest-bearing debt	77,454	76,515	60,550	58,869	52,114	433
Cash flow from operating activities	27,236	23,658	21,515	25,770	22,938	190
Cash flow from investing activities	-18,957	-15,158	-14,391	-5,334	-17,744	-147
Cash flow from financing activities	-18,755	-4,230	-19,883	-5,872	-19,067	-158
Cash and cash equivalents at the end of the term	36,492	41,119	28,433	43,142	29,485	245
Free cash flow	8,279	8,500	7,124	20,436	5,194	43
Capital expenditures	18,325	14,096	12,287	12,544	16,873	140
Depreciation	12,308	12,745	12,920	12,454	12,809	106
Research and development expenses	1,062	962	1,002	853	1,097	9
Amortization of goodwill	1,901	1,882	1,670	1,166	1,052	8
Goodwill balance at the end of the term	5,551	3,672	1,914	830	2,021	16
Net income per share—basic (yen)	68.19	24.33	66.86	90.16	117.40	0.98
Net income per share—diluted (yen)	—	—	66.83	90.12	—	—
Dividends per share (yen)	32.00	18.00	21.00	25.00	30.00	0.25
Payout ratio (%)	46.9%	74.0%	31.4%	27.7%	25.6%	
Net assets per share (yen)	1,636.56	1,636.72	1,714.88	1,782.23	2,108.19	
Interest-bearing debt ratio (%)	25.7%	24.7%	20.0%	18.8%	15.1%	
Equity ratio (%)	47.7%	46.3%	49.8%	49.9%	53.3%	
Net income to equity capital ratio (ROE) (%)	4.2%	1.5%	4.0%	5.2%	6.0%	
Recurring profit to total assets ratio (ROA) (%)	4.1%	5.0%	5.7%	6.2%	6.4%	
Number of employees at the end of the term	20,831	20,347	19,553	19,065	19,090	
Number of new-graduate recruits	928	649	356	455	620	
Number of regular recruits	370	450	379	549	499	

Notes: 1. The U.S. dollar amounts represent the arithmetical results of translating yen into U.S. dollars at the rate of ¥120.17 to US\$1.

2. Total interest-bearing debt indicates the total sum of borrowed money and corporate bonds.

3. Free cash flows indicate the total sum of cash flows from operating activities and cash flows from investing activities.

## Consolidated Performance Forecast for Fiscal Year Ending March 31, 2016 (Consolidated)

**ITHD expects year-on-year improvement in sales and profits, underpinned by efforts to expand business by accurately grasping the IT investment needs of customers while leveraging activities to boost profitability, primarily efforts to prevent projects from becoming unprofitable and efforts to improve productivity.**

Net sales	¥370,000 million	+2.5% year on year
Operating income	¥23,500 million	+11.3% year on year
Recurring profit	¥23,000 million	+8.2% year on year
Net income attributable to parent company	¥12,800 million	+24.6% year on year

Note: The above performance forecast reflects plans and expectations based on information available to ITHD management as of May 8, 2015, and on certain other information management of the Company believes to be reasonable. These forecasts are not guarantees of future performance, and actual results, performance, achievements and financial position may differ materially from those expressed or implied herein due to various factors.





Norio Maenishi, President

Norio Maenishi, president of ITHD, talks about the three-year medium-term management plan

## “Beyond Borders 2017”

that runs from April 2015 through March 2018.

### Background to “Beyond Borders 2017”

#### Question

1

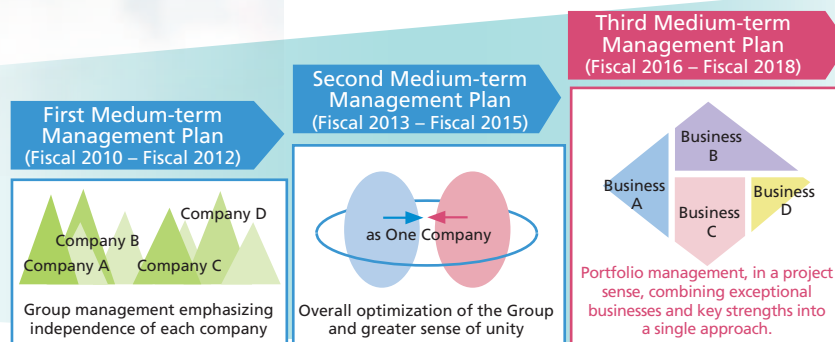
What is the management direction that ITHD has followed to date and what will guide the Company forward?

#### Answer

1

**We seek to enhance businesses and sharpen capabilities through portfolio management.**

In the first medium-term management plan, following the April 2008 formation of the ITHD Group, the focus was on leveraging a management style that emphasized the independence of each operating company. Through the second medium-term management plan, the Group transitioned toward a structure that would cultivate a stronger sense of unity as a group and thereby promote overall optimization. With the third medium-term management plan, which kicked off in April 2015, the goal is portfolio management, built on outstanding businesses and strengths with market superiority distinct to each operating company, through restructuring and integration of the capabilities that Group companies have honed over the previous medium-term management plans and wider intragroup cooperation.



## Question

2

In what ways was “Brave Steps 2014,” the second medium-term management plan, successful? What issues remain?

## Answer

2

Results achieved and remaining issues form the building blocks of the third medium-term management plan.

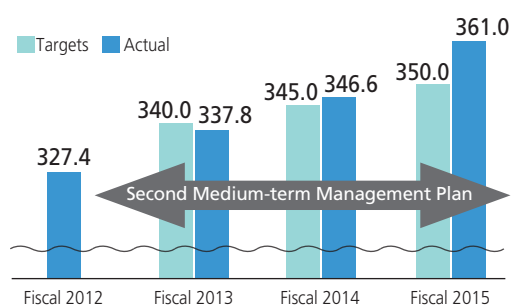
The graphs and chart below highlight what we achieved during the second medium-term management plan and issues that need further attention.

### Second Medium-Term Management Plan “Brave Steps 2014” (April 2012 – March 2015)

#### Net Sales

(Billions of yen)

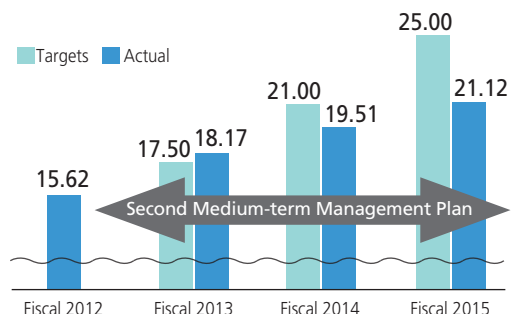
■ Targets ■ Actual



#### Operating income

(Billions of yen)

■ Targets ■ Actual



#### Top-Line Emphasis

##### Status

- Net sales target achieved, but operating income target missed
- Insufficient progress in efforts to improve business profitability through higher productivity
- Profits squeezed by continued appearance of unprofitable projects

##### Issues

- Progress on establishment of growth engines — distinctive strengths with an advantage — and connection of business strengths among Group companies as well as concentration of resources into core businesses
- Major problem with approach to eradicate unprofitable projects and improve business profitability

#### as One Company

##### Status

- Certain degree of success in restructuring businesses under Group umbrella and strengthening business connections
- Progress on centralization of corporate functions and activities to foster greater sense of unity
- Created single brand for Group to underpin centralized management of entire organization

##### Issues

- Still more to achieve in restructuring businesses under Group umbrella and strengthening business connections within the Group
- Overall optimization must be more pervasive, more extensive

#### Bold and Enterprising

##### Status

- Steadily built up orders as IT partner for large, priority clients
- Progress on approaches to achieve evolution in services and globalize operations

##### Issues

- Not enough IT business partner connections, need more lateral development through client industries
- Evolution and globalization of services did not lead to businesses with revenue-source potential

■ “Top-Line Emphasis” produced mixed results. Net sales exceeded the target. However, operating income missed the mark, leaving issues to address with regard to preventing projects from becoming unprofitable and boosting productivity.

■ “as One Company” was successful to a certain degree. The biggest achievement was probably the debut of a single logo in June 2014 shared by all companies under the Group umbrella. The headquarters relocation and centralization of key subsidiaries under one roof was also good, and various strategies yielded commendable results, including the establishment of a “college” where senior staff from companies throughout the Group gather to talk about the Group’s direction and other topics of groupwide importance. In addition, we made progress on

business restructuring and integration within the Group and reinforced intragroup cooperation. In October 2014, employees involved in the embedded systems field were repositioned from TIS subsidiaries to QUALICA with the objective being to enhance solutions in the areas of M2M\* and IoT\*. In April 2015, seeking to centralize BPO services within the Group, we made AGREX a wholly owned subsidiary and laid the groundwork for smooth interaction between AGREX and other Group companies through the company’s forte BPO services. These approaches to business restructuring and integration and stronger ties between Group companies will remain an important theme during the third medium-term management plan, and we will strive to accelerate associated processes.

\*M2M (Machine to Machine): Technology that enables networked devices to exchange information.

\*IoT (Internet of Things): Network of various physical objects—“things”—beyond the scope of computers and other information and communication devices that are embedded with connectivity features to interoperate through the Internet to facilitate such applications as automated recognition and control and remote measurement.

■ **“Bold and Enterprising”** marked progress on globalization and the evolution of services. Domestic clients are increasingly seeking proposal-style services—essentially, the evolution of services—that utilize cloud data centers and shared systems with versatility, and the service menu available from Group companies has expanded from a medium-term perspective, with an emphasis on cloud services. We also made headway on globalization, focusing on China and the ASEAN region, and numerous capital and business alliances were formed during the second medium-term management plan. We are still working to

build global business into a pillar of the revenue base, and this goal remains a priority which we will energetically pursue during the third medium-term management plan as well.

As described above, the second medium-term management plan ended with achievements as well as issues that require further attention, and with the added perspective gained through industry analysis, we formulated “Beyond Borders 2017.” The Group embarked on this new three-year journey in April 2015



## About “Beyond Borders 2017”

### Question 3

What are the basic concepts of the new medium-term management plan?

### Answer 3

#### “Emphasis on Profitability, “IT brain” and “Portfolio Management.”

To attain sustainable growth over the medium to long term, we need to build a structure that utilizes diverse management resources throughout the Group more effectively—that is, draws out top-level performance from some 20,000 people—and we need to reinforce the competitiveness of our businesses on a groupwide basis. The best approach would be to transition to a value-added creation style of business, and we have outlined three basic concepts that will support this process.

#### ■ “Emphasis on Profitability”

Over the three years of the third medium-term management plan, we will promote business pursuits with an even greater emphasis on profitability. The underlying motivation is that we were unable to reach the profit targets we set for the second medium-term management plan so we must try harder, and also, as I will touch on later, we intend to shift to a value-added creation—proposal—style of business, which will see the Group transition from the current order production style format to an upfront investment style business format, which requires a solid profit base. To date, we have stressed operating income and the operating margin in managing the businesses of the Group, but going forward, net income will become a particularly important factor in Group management.

Numerical targets for the last year of the plan—the fiscal year ending March 31, 2018—are net sales of ¥400 billion, operating income of ¥30 billion, net income attributable to shareholders of the parent company of ¥16 billion, and a return-on-equity of 8.0%. As an indicator of management efficiency, an ROE of 8% is considered to be the minimum that determines whether or not an enterprise is creating corporate value, so that will be an initial target. But we aim to boost ROE to 10% by March 31, 2021.

#### ■ “IT Brain”

The scale of the domestic IT market is expected to hold steady at a solid ¥11 trillion through 2017, buoyed mainly by wider demand for outsourcing as a declining birthrate in Japan leads to a shortage of labor in many industries. However, IT investment at client companies is assuming a different purpose, shifting from a cost-reduction measure into a tool that keeps existing businesses growing while opening up new businesses—that is, raises cash-generating potential. Against this backdrop, the approach within the ITHD Group is to shift from existing assignment solution style services, which address client requests, in favor of value-added creation style services that present system suggestions that contribute to clients’ business growth. Also, from a medium-term perspective, we will front load our investments and expand laterally across industries to raise the percentage of market-cultivating style services, such as versatile cloud services, applicable to multiple companies.

A huge advantage in this pursuit is that we, as a Group, are well acquainted with the demands of our clients and well informed on industry trends. We will base our proposals not on preconceived ideas but rather the real needs of our clients and the industry as gleaned from client contact, and roll out services that create added value and services that cultivate market potential—businesses that are a step ahead of the rest.

#### ■ “Portfolio Management”

Portfolio management is indispensable for combining the strengths of each operating company under the Group umbrella and pursuing optimization of the Group overall.

Our vision for the three business styles—the direction that we will travel—is illustrated on the next page, along with composition graphs of the predicted earnings structure we expect to

have in place by fiscal 2021, ending March 31, 2021. During the current medium-term management plan, we anticipate see brisk demand from the financial sector and local governments—client sectors where the Group has built particular expertise—highlighted by large projects for megabanks, increased system sharing prompted by regional bank realignment, new systems coinciding with the introduction of the My Number program, and replacement of large card-based systems. In fiscal 2018, the systems integration business will likely be a pillar of profits, buoyed by an increase in orders for the aforementioned large projects, but demand will probably peak in fiscal 2021. To cement a strong revenue base for when that happens, we must sow the seeds of market-cultivating style services that boost the contribution from other activities, especially industry platform and global businesses. This is a priority during the third medium-term management plan.

### Third Medium-term Management Plan “Beyond Borders 2017” (April 2015 – March 2018)

“Beyond Borders” evokes the idea of going beyond perceived barriers between companies and business structures to achieve cooperation and collaboration, to transform the current business model, to shift from a domestic perspective to a global view, and to see each and every employee within the Group transcend their own boundaries.

#### Three Basic Concepts

##### Profit Emphasis

- Promote management activities with an even greater emphasis on profitability
- Highlight operating income, operating margin and even more importantly, net income
- Raise corporate value by introducing ROE and other management indicators

##### IT Brain

- Always look one step beyond clients’ current needs and provide value-added proposals to enhance clients’ earning capabilities
- Shift from existing assignment solution style services, which address client requests, in favor of value-added creation and market-cultivating styles

##### Portfolio Management

- Utilize distinct strengths of operating companies as growth engines while promoting cooperation — working together — and collaboration — creating together — within the Group
- Draft and execute business portfolio strategies
- Reinforce and restructure operating platform through pursuit of groupwide optimization of all resource categories

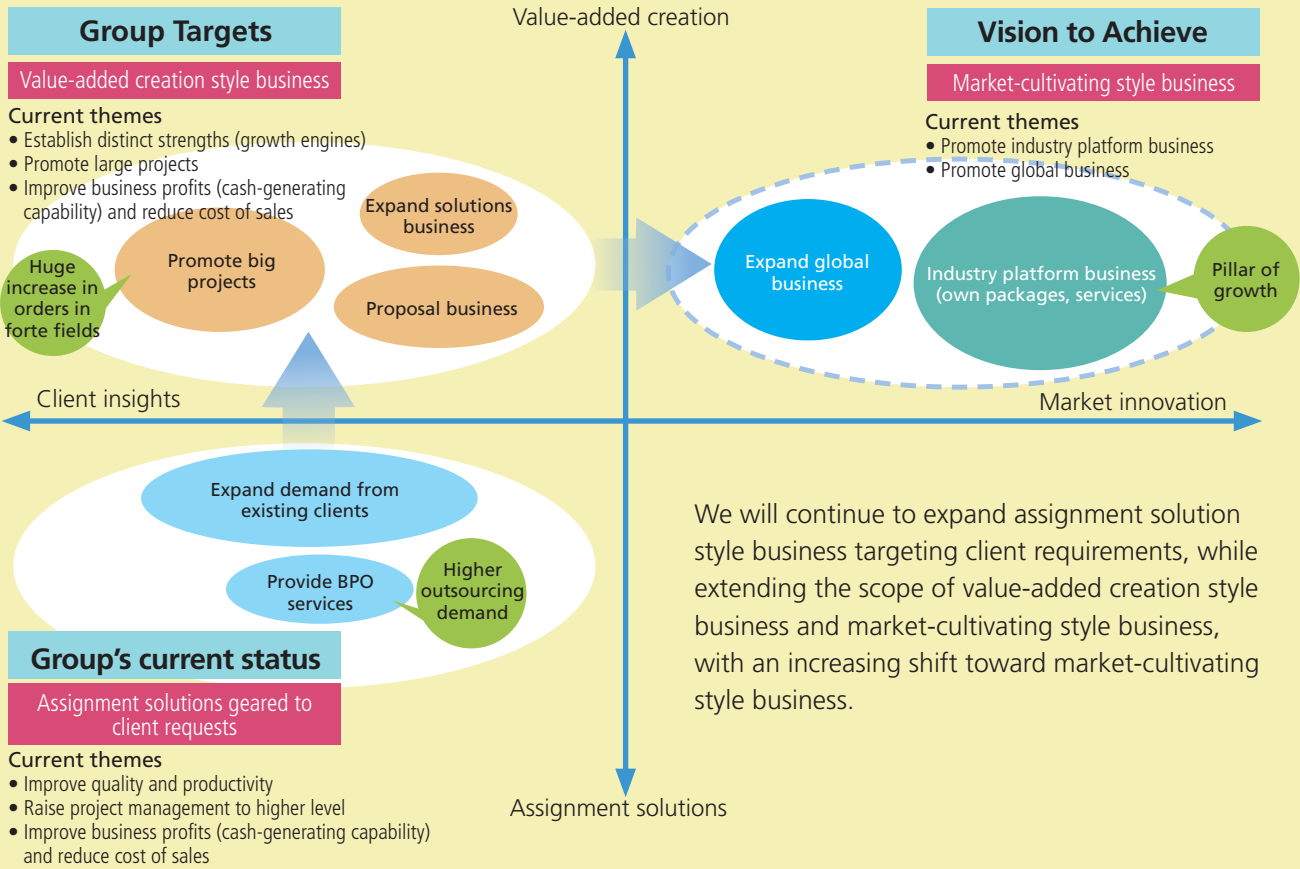
**Emphasize ROE as a key performance indicator, strive to boost corporate value, and realize sustainable growth.**

#### Numerical Targets

(Billions of yen)	Fiscal 2015	Fiscal 2016 Target	Fiscal 2017 Target	Fiscal 2018 Target
Net sales	361.0	370.0	385.0	400.0
Operating income	21.1	23.5	27.0	30.0
Net income	10.2	12.8	14.0	16.0
Operating margin	5.9%	6.4%	7.0%	7.5%
Net income ratio	2.8%	3.5%	3.6%	4.0%
ROE	6.0%			8.0%

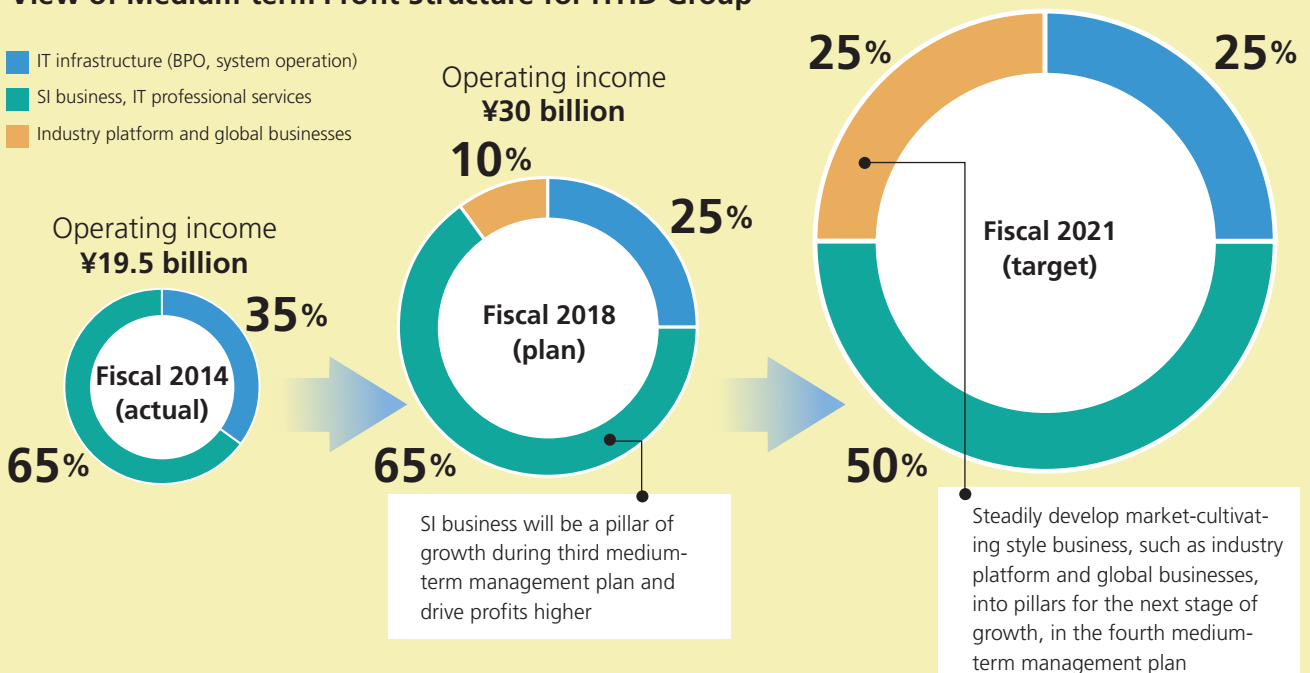
ITHD is targeting an ROE of at least 10% by March 31, 2021.

## Direction ITHD Group Intends to Travel



## View of Medium-term Profit Structure for ITHD Group

- IT infrastructure (BPO, system operation)
- SI business, IT professional services
- Industry platform and global businesses





## Question

4

What would be some specific examples of value-added creation style and market-cultivating style businesses?

## Answer

4

**The buds of new growth prompted by market changes already exist.**

As I mentioned earlier, in Japan, we will see an increase in IT investment, designed to spur business growth, along with accelerated IT investment in social platforms. One catalyst for IT investment is the My Number program, which will be introduced in January 2016. On both fronts, INTEC, an ITHD Group company, is response-ready. The company has attracted more than 50% of Japan's regional and second-tier banks to F<sup>3</sup>, a customer relationship management system for financial institutions, and also offers CIVION-7th, a general administration information system developed in-house for local government use. The company will be promoting proposal-style business for new systems, such as My Number, as well.

A major buzzword in IT investment for social platforms is energy deregulation. We await such events as the liberalization of retail sales of electricity, scheduled for April 2016, and the subsequent unbundling of power production from distribution and transmission as well as mutual entry into the energy industry by companies providing electric power and gas. Against this backdrop, TIS is also response-ready, exploring business opportunities for EneLink, a total solution for the energy industry that covers supply-and-demand management systems, customer information systems and call center operations.

And in the global arena, a major theme in the third medium-term management plan is our response to the IT demand of domestic companies in various sectors that have been building a presence in recent years in markets, such as Thailand and Indonesia, noted for outstanding economic growth. Intent on providing system and solution support to Japanese-affiliated companies in these markets, several operating companies in the Group established subsidiaries in China and the ASEAN region and formed capital and business alliances with local companies in Vietnam, Thailand and Indonesia during the second medium-term management plan. During the third medium-term management plan, an even more vigorous approach will be made to connect with business partners that will invigorate our own inherent capabilities.

→ Please take a look at the special feature—Examples of Activities in Growth Fields.

### Main Activities of the IT Holdings Group

#### Main activities in the proposal-style business

- Develop new markets through social system solutions (INTEC)
  - Response to My Number system, projects for energy industry, creation of traffic ICT towns, EMS business
- Full-scale development of imbedded software solutions (QUALICA)
  - Establish field of expertise in embedded software business, cultivate new clients, pursue business expansion, including M&A opportunities
- Laterally develop distinctive strengths derived through business with the Asahi Kasei Group (AJS)
  - Sell outside the Group, to members of the chemical, home and building materials, and medical and medical equipment industries

#### Main activities in the industry platform business

- Reinforce settlement system solution (PAYCIERGE), improve earnings (TIS)
  - Expand service-based business by providing not just IaaS or SaaS but rather a set combining applications and infrastructure
  - Use CLO (Card Linked Offer) to expand services in domain fusing settlement and marketing
- Reinforce finance-oriented CRM (F<sup>3</sup>), improve earnings (INTEC)
  - Reinforce F<sup>3</sup> series, including application to cloud, and expand sales and income.
- Promote construction-oriented cloud-style system services (Kensetsu ASP) business (INTEC)
  - Enrich services through joint business structure derived from investment in subsidiary of Mitsubishi Corporation
- Boost market share for Qube series still higher (QUALICA)
  - CareQube (IoT/forestry IT/aftermarket), AToMsQube (manufacturing), TastyQube/SpecialtyQube (restaurants/retailing)

#### Main activities in the global business

- Expand local business activities, with a focus on Thailand (TIS)
  - Broaden joint activities with alliance partners, take strategic perspective including overseas M&As, identify business in ASEAN region
- Full-scale entry into global BPO business (AGREX)
  - Start services for Japan-affiliated businesses/local companies in overseas markets to complement services for existing domestic client base
- Capture larger share for Qube series in China, make inroads to ASEAN region (QUALICA)
  - Expand sales of stock services (SaaS) at QUALICA Shanghai, establish profile in Indonesia and Thailand and build sales network



## Question 5

What is the strategy for maintaining the profitability of current core businesses?

## Answer 5

**The data center business is at a critical juncture, and an all-out effort is required to tackle unprofitable projects.**

In the IT infrastructure segment, the data center business has come up against rapidly intensifying competition, especially in the Tokyo area, as the densification of servers facilitates services out of smaller spaces and foreign-technology cloud services draw the attention of the domestic market. Within the ITHD Group, we are considering overall optimization of data centers, and recognize that the process of compartmentalization with other companies will likely continue in fields where we have strengths, especially core systems for financial institutions which are required to handle large amounts of data and maintain high-level security. We also see cloud services, such as SaaS\* for business use, as a growth field. But in the medium term, the data center business will represent an increasingly smaller percentage of the IT infrastructure segment.

To prevent projects from turning unprofitable, we have introduced changes in the development process, such as implementing third-party checks at each stage of system construction after contract signing and re-estimating the price. However, the more direct the application to client businesses, the more the projects require completely different system construction for which there is no existing model to follow and the more complicated the requirement definitions become at project start. Add to this challenge a looming shortage of system engineers, mainly due to the falling birthrate. For our operating companies to prevent projects from turning unprofitable while reliably addressing clients needs, the key will be to improve productivity not only through prevailing project-stage management but also through enhanced engineering, including software modularization and reuse as well as automated testing. Already, TIS set up a production innovation headquarters in April 2014 and is working on software reuse and testing that can be shared groupwide. Under our business model, getting the amount for unprofitable projects to zero is difficult, in practice, but our goal, through various measures, is to keep the amount within 1% of sales from system development operations.

\*SaaS (Software as a Service): A subscription-based delivery method that provides access to needed software, usually over a communication network, whenever the user requires it.

## Question 6

What is the status of shared Group function integration/centralization?

## Answer 6

**Our quest for overall optimization groupwide goes beyond business activities.**

Nine ITHD Group companies in the Tokyo area, including ITHD, relocated to central offices as of February 2012, followed by nine companies in the Osaka area moving to a central location in that region in July 2015, while offices in the Nagoya area are scheduled to move in the summer of 2016. Concurrently, we will gradually centralize and share IT systems within the Group. The merits of office centralization do not stop at cost reductions, such as rent. Close physical proximity spurs greater cooperation on projects. I firmly believe that time saved through digitization, including the use of IT systems, and time made to actually meet and discuss are both vitally important to cooperative efforts among Group companies.

## Question 7

What is the basic direction for restructuring within the Group going forward?

## Answer 7

**Discussions on restructuring have started.**

Discussions have started on groupwide restructuring—a process extending to all companies under the Group umbrella, including ITHD, TIS and INTEC—that will see the Group transition to a new organizational framework, with ITHD taking the role of an operating holding company in April 2016.

The operating companies under the Group umbrella demonstrate distinct strengths and, from a Group perspective, present a well-balanced client base of excellent companies in many industry sectors at home and abroad. Of principal operating companies, TIS and INTEC are all-rounders, with TIS' forte in systems and solutions for the credit card sector, and INTEC capitalizing on its regional roots. QUALICA and AJS, with domain-specific expertise, concentrate expertise drawn from their manufacturing backgrounds to meet the needs of manufacturers, and AGREX has accumulated extensive knowledge and a wide client base as a frontrunner in the BPO business.

We do not necessarily believe that amalgamating some 20,000 employees groupwide into a single company would meet the needs of the times. Rather, our objective is “portfolio management,” where we draw on and combine the distinct businesses and associated strengths of each operating company into a single structure. While the second medium-term management plan was in force, ITHD appointed the presidents of its five principal subsidiaries to its Board of Directors. The executive team talked frankly about how best to utilize the obvious strengths of each operating company as growth engines to

realize overall optimization of the Group, which led to the realignment of redundant operations and centralized functions.

Our intention is that further restructuring of the Group will enable TIS and INTEC to accentuate respective strengths against a backdrop of expanding IT investment needs in Japan while building stronger links for cooperation and collaboration. ITHD, by transitioning from a pure holding company to an operating holding company, will accelerate management processes and secure solid opportunities for business expansion.

## Five Principal Group Companies

Principal Subsidiaries	Shareholding Ratio	Company Outline
<b>TIS</b>	ITHD: 100%	Concentrates on services for credit card sector but is building wider presence in other sectors, including services and manufacturing sectors. Absorbed SORUN Corporation and UFIT Co., Ltd., in April 2011 and implemented structural reforms.
<b>INTEC</b>	ITHD: 100%	Focuses on services for megabanks and life insurance giants, but expanding presence with wider responses for public corporations, particularly in the Hokuriku region, as well as customer relationship management (CRM) for regional banks.
<b>QUALICA</b>	ITHD: 80% Komatsu: 20%	Former information systems subsidiary of Komatsu Ltd. Currently offers services to assembly-based manufacturers, particularly the Komatsu Group, while expanding services such as system configuration to members of the distribution and restaurant sectors.
<b>AJS</b>	ITHD: 51.0% Asahi Kasei: 49.0%	Former information systems subsidiary of Asahi Kasei Corp. Currently developing services, with a focus on the Asahi Kasei Group.
<b>AGREX</b>	ITHD: 50.6%	Leading company in Japan’s BPO business. Began BPO services overseas in 2013. Listed on Tokyo Stock Exchange (4799).

### Question

8

Has the shareholder return policy changed?

### Answer

8

**We will enhance return to shareholders, raising the total return ratio to 35%.**

To date, ITHD’s basic policy targeted a payout ratio of 30%. Over the three years of the third medium-term management plan, investments related to new business pursuits and solution development in growth fields as well as M&As and alliance activities could reach about ¥24 billion on a consolidated basis. Seeking an appropriate capital structure and stable shareholder return from a medium- to long-term perspective, while taking into account performance trends, financial position and the need to enrich internal reserves to underpin business growth, we have opted for a total return ratio that combines dividends and share buybacks to enhance return to shareholders. The new policy takes effect with the third medium-term management plan. In view of downward rigidity, we will aim for steady but gradual dividend increases, pegged to performance improvement, and augment amounts through share buybacks.

For fiscal 2016, we are planning for a dividend of ¥33 per share—payout ratio of 22.6%—and may purchase treasury stock to boost the total return ratio to 35%.

### Question

9

What is the status of corporate governance activities?

### Answer

9

**Corporate governance is vital to growth.**

In Japan, measures to reinforce corporate governance came into force one after another in 2014, with partial revision to the Companies Act allowing companies to transition to a structure under an audit and supervisory committee and introduction of the Stewardship Code, and then in June 2015, the Corporate Governance Code was brought in. These are measures that will undoubtedly strengthen the business foundation of Japanese corporations and promote greater activity on the world stage. As of June 2015, ITHD had two outside directors and three outside auditors, but from April 2015, the outside directors attend not only Board of Directors meetings but also those of the Executive Committee, and routine checks are made to ensure there is no conflict of interest with shareholders. With regard to the Corporate Governance Code, as well, we take the perspective of a stakeholder—which is not limited to shareholders—and pursue discussions mindful of sustained growth of the Group and higher corporate value over the medium to long term.

## Question

10

Would you comment on the Group's social mission and future ideal?

## Answer

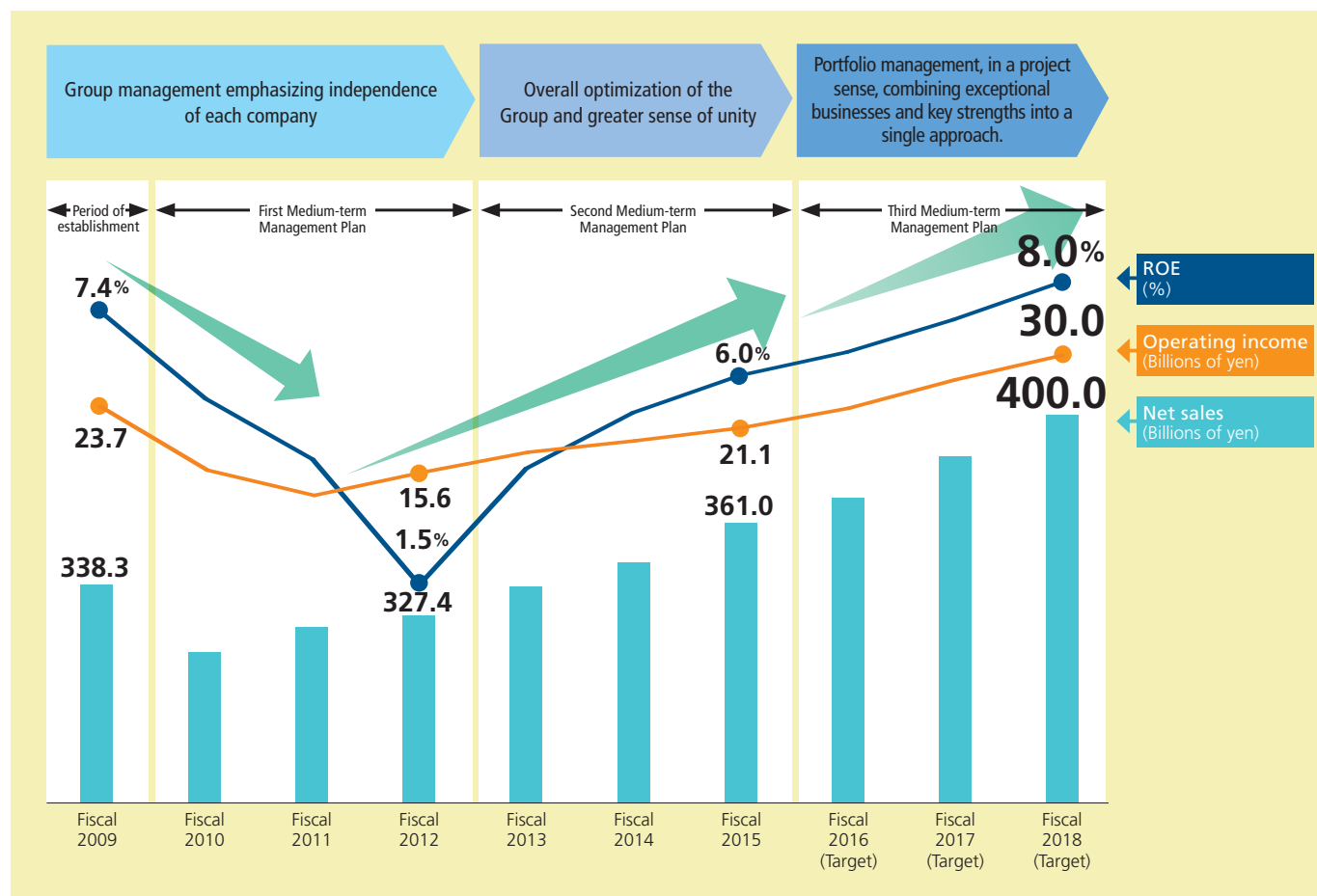
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**We aim to contribute to society and improve corporate value through our business activities.**

In this day and age, when IT capability is directly related to the pursuit of a great variety of businesses, the products and services available through the ITHD Group extend to all facets of everyday life. Going forward, each company under the Group umbrella will demonstrate respective strengths, and through business activities help successfully address various social concerns. For example, TIS' national presence and INTEC's local roots will support regional renaissance. BPO services from AGREX will help to offset the labor shortage caused by fewer children and more seniors in the population. CareQube, developed by QUALICA for the assembly-based manufacturing sector, will find new applications in forestry-oriented IT in monitoring systems to watch over the elderly.

In addition, having all employees approach work knowing that their jobs serve a social purpose will elicit personal pride and job motivation. I would like to establish this positive cycle within the Group. It really goes without saying, though, that the Group's achievements are a reflection of client trust and satisfaction. Along with our clients, we will contribute to the growth of industries in Japan and the rest of Asia and make society a better place. I firmly believe that this commitment to our clients and society will inevitably earn us lofty recognition, maybe even "Asia's leading IT services group."

With regard to the third medium-term management, we spent a year in discussions with employees and management to come up with a practical management plan. The only way to reach the place we want to be in the future is through steady progress on the strategies laid out in the plan. We will draw on the combined capabilities of everyone—staff and management alike—under the ITHD umbrella, promote our businesses and raise corporate value still higher. The support of shareholders and investors will, as always, be integral to our success.



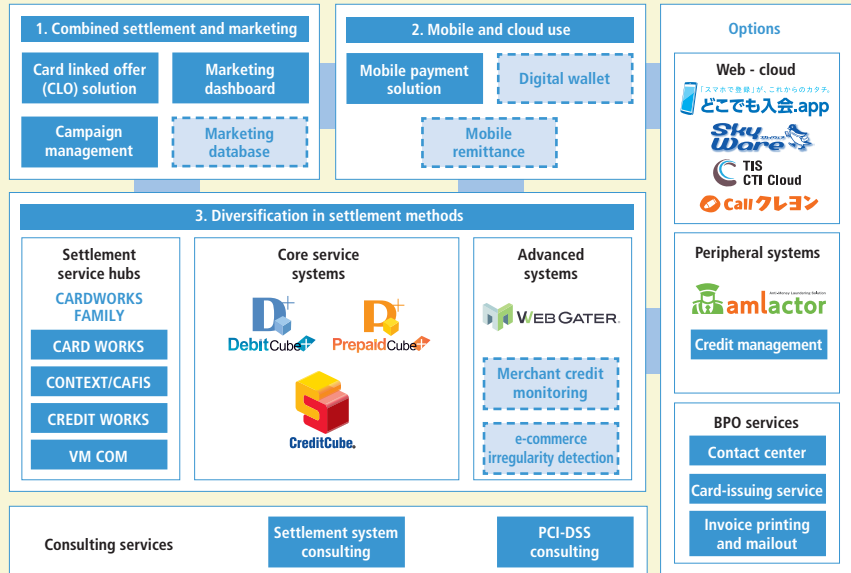
# Point 1 Activities in Growth Fields

Realization of convenient, worry-free cashless society

## PAYCIERGE Retail Settlement Solution

By 2018, the cashless settlement market—settlement by means other than cash—is likely to surpass ¥100 trillion. The need for service solutions—combined settlement and marketing, mobile and cloud use, and diversification of settlement methods—is expected to grow. PAYCIERGE\*, from TIS, is a service directed

toward card settlement providers and offers a menu of solutions for these services as well as solutions covering all sorts of settlement-related business domains, including consulting services, BPO services and cloud services. TIS aims to build PAYCIERGE into a ¥20 billion business in five years.

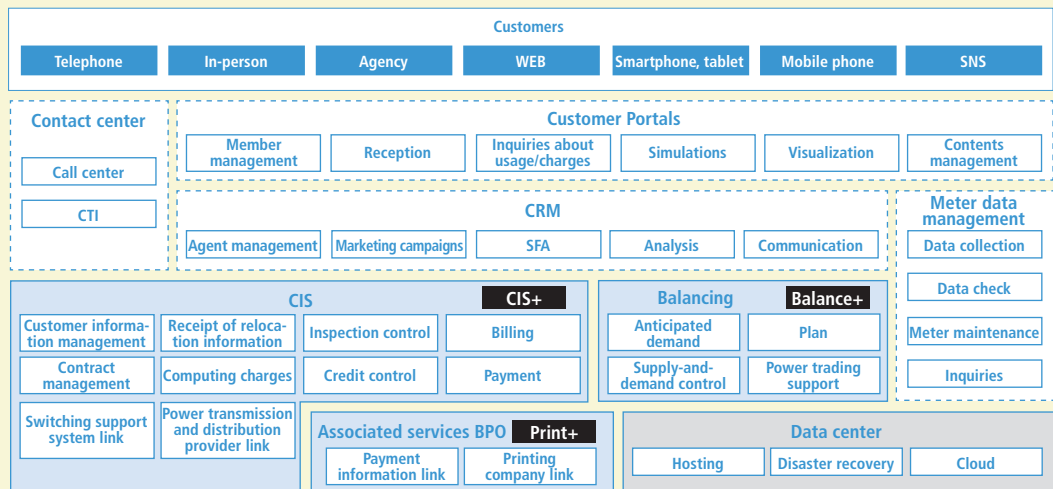
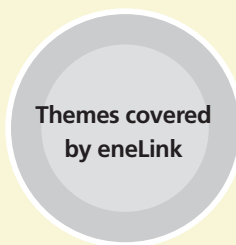


\* **PAYCIERGE:** A coined word combining “payment” and “concierge,” PAYCIERGE utilizes TIS’s know-how and solutions in the area of retail settlement and incorporates the company’s concept of a comprehensive guide for the retail settlement sector—like a hotel concierge—able to provide broad-based assistance, from advice on issues of concern to clients to realizing requests.

## Response to domestic electric power system reform EneLink—total solution for energy industry

Amid unfolding electricity system reforms in the domestic energy market, which will see the liberalization of retail sales of electricity and the unbundling of power production from distribution and transmission, IT investment to hone a sharper competitive edge is heating up among existing electric power utilities as well as companies venturing into the market as power producer and

suppliers (PPS), and selecting a reliable IT partner on the system front has become a key issue. Against this backdrop, TIS is targeting PPS with a total solution—EneLink—that combines system configuration technology and know-how accumulated through services provided to date to clients in the electricity and gas sectors.



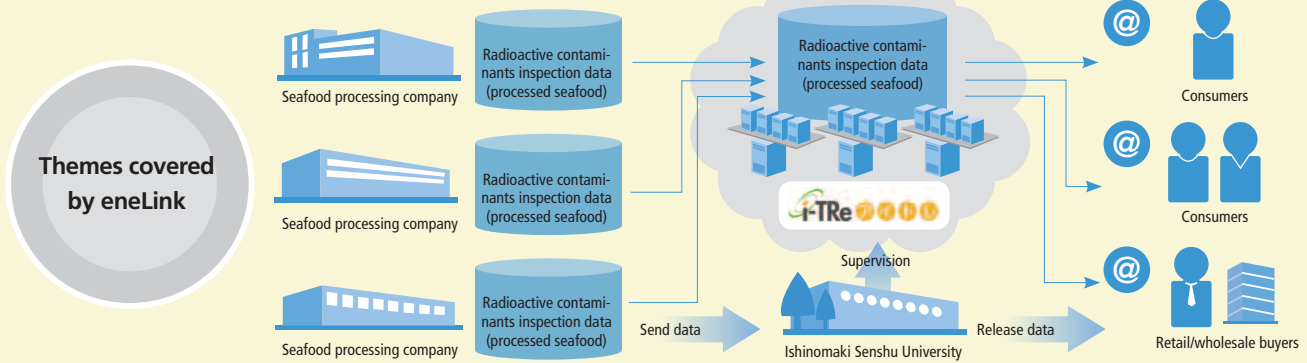
\* EneLink is being promoted as a full lineup of solutions for the energy industry, and its name reflects the idea of end-to-end system integration and connectivity. “Link” also evokes the idea of a tie to the future, through steady additions to the lineup.

## Supporting food safety PR in Ishinomaki and Kesenuma i-TRe traceability service

INTEC is participating in an industry-academic partnership—a Sanriku-area seafood information disclosure project—launched in March 2014 by the Recovery Project for Human Coexistence industry working group in the Faculty of Business Administration at Ishinomaki Senshu University. The company is providing i-TRe, a traceability cloud service, to facilitate entry and disclosure of information concerning processed seafood, such as source

ingredients and radioactive contaminants inspection data. The purpose of this project is to support recovery of the marine products industry, a key industry in the cities of Ishinomaki and Kesenuma, in Miyagi Prefecture, following the disasters that accompanied the Great East Japan Earthquake.

INTEC has waived service fees for using i-TRe, including information entry and browsing.



Themes covered by eneLink

Radioactive contaminants inspection data on processed seafood, entered by each seafood processing company, is made public and accessible online to the average consumer as well as retail and wholesale buyers through a website system built on i-TRe.

Note: i-TRe is a traceability system that INTEC began providing access to in April 2010. The cloud-based service facilitates the collection and management of information related to food products to support the efforts of the providers of those food products to fulfill accountability.

## Contribute to more sophisticated resident services and cut costs Providing Local Government Cloud Service

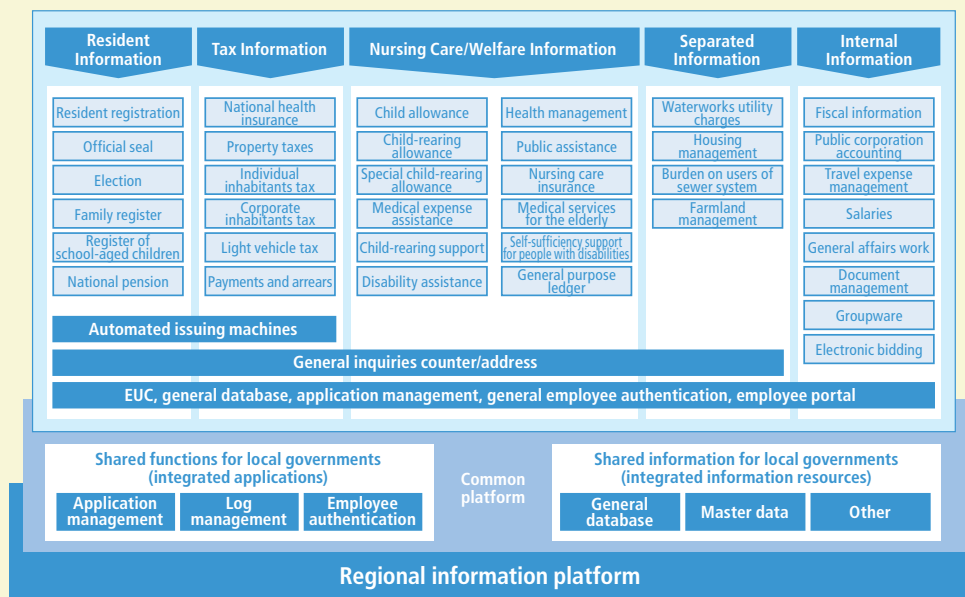
INTEC launched a shared-use local government cloud service for two cities, three towns and one village in Toyama Prefecture using CIVION-7th, a general administration information system developed in-house, to provide local government core systems, including the basic residents registry system. A merit of this service is the enhanced level of data protection and security achieved by locating data-storing server equipment at solidly reliable data centers. Also, since several municipalities share access,

associated IT investment costs can be reduced. In addition, CIVION-7th can be upgraded and the menu expanded to deal with system changes and evolving needs arising from such developments as the planned January 2016 introduction of the national "My Number" system—wherein every resident in Japan is assigned a number that will be used for both taxation and social security purposes. INTEC will make shared-use services available in other regions as well.

**CIVION-7th**  
Reach your full potential with us.

General administration information system lineup

CIVION-7th is a comprehensive all-in-one package covering the administrative tasks of local government. It complies with the regional information platform required by the Ministry of Internal Affairs and Communications, and the components can be mixed and matched as necessary for each municipality, thereby facilitating use without the need for targeted changes.

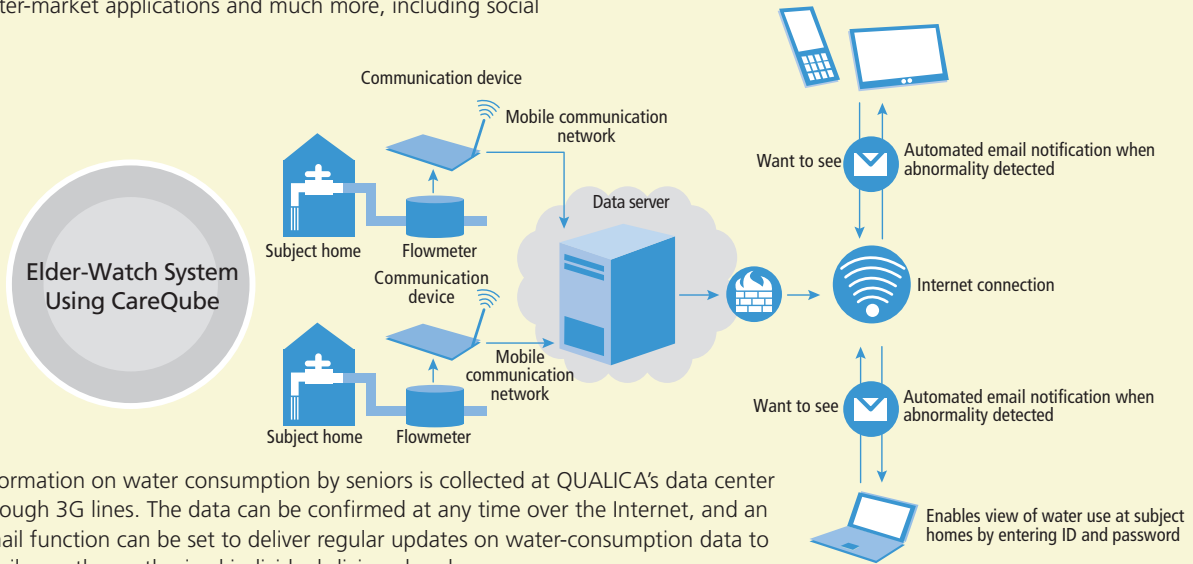




## Contributing to the Aging Society Using cloud services to watch over the elderly

QUALICA'S CareQube, the industry's first cloud-oriented system, is a preventative maintenance support system that visualizes operating status of equipment used in the assembly-based manufacturing industry. The structure of this system is appropriate for after-market applications and much more, including social

platform systems. An example is the development of an elder-watch system using CareQube, developed with Tsukushinbo, a non-profit organization in Gifu Prefecture. The system is being tested out with seniors in the city of Gujo.



Information on water consumption by seniors is collected at QUALICA's data center through 3G lines. The data can be confirmed at any time over the Internet, and an email function can be set to deliver regular updates on water-consumption data to family or other authorized individuals living elsewhere.

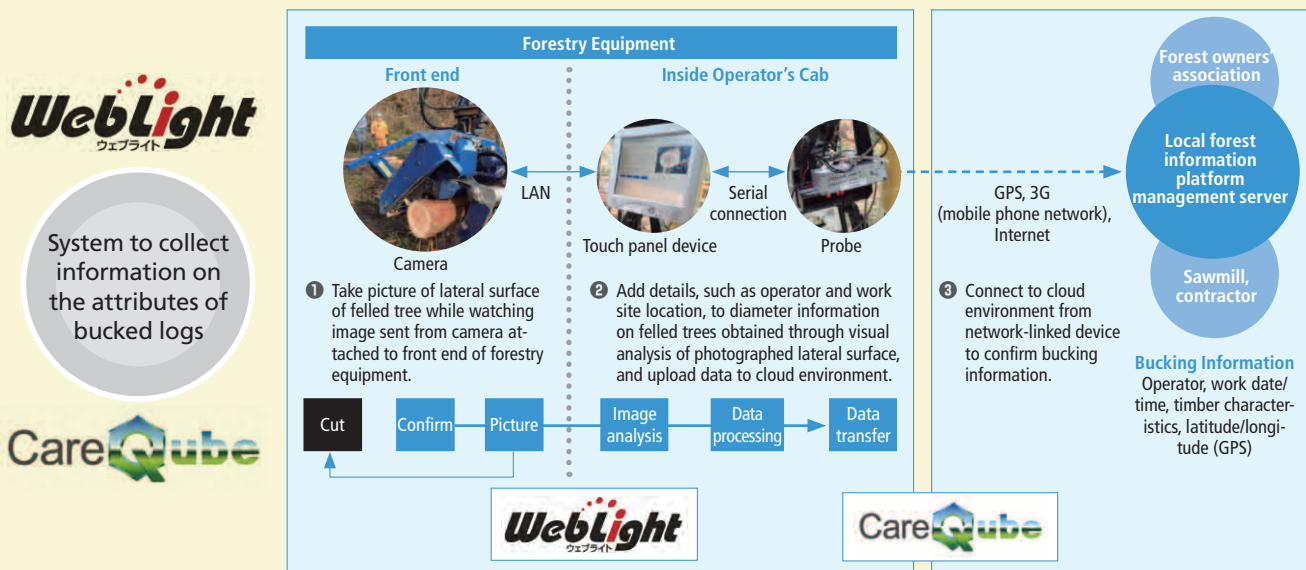
\* **M2M (Machine to Machine):** Technology that enables networked devices to exchange information.

## Contributing to sophistication and greater efficiency in domestic forestry industry System to gather information on bucked log attributes for forestry business

In Japan, where forests cover about 70% of the land, a noteworthy topic is the introduction of high-performance forestry equipment that boost the efficiency of forestry operations. Since 2013, QUALICA has been working with the University of Tokyo on a forestry project through an industry-academic alliance promoted by the Ministry of Economy, Trade and Industry, and in December 2014, developed a system to gather information on the attributes of bucked logs, which was one of the research themes of the project.

In the forestry business, the efficient collection of standard

data on logs (bucked log attributes and tree diameter and length) when felled trees are bucked is indispensable to inventory management. The system from QUALICA utilizes two systems developed in-house—Weblight, a touch panel computer boasting environmental durability, and CareQube, a cloud service for data transfer—and is tough, withstanding conditions of the work environment such as machinery vibrations and dust and oil, as well as practical, facilitating picture-taking in the limited space of the operator's cab.





## Point 2 Promote Globalization Through Alliances with Local Companies

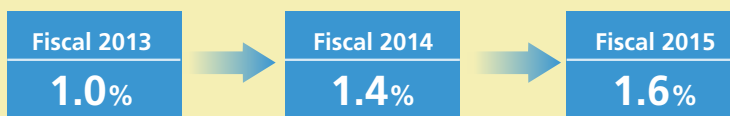
Global expansion of the ITHD Group is driven by two primary objectives: provide local support for existing clients entering these overseas markets, and cultivate local IT markets using know-how accumulated in Japan. The Group’s overseas activities kicked off in China and have since expanded to the ASEAN region where its capabilities are leveraged by a three-point

presence—Thailand, Singapore and Vietnam— mainly through representative offices. In recent years, the approach has diversified, with an emphasis on business and capital alliances with local companies, thereby accelerating lateral expansion through the ASEAN region.

### Major Steps in the ITHD Group’s Expansion Overseas

Step ①	Expansion into China
1990s	Initiated overseas expansion primarily through establishment of local offices as offshore development sites.
↓	
February 2008	Begin expanding network by shifting presence from offshore development approach to points of business ● Established Tianjin TIS Hi-Tech Information System Service Co., Ltd.
April 2010	● Full-scale start of operations at Tianjin Data Center.
March 2012	● Tianjin TIS Hi-Tech Information System Service formed business alliance with ChinaCache International Holdings Ltd., a leading provider of content delivery network (CDN) services in China.
Step ②	Establish three-point ASEAN presence hinging on Thailand, Singapore and Vietnam
January 2012	● TISI Singapore Pte. Ltd. established.
February 2012	● INTEC SYSTEMS BANGKOK CO., LTD, established.
March 2013	● QUALICA ASIA PACIFIC PTE., LTD, hired more staff and reinforced local support structure.
Step ③	Accelerate expansion/lateral development in ASEAN region through business and capital alliances
October 2013	● AGREX established a joint venture, F-AGREX GLOBAL Co., Ltd., with FPT Software Company in Vietnam ➡ Launched global BPO business
December 2013	● TIS formed a capital and business alliance with econTEXT ASIA Limited, a Digital Garage subsidiary ➡ Jointly promoting solutions to e-commerce businesses in Asia
April 2014	● TIS formed a business alliance with PT Soltius Indonesia, top-class SAP vendor in Indonesia ➡ Strengthen SAP support services offered locally to Japanese companies operating in Indonesia ● TIS formed a capital and business alliance with MFEC Public Company Limited, a Bangkok-listed leader in IT solutions for corporate clients ➡ Mutually complement strengths and promote and expand business opportunities for each other in the IT markets of the ASEAN region and in Thailand, where growth is noticeably robust.
June 2014	● TIS turned Thai company I AM Consulting Co., Ltd., boasting top-class results as a total solution provider for SAP, into a consolidated subsidiary. ➡ Seek to expand business opportunities with local companies as well as Japanese companies operating in Thailand.
June 2015	● TIS formed a capital and business alliance with PT. Anabatic Technologies, an IT company listed on the Indonesia Stock Exchange. ➡ Jointly launched SI services to Japanese companies operating locally and to locally based companies.
July 2015	● INTEC formed a business alliance with PT. Bisnis Integrasi Global, a system integrator in Indonesia. ➡ Will jointly pursue steps to expand the service lineup for Japanese companies operating locally and strengthen support for these clients while also offering solutions and services to local companies.
July 2015	● AGREX established AGREX (Thailand) Co., Ltd. ➡ Began BPO services for Japanese companies operating locally.

### Overseas sales ratio



Step 1	Kicked off in China
Step 2	Established three-point presence—Thailand, Singapore and Vietnam
Step 3	Accelerating lateral expansion through the ASEAN region



# Corporate Social Responsibility

## Basic Direction on CSR

The management philosophy that permeates the ITHD Group stresses the Group's development into a corporate citizen whose activities, hinging on the provision of various services utilizing IT, match its status as a leading corporate group. This philosophy also underpins the Group's efforts to raise corporate value, supported in this effort by the high regard of all its stakeholders, including clients and shareholders as well as employees and their families. The Group's stance on corporate social responsibility is evident in its commitment to cultivate a vibrant corporate culture that encourages the companies and individuals under the Group umbrella to work toward higher goals and embrace new challenges, to be honest and fair in business pursuits based on respect for the law, of course, as well as high moral standards, and to fulfill social obligations. This is the Group's basic direction on CSR.

<b>Ensure sound, transparent management practices</b>	Acknowledge responsibilities as a leading corporate group in the IT services industry and undertake sound corporate activities with integrity and clarity of purpose. In addition, be sincere and fair in dealings with all stakeholders and proactively disclose pertinent corporate information.
<b>Provide optimum services</b>	Always provide the very best to clients and strive to raise customer satisfaction levels through excellent quality and technology built on the composite strengths of the Group.
<b>Develop talent</b>	Cultivate an environment in which employees always look ahead, striving to achieve higher goals and embracing new challenges. Provide opportunities to grow and realize personal goals, create a safe and productive work environment, and give each person the freedom to reach his or her potential.
<b>Respect the law</b>	Maintain high corporate morals, obey the law and uphold parameters of socially acceptable conduct, and respect the spirit of such standards. Have absolutely nothing to do with antisocial forces.
<b>Maintain fair business practices</b>	Ensure appropriate business transactions, based on fair and open competition.
<b>Protect the environment</b>	Recognize that environmental problems warrant universal attention and promote efforts to save resources and energy in the execution of corporate activities. Also, through IT services, support clients' efforts to enhance operating efficiency and reduce energy consumption, thereby contributing to lower environmental impact.
<b>Contribute to society</b>	Actively participate in community events as a corporate citizen whose social standing matches its leading industry status.
<b>Be a part of the international community</b>	Naturally, obey internationally recognized rules and local laws in the execution of cross-border projects, but also contribute to social and economic development in the countries where the Group maintains a presence by respecting local cultures and customs.

## Activities of the ITHD Group

The Basic Direction on CSR guides the ITHD Group in all CSR activities, enabling the Group as a whole to meet the expectations of all stakeholders.

### For the global environment

We actively integrate responses to environmental concerns in the course of business. At our most recently completed data centers, we have implemented measures to utilize renewable energy and resources, such as solar and geothermal energy, rainwater harvesting for non-drinking applications and outside air for cooling.

### With the community

We participate in various volunteer activities, including the Ecocap Movement, which collects and sells plastic bottle caps to recyclers and donates the profits to buy vaccines for the world's children. In addition, we support efforts coordinated through the non-profit organization Good Earth Japan to remove landmines in war-torn regions and help shattered communities rebuild.

### With our shareholders

Coinciding with quarterly disclosure, we hold information meetings for analysts and institutional investors. For individual investors, we issue two business reports a year and regularly post business results and information updates on our website.

### With our employees

To provide an environment in which employees can demonstrate their full potential and work in safety and comfort, each Group company reviews vacation and other entitlements and sets up programs to support employees' child-rearing efforts, such as access to daycare centers. Group companies also take steps to obtain "Kurumin" certification from the Ministry of Health, Labour and Welfare, which recognizes companies that implement programs to enable employees to balance work with family responsibilities.

## Creating Environment Enabling Employees to Fully Demonstrate Capabilities

People are without a doubt the foundation of business within the ITHD Group—a foundation firmly planted for growth. We strive to create a work environment that enables employees feel that they contribute to society through their work and facilitates diverse workstyles, which translates into personal pride and greater motivation for the job. Through the third medium-term management plan, we will promote the key measures described below as strategies common groupwide.

Key Measure	Content
Encourage women to seek management positions	Address national policies, including law aimed at promoting role of women in the workplace, and promote diversity in hiring.
Utilize human resources and upgrade skills	Consider utilization and training of employees from groupwide perspective to achieve sharper business edge at all Group companies.
Promote hiring of disable persons	Achieve mandated 2.0% ratio as quickly as possible and maintain it, and develop further steps to promote hiring.
Address aging of workforce	Address issue of shrinking working-age population that parallels falling birth-rate and rising number of seniors in society as well as associated increase in age composition of employees, and promote continuous recruitment activities and establishment of appropriate personnel system matched to employee age composition.
Create comfortable work environment where employees feel appreciated	Create structure for comfortable workplace by boosting the acquisition rate of paid holiday time (goal at each company is rate above 80%) and trimming overtime work (goal to keep overtime under 20 hours at each company).
Cultivate sense of unity groupwide	Implement programs that cut laterally across the Group, highlighting “management,” “global,” “services” and “technology,” to cultivate united perspective and to reinforce the skills of human resources.
Collect/organize human resources information	Realign functions with the Group and, as a strategy for job mobility, collect and organize human resources information, not only basic personnel data but also skills, and share the information.

## Major Activities

Noteworthy pursuits undertaken at Group companies are presented below.

### 1. Work/life balance, diversity (includes promoting role of women in the workplace)

- Promoting better structures for work at home and shorter working hours (expand number of hours possible, extend period of applicability)
- Promoting reduction in overtime through no overtime days and other approaches
- Encouraging employees to take allocated annual paid leave
- Special paid leave categories, including refreshment leave, convalescent leave following injury or illness, and childcare/nursing care leave
- Visit-the-office opportunities for families
- Morning flextime work structure with 9am-11am core time
- Program for return to work after maternity leave
- Office-based daycare facilities for children of employees
- Committee set up to explore the issue of creating a corporate culture in which women feel empowered to work
- Promoting projects aimed at improving the work environment
- Promoting “Thin Office” to raise administrative efficiency
- Acquired “Kurumin” mark from Ministry of Health, Labour and Welfare in Japan for efforts supporting development of the next generation
- Information exchange opportunities for women on childcare leave (includes other employees on leave as well)

### 2. Training and utilization of human resources, and fair evaluation and treatment

- Talent management to systematically execute such processes as hiring, assignment, skill development and performance evaluation
- System to invite applications for job openings in-house, a system that allows individuals to apply for preferred positions, a system to monitor goals determined through discussions with superiors once every six months on job-related goals, a specialist system (type of multi-track personnel system tapping people with specialized know-how for suitable positions), and a non-territorial office (where employees do not have their own desks)
- Occupation-specific courses, e-learning, correspondence education and other training opportunities.
- President’s award program for employees (recognizing noteworthy individuals, projects and activities)
- Evaluation training to ensure that evaluations are fair and equitable
- Debuted “coming home” system that enables retired employees to return to work
- Incentive awards and financial assistance to help employees acquire new qualifications

### 3. Health management, other programs

- Consultation point for physical and mental health questions, and mental stress checks
- “Pink Vouchers” available through the IT Holdings Group Health Insurance Association to offset some of the costs incurred to refresh the body and mind
- Employee awareness surveys and human rights education

# TOPICS

## Proving Employment Opportunities to the Disabled

Through SorunPure Inc, a special subsidiary located in Shinjuku-ku, Tokyo, the ITHD Group supports the creation of work environments where as many disabled people as possible can find employment. SorunPure was established in 2002, and as of July 2015 had a staff of 54, including six guides, who undertake office management services (cleaning inside and outside Group buildings, collection duties, attending to small tasks, replacing supplies, setting out lunch boxes and distributing mail), providing on-demand

printing (copy services, printing/outputting materials) and helping employees maintain good health (in-house physiotherapist), at the Tokyo headquarters, the Osaka office, the Nagoya office and the Matsumoto office.

As of June 2015, the ITHD Group—specifically, 14 companies including ITHD, SorunPure and specially recognized companies—have achieved a disabled employee ratio of 2.00%, based on 401.5 disabled persons.



In addition to office management services, SorunPure Inc. provides in-house physiotherapy services (massage, acupuncture, moxibustion) for employees of Group companies, which keep employees healthier and thus contributes to improved office efficiency.

## Daycare—Kids Home—within Office Structure

In March 2007, INTEC opened a daycare within its INTEC Kids Building, in Toyama, to create an environment in which employees of the INTEC Group can raise their children and continue working with peace of mind. Kids Home is primarily for use by employees of the INTEC Group, but if there is space, people who work at companies in area around the north side of Toyama Station may bring their children to this daycare as well.



## Improved Work Environment Through POSITIVE ACTION

In January 2013, TIS voluntarily set up a POSITIVE ACTION team, with key participation from female employees, to pursue discussions not only on measures to support a wider role for women in the company but also on a spectrum of topics designed to improve the workplace environment. Suggestions based on these discussion are then presented to the Executive Committee. Such suggestions provided a launch pad for the company's return-to-work program for women who have taken maternity and/or child-care leave and led to a better work-at-home system and a string of other measures.

TIS also utilizes talent management to systematically execute such processes as hiring, assignment, skill development and performance evaluation, and in fiscal 2015, to spur greater activities among capable seniors, the company ended the system that had canceled management-level assignments at the end of the fiscal year in which a candidate employee turns 55, and established a new level called "senior professional" that enables employees who are rehired after mandatory retirement at 60 to handle duties that utilize accumulated expertise.

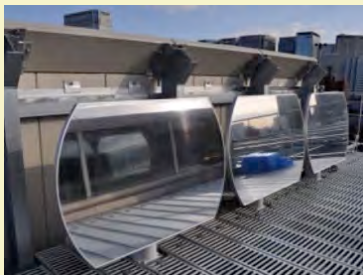


## Contributing to Global Environment

The ITHD Group promotes environment-conscious activities at data centers—the bedrock of corporate activities—and at offices, including steps to save energy and cut greenhouse gases.

### Examples of Environment-Conscious Activities at Data Centers

- Outdoor air cooling
- Use geothermal energy
- Use rainwater
- Use well water
- Lighting equipment run on solar power
- Green power procurement
- Natural lighting
- LED lighting
- Optimized lighting with motion sensors and ambient light sensors
- High-efficiency equipment
- Rooftop greenery
- Landscaping
- External appearance in harmony with the local surroundings
- Noise-damping, heat-insulating sashes



Natural light (solar tracking equipment)



Solar power generation monitor



Rooftop greenery

### Examples of Environment-Conscious Activities at Offices

- Cool Biz
- Go paperless (monitors set up in meeting rooms)
- Recycle PCs
- Confidential documents are solution-treated by a provider
- Garbage is sorted for disposal
- Participate in eco-cap movement
- Partner in Table for Two program
- Lights turned off in work areas during lunch hour
- Reduced use of lighting (some lights not turned on)
- Uniform air conditioner setting (in principle, “blower”)
- Stop running air barrier fans
- Power switched off on machine, such as copiers and shredders, during periods of non-use
- No heating in washrooms, and hot water setting disabled
- Absolutely no vehicle idling
- Water tap frequently closed
- Encourage use of stairs (instead of elevator)
- End over-wrapping
- Encourage employees to use personal thermos bottles, and reusable shopping bags.
- Encourage employees to take vacation days during summer

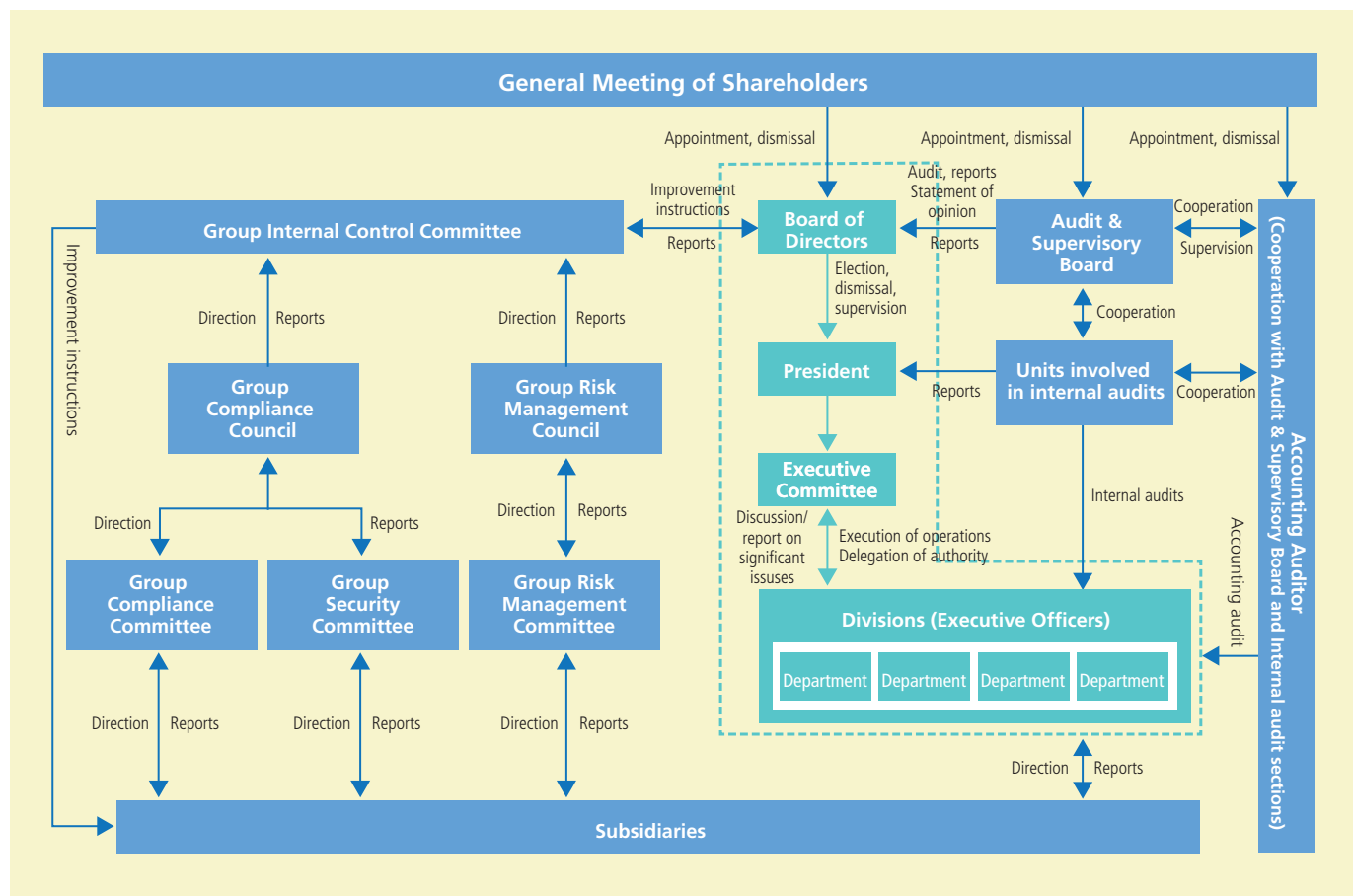
\* The ITHD Group is involved in various activities that bring employees together with local communities. These include musical performances by the ITHD's *Gakuyukai* (Friends of Music Society), the Smile Kids Camp, and participation in environment-friendly “Future City” projects and the *Asahi no Mori* forest conservation project. For details, go to <http://itholdings.co.jp/e/csr/report>

# Corporate Governance

## Basic Policy

To maintain the trust of all stakeholders, including clients and shareholders, and to be a corporate citizen meeting the expectations of society, ITHD strives to reinforce corporate governance, not only by raising the transparency and soundness of management practices but also by paying constant attention to actions taken in the pursuit of business to ensure suitable levels of corporate ethics and legal compliance.

Form of Organization	Company with audit & supervisory board
Chairman of the Board	Chairman
Number of Directors	9, including 2 external directors
Director's Term of Office	1 year
Number of Audit & Supervisory Board Members	4, including 3 external audit & supervisory board members
Term of Office for Audit & Supervisory Board Members	4 years
Number of Independent Directors	5, including 2 external directors and 3 external audit & supervisory board members





## Criteria Concerning Independence of External Officers

To reinforce the supervisory function of the Board of Directors, the Company has prescribed the criteria to ensure the independence of outside directors and outside auditors, with reference to the rules and regulations of the Tokyo

Stock Exchange, in addition to the requirements of the Companies Act. (Please visit our website to find out more about criteria.)

## Outline of Policy on Officers' Remuneration

Basic policy on determination of officers' remuneration is to provide incentives to improve performance through a system of remuneration linked to measures of company performance.

Remuneration paid to full-time directors of the Company consists of basic remuneration and performance-linked remuneration, and is revised annually for each individual. Basic remuneration is paid according to the size of the role and scope of responsibilities of each position. Performance-linked remuneration is linked to attainment of the measures of company performance established on the basis of the business plan for each fiscal year, and shall not exceed the proportion of basic remuneration (up to a maximum of 30%) determined for each position. External directors are paid solely basic remuneration and do not receive

performance-linked remuneration.

Remuneration paid to corporate auditors is determined in consultation with the Board of Corporate Auditors. To ensure a high degree of independence, remuneration is not linked to performance and consists solely of basic remuneration.

In order to provide a reflection of medium to long-term performance, directors shall contribute at least a certain portion of their basic remuneration to purchase the Company's own stock, which they shall retain in full for the duration of their period in office.

The Company does not operate a retirement benefits system for retiring officers and does not pay bonuses to officers.

\*Please visit our website to find out more about our CSR activities.

**Corporate Governance** <http://www.itholdings.co.jp/e/investors/policy/governance/>

**Basic Policy on Internal Control System** [http://www.itholdings.co.jp/e/group/internal\\_control/](http://www.itholdings.co.jp/e/group/internal_control/)

# Research and Development

The Group's R&D activities hinge on TIS and INTEC, which undertake leading-edge pursuits in the domains described below. Note that most of the Group's R&D activities are not specific to individual business segments but rather expeditions to discover techniques that can be applied laterally through operations groupwide.

## (1) Software Development Technology

Each Group company is actively making efforts on boosting productivity and quality in system development.

At INTEC, efforts centered on the R&D for the test automation platform TaaS (Test as a Service) and a test script generator, which were initiated in the fiscal 2014, and have been further advanced. Incorporating the results of the R&D, the company continued to promote these tools for in-house use. The platform is now available for a wider range of projects as it accepts .NET and Java applications in addition to web applications. Such efforts drew attention from outside the company. INTEC was awarded the Bronze Prize at the 52nd IBM User Symposium for the submitted paper. In addition, INTEC delivered lectures at the Borland User Conference, Software Testing Symposium 2015, etc.

At TIS, efforts were made to improve functions of Nablarch, the original Java application framework that offers a full range of essential features for mission critical core systems. In addition, TIS conducted studies on the introduction and use of functional programming languages, such as Scala and Clojure, in order to achieve better productivity on Java Virtual Machines. TIS is continuing to make the results generally available through public events, etc. for engineers. In fiscal 2015, ended March 31, 2015, the problems arising from security issues were widely reported, such as the Heartbleed bug, a vulnerability of the Open SSL software. Our architects of each project investigated the impact of the bug and developed a structure to promptly deliver the information to our customers.

## (2) Cloud Technology

INTEC and TIS engage in research and development on core technologies for cloud computing.

INTEC joined a project for a widely distributed virtualization infrastructure (Distcloud), consisting of researchers at Osaka University, Hiroshima University, Kanazawa University, National Institute of Informatics, etc. The team performed various demonstration experiments using widely distributed storage systems and published the results at the international conference of IEEE COMPSAC 2014. In addition, INTEC joined the Transparent Cloud-computing Consortium (T-Cloud Consortium), a research group of academic-industry collaboration, to conduct research and development aiming for the realization of new service models by a transparent collaboration between "device" and "cloud."

At TIS, a subsidy was granted from the Ministry of

Economy, Trade and Industry (METI) for "Fiscal 2014 Demonstration of Cloud Infrastructure Software for Support on SMEs' Introduction of Demonstration of Innovative Energy Conservation by Use of the Cloud." The company accordingly developed technology regarding "Software Defined Infrastructure (SDI)," which is assumed to become a popular in-system construction, and released the technology in the open-source software CloudConductor V1.0 in March 2015. In November 2014, TIS conducted demonstration experiments in Tome City, Miyagi Prefecture regarding the recovery of information sharing systems in the event of natural disasters. The experiments proved that the SDI technology was effective for measures against disasters. CloudConductor proceeded to the phase of utilization for solutions and proposals in each department of the company.

## (3) Open Source

We are working on the widely expanded area of open source software, especially at TIS.

TIS officially started a support of open source software from fiscal 2015. Focusing on administration programs that TIS excels in, the company plans to reinforce the comprehensive support structure of general application middleware such as the database management system PostgreSQL and the application server JBoss, with a focus on administration program middleware, such as the monitoring tool Zabbix

and the job management tool JobScheduler. In addition, in the second half of fiscal 2015, as consigned by METI under its project of "Fiscal 2014 Infrastructure Development for the Information and Service-Oriented Economic Society in Japan (Project of Open Source Software Utilization Infrastructure Development in the Cloud Computing Era)," TIS performed studies on the matter and reported the results while running the symposium "Cloud XOSS - Shifting to 'Aggressive use of IT'" hosted by METI.

#### (4) Smartphone and Tablet Technology

Another priority theme in R&D addresses the accelerating popularity of smartphones and tablets. We worked on the associated technology, especially at INTEC.

Continued from the fiscal 2014, INTEC conducted R&D of the indoor positioning technology using non-audible sounds and applied the technology to "T-Location H" of the Taisei Corporation with which the locations of doctors and nurses can be detected. As an original research theme, the company studied Wi-Fi-based positioning technology that enables positioning of smartphones and tablets without launching an application. As this technology does not use "MAC addresses" that uniquely and permanently identify a device, it can avoid such problems as concern on privacy

infringement and generation of random MAC addresses coming in the future. Furthermore, INTEC promoted R&D of "Integrated Location Information Platform i-LOP" that seamlessly combines the positioning technologies of GPS, non-audible sounds and Bluetooth Low Energy (BLE). At the end of January 2015, the company joined the demonstration experiment conducted by the "Committee of High Precision Positioning Society around Tokyo Station" of the Ministry of Land, Infrastructure, Transport and Tourism, and conducted positioning in various locations: from outdoors to indoors, the first floor to the basement, and from underground buildings to underground areas, and performed a demonstration using illustrative maps.

#### (5) Big Data Processing, IoT and Artificial Intelligence Technologies

Technology to process huge amounts of business data that was previously impossible to process is becoming accessible. Similarly, technology is steadily appearing that will process huge amounts of data generated by different kinds of sensors. Further, artificial intelligence has been increasingly utilized in the interface between data processing and humans. INTEC and TIS are tackling R&D on Big Data, IoT and artificial intelligence and are working on platforms to support various applications that use such technologies.

INTEC utilized the proprietary scalable cloud platform EXAGE while working ahead with a ubiquitous platform architecture. We aim that by providing such functions as data collection/accumulation, real-time analysis and data visualization, our technologies will be utilized in the fields

of agriculture, manufacturing, home energy management systems (HEMS) and transportation.

At TIS, we started developing technologies relating to artificial intelligence from fiscal 2015. By combining element technologies such as machine learning, natural language processing, question answering and image recognition, the company conducted research on the system, etc. for evaluating performance of meetings using a neural network and a product recommendation system in the Japanese language. In response to the research result, TIS will develop a practical prototype system in fiscal 2016 while promoting collaborative studies with customers (early adapters) who can support activities in advanced technologies.

#### (6) Other Research Activities

INTEC announces the results of its R&D pursuits at various scientific meetings and holds external lectures as well. In addition, the company publishes the INTEC Technical Journal and undertakes public relations activities. The company also sends representatives to deliver special lectures at Keio University, University of Toyama and Toyama Prefectural

University.

TIS typically describes its R&D activities in Tech Sketch (a website addressing engineering information). The company creates many different opportunities for engineers to exchange opinions.

Given these various pursuits, ITHD booked consolidated R&D expenses of ¥1,097 million in fiscal 2015, ended March 31, 2015.

# Financial Review

As of March 31, 2015, the ITHD Group comprised parent company IT Holdings Corporation (“ITHD” or “the Company”) and 45 consolidated subsidiaries, including principal companies TIS Inc., INTEC Inc., AGREX INC., QUALICA INC. and AJS Inc., and 11 companies accounted for by the equity method.

Through additional acquisition of shares, I AM Consulting Co., Ltd., and six of its subsidiaries, as well as TISI (Thailand) Co., Ltd., a newly established company, fall under the scope of consolidation from fiscal 2015. TIS First Manage Inc. was absorbed by TIS Solution Link Inc., all shares in Keyport Solutions, Inc. were sold, and TIS Leasing Co., Ltd. was liquidated, excluding them from the scope of consolidation.

## Profit and Loss Analysis

### Net Sales

Net sales rose 4.1% from fiscal 2014, to ¥361,025 million, thanks to sustained improvement from the three principal segments IT infrastructure services, financial IT services and industrial IT services.

A breakdown of performance by business segment is presented below.

(Sales by segment include intersegment sales.)

### IT Infrastructure Services

A favorable shift in demand for data center services nudged segment sales 2.5% higher year-on-year, to ¥118,200 million, but operating income dropped 6.2%, to ¥7,179 million, largely due to the impact of the reduced size of high-revenue projects for some clients.

### Financial IT Services

A trend toward greater IT investment by clients in the credit card sector and progress in providing solutions to the non-cash settlement sector led to a 5.8% increase in segment sales over the previous fiscal year, to ¥79,543 million. Operating income declined 13.1%, to ¥5,549 million, reflecting an increase in expenses associated with efforts to reinforce the structure to acquire and execute large development projects and an increase in upfront expenses incurred in providing solutions.

### Industrial IT Services

Segment sales climbed 5.1%, to ¥166,357 million, thanks to a favorable shift in demand from the services and distribution sectors. Operating income improved dramatically, jumping 50.4%, to ¥7,049 million, owing to the higher sales starting point and successful efforts to prevent projects from becoming unprofitable.

### Other

Segment sales dipped 1.1%, to ¥14,667 million, but operating income edged up ever so slightly—0.3%—to ¥2,159 million. This is primarily due to the sale of lease assets belonging to TIS Leasing Co., Ltd., as part of restructuring to focus on core businesses and growth fields, along with the effect caused by withdrawal from the leasing business at the end of the previous fiscal year.

Sales and Income by Business Segment		Millions of yen	
(Years ended March 31)	2015	2014	% change
<b>Net sales</b>	<b>¥361,025</b>	¥346,647	+4.1%
IT infrastructure services	118,200	115,360	+2.5
Financial IT services	79,543	75,148	+5.8
Industrial IT services	166,357	158,234	+5.1
Other business	14,667	16,498	-11.1
<b>Operating income</b>	<b>21,121</b>	19,510	+8.3
IT infrastructure services	7,179	7,652	-6.2
Financial IT services	5,549	6,385	-13.1
Industrial IT services	7,049	4,687	+50.4
Other business	2,159	2,152	+0.3
Intersegment elimination/adjustments	(816)	(1,367)	—

Note: Sales by segment in the above chart include intersegment sales.

### Segment Business Content

<b>IT Infrastructure Services</b>	Provide self-administered computer utility or system operation services through large IT facilities, including data centers.
<b>Financial IT Services</b>	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.
<b>Industrial IT Services</b>	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.
<b>Others</b>	Activities other than those described above.

### Expenses and Earnings

The higher net sales starting point and successful efforts to prevent projects from becoming unprofitable absorbed expenses associated with efforts to reinforce the structure for acquiring and executing large development projects. Operating income

increased 8.3%, to ¥21,121 million. Ordinary income expanded 12.0%, to ¥21,251 million. Net income jumped 29.8%, to ¥10,275 million, buoyed by better operating income.

		Millions of yen	
(Years ended March 31)	2015	2014	% change
Cost of sales	<b>¥294,927</b>	¥283,881	+3.9%
Cost of sales ratio	<b>81.7%</b>	81.9%	-0.2 point
Gross profit	<b>66,097</b>	62,766	+5.3%
Gross profit margin	<b>18.3%</b>	18.1%	+0.2 point
Selling general and administrative expenses	<b>44,976</b>	43,255	+4.0%
Ratio of selling, general and administrative expenses to net sales	<b>12.5%</b>	12.5%	-0.0 point
Operating income	<b>21,121</b>	19,510	+8.3%
Operating income ratio	<b>5.9%</b>	5.6%	+0.3 point
Net income	<b>10,275</b>	7,913	+29.8%
Return on sales	<b>2.8%</b>	2.3%	+0.5 point

## Financial Position

### Assets, Liabilities and Net Assets

Total assets stood at ¥345,851 million at the end of March 2015, up 10.3%. Current assets accounted for ¥140,450 million, down 2.1% from a year earlier, and fixed assets accounted for ¥205,401 million, up 20.8%. Liabilities came to ¥157,062 million, up 5.3%, and net assets were ¥188,789 million, up

14.8%. Equity capital, derived by subtracting minority interests of ¥4,388 million from net assets, rose 17.9% year-on-year, to ¥184,400 million, pushing the equity ratio to 53.3%, up 3.4 points.

(As of March 31)	Millions of yen		
	2015	2014	% change
Total assets	<b>¥345,851</b>	¥313,610	+10.3%
Total liabilities	<b>157,062</b>	149,107	+5.3
Net assets	<b>188,789</b>	164,502	+14.8
Minority interests	<b>4,388</b>	8,004	-45.2
Stock acquisition rights	—	45	—
Equity capital	<b>184,400</b>	156,452	+17.9
<b>Key ratios:</b>	<b>%</b>		
Equity ratio (*1)	<b>53.3%</b>	49.9%	+3.4 points
Return on equity (*2)	<b>6.0</b>	5.2	+0.8 point

Notes: 1. Equity ratio = ( Equity capital / Total assets ) x 100

2. Return on equity = Net income / Equity capital [(equity capital at the beginning of the term + equity capital at the end of term) / 2] x 100

### Cash Flow Status

Cash and cash equivalents (“cash”) totaled ¥29,485 million as of March 31, 2015, dropping 31.7%, from a year earlier.

Net cash provided by operating activities: Operating activities generated a net ¥22,938 million, down 11.0% year-on-year. This change reflects income before income taxes of ¥18,184 million and the net effect of outflows, mainly a ¥10,229 million increase in notes and accounts receivable and ¥6,067 million in income tax payments, overshadowing inflows, mainly ¥12,809 million in depreciation and amortization expense.

Net cash used in investing activities: Investing activities consumed a net ¥17,744 million, skyrocketing 232.7% year-on-year. This major change is because outflows—notably,

¥7,482 million in payments for the acquisition of property and equipment, ¥5,150 million for the acquisition of securities and ¥5,400 million for the acquisition of intangible assets—greatly surpassed inflows, mainly 2,423 million in proceeds from the sale and redemption of marketable securities.

Net cash used in financing activities: Financing activities consumed a net ¥19,067 million, soaring 224.7% year-on-year. This sizable change is primarily due to the fact that outflows—mainly ¥13,949 million for repayment of long-term debt, ¥7,031 million for purchasing shares in subsidiaries not accompanying changes in the scope of consolidation, and ¥2,367 million for dividends paid—negated inflow of ¥7,300 million in proceeds from long-term debt.

(As of March 31)	Millions of yen		
	2015	2014	% change
Cash and cash equivalents at end of year	<b>¥29,485</b>	¥43,142	-31.7%
Net cash provided by operating activities	<b>22,938</b>	25,770	-11.0
Net cash used in investing activities	<b>(17,744)</b>	(5,334)	+232.7
Net cash used in financing activities	<b>(19,067)</b>	(5,872)	+224.7



## Dividend Policy

Taking into account the need to enrich internal reserves to support business growth, the Company paid a year-end dividend of ¥20 per share (an annual dividend of ¥30 per share) for fiscal 2015.

ITHD's basic policy has been to ensure a stable dividend based on performance trends while ensuring a suitable level of internal reserves to underpin business growth from a medium- to long-term management perspective. To date, the Company

has targeted a consolidated payout ratio of about 30%. But from fiscal 2016, the benchmark will be raised, for a total return ratio in the vicinity of 35%, which will include share buybacks as well as dividends, to further enhance shareholder returns. Given this change in policy, management intends to distribute an annual dividend of ¥33 per share, including an interim dividend of ¥11 per share, for fiscal 2016, and will pursue share buyback activities.

(For the years ended March 31)	Yen		% change
	2015	2014	
<b>Per share data</b>			
Net income per share	<b>¥117.40</b>	¥90.16	+30.2%
Net assets per share	<b>2,108.19</b>	1,782.23	+18.3%
Dividend per share	<b>30.00</b>	25.00	+20.0%
Payout ratio	<b>25.6%</b>	27.7%	-2.1 points
Total return ratio*	<b>30.4%</b>	27.7%	+2.7 points

\*Total return ratio: Total amount of dividends and treasury stock buybacks as a percentage of net income.

## Business Risks

Risks with the potential to significantly impact the operations—business results and financial position—of the ITHD Group are described below. Note that forward-looking statements mentioned in these materials are based on information available to management as of May 8, 2015.

### Price wars and heightened competition

In the information services industry, competition among sectors is fierce and the situation is further exacerbated by such challenges as the increasing entry of companies from other industries into our industry. In addition, clients are cutting back on IT investment. These factors could fuel price wars. Within the ITHD Group, we seek to distinguish ourselves from our competitors, primarily by adding greater value to the information services we provide, and we also work to improve productivity. However, if price wars erupt beyond the scope we have conceived, our business results could be adversely affected.

### Legal system and compliance

Group companies pursue respective business activities in line with prevailing laws and regulations in Japan and overseas. In developing these activities, each company establishes a compliance system, in accordance with the ITHD Group's basic policy on CSR, and strives to ensure thorough legal compliance. However, if a law is broken or if additional laws or regulations are put into force, the Group's business and business results could be adversely affected.

### Overseas business

As part of its growth strategy, ITHD seeks to expand the Group's presence overseas, especially in the ASEAN (Association of Southeast Asian Nations) region. Various factors can have an impact on activities abroad, including legal restrictions, particularly regulations pertaining to investment and competition, as well as business customs and labor-management relations. If these risks appear, the Group's business results could be adversely affected.

## Business Risks

### System development

The ITHD Group is involved in contract system development services and information systems for client companies. In the development of systems that are increasingly larger in scale and on shorter delivery schedules, costs could rise significantly beyond the estimate if quality cannot be achieved according to plan or a project cannot be completed within the promised timeframe. Also, in system development, certain services are contracted to a number of companies, mainly to secure production capacity, boost production efficiency and utilize external technology, and there is always a chance that these outsourced providers will not meet productivity and quality expectations. Such situations could adversely affect the Group's business results.

### System operation

The ITHD Group offers round-the-clock outsourcing and cloud services 365 days a year through data centers and other large IT facilities. In developing this business, a vast amount of capital is required, from start-up investment through constant upkeep and operation. In addition, utilization of facilities could sink to a conspicuously low level in times of sluggish demand, which could adversely affect business results. Furthermore, if, in providing system operation services, losses are incurred because a client company's system crashes or malfunctions, the Group's reputation for reliability may be tarnished and the brand may lose credibility, and compensation may be required to cover client losses. Such situations could adversely affect the Group's business results.

### Information security

The Group may gain access to confidential information, such as personal information in possession of client companies as well as system technology information belonging to client companies, during the stages of a project running from system development through operation. Efforts are made to properly manage information, in accordance with the IT Holdings Group Information Security Policy. But if confidential information is leaked, altered or otherwise impacted by such means as a computer virus or unauthorized access, client companies or other relevant parties could demand compensation for damages, and the Group could lose the market's confidence. This could adversely affect the Group's business results.

### Human resources

The business activities of the Group rely heavily on human resources and are greatly influenced by the Group's ability to keep talented individuals and upgrade their skills to provide

specialized, high-value-added services to clients. If the companies of the Group are unable to keep and train individuals with excellent capabilities as planned, the business results of the Group could be adversely affected.

### Technological innovation

In the information services industry, providers must respond quickly to advances in information technology and to changing market needs that parallel these advances. The Group constantly promotes studies and research, with an emphasis on information technology and production and development techniques, to reinforce efforts to respond to market needs. However, in the vast domains of the industry, the pace of technological innovation is lightning fast, and if the Group's responses are not appropriate, its business results could be adversely affected.

### Intellectual property rights

Members of the Group apply for and obtain patents on technologies and business models necessary to conduct business and also register trademarks in Japan and overseas. Business activities are always undertaken with careful attention to prevent third-party infringement of intellectual property rights, but it is possible that Group activities may infringe on the intellectual property rights of other companies and lead to claims for compensation. If that occurs, the business activities and business results of the Group could be significantly impacted.

### Natural disasters

The ITHD Group offers outsourcing and cloud services through data centers and other large IT facilities. These facilities are equipped with various systems and structures to deal with a range of disasters. However, if a power outage that lasts longer than might reasonably be prepared for, a large-scale natural disaster, international disputes, acts of terrorism or serious criminal activity were to interrupt smooth data center operations, the business results of the Group could be adversely affected.

### Securities portfolio

Companies within the Group hold stock to strengthen relationships with suppliers and bonds to utilize surplus capital. When acquiring these marketable securities, efforts are made to pinpoint financial status, performance trends, credit rating and other key factors of the issuer, and thereby ensure investment stability. But obvious changes in the stock market and other securities-related developments could lead to situations, such as losses on the books, which could have an effect on the Group's financial status and its business results.

## Financial Statements

### Consolidated Balance Sheets

IT Holdings Corporation and Its Consolidated Group Companies  
As of March 31, 2014 and 2015

	Millions of yen	
	2014	2015
<b>Assets</b>		
Current assets		
Cash and deposits	¥ 43,248	¥ 29,211
Notes and accounts receivable	68,301	78,874
Lease receivables and lease investment assets	6,654	6,711
Marketable securities	226	661
Merchandise and finished goods	3,207	4,552
Work in process	6,757	5,546
Raw materials and supplies	229	243
Deferred tax assets	6,603	6,007
Other current assets	8,450	8,784
Allowance for doubtful accounts	(159)	(143)
Total current assets	143,519	140,450
Fixed assets		
Property and equipment		
Buildings and structures, net	56,565	53,670
Machinery and equipment, net	4,428	4,853
Land	20,726	24,342
Leased assets, net	4,738	3,995
Other property and equipment, net	5,153	4,552
Total property and equipment	91,612	91,413
Intangible assets		
Goodwill	771	1,197
Other intangible assets	14,802	15,555
Total intangible assets	15,573	16,752
Investments and other assets		
Investment securities	38,787	71,256
Net defined benefit asset	4,103	7,028
Deferred tax assets	6,881	5,199
Other assets	13,362	14,034
Allowance for doubtful accounts	(229)	(283)
Total investments and other assets	62,905	97,235
Total fixed assets	170,091	205,401
Total assets	¥313,610	¥345,851

#### Basis of Presenting the Consolidated Financial Statements

The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required under the Financial Instruments and Exchange Act of Japan, and have been prepared in accordance with accounting principles generally accepted in Japan.

## Consolidated Balance Sheets

IT Holdings Corporation and Its Consolidated Group Companies  
As of March 31, 2014 and 2015

	Millions of yen	
	2014	2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	¥ 18,828	¥ 21,681
Short-term borrowings	14,299	12,521
Income taxes payable	3,495	3,140
Accrued bonuses to directors and employees	10,932	11,331
Other allowances	1,007	1,318
Other current liabilities	24,226	27,673
Total current liabilities	72,790	77,666
Non-current liabilities		
Long-term debt	44,570	39,593
Lease obligations	6,160	5,497
Deferred tax liabilities	470	10,720
Deferred tax liabilities from revaluation of land	732	663
Accrued retirement benefits to directors	88	90
Net defined benefit liability	18,688	16,874
Other non-current liabilities	5,606	5,955
Total non-current liabilities	76,316	79,395
Total liabilities	149,107	157,062
<b>Net assets</b>		
Shareholders' equity		
Common stock	10,001	10,001
Additional paid-in capital	86,786	83,601
Retained earnings	57,579	67,019
Less treasury stock, at cost	(6)	(514)
Total shareholders' equity	154,360	160,107
Accumulated other comprehensive income		
Net unrealized gains on other securities	5,975	26,191
Revaluation of land	(1,967)	(1,898)
Foreign currency translation adjustments	48	396
Remeasurements of defined benefit plans	(1,964)	(397)
Total accumulated other comprehensive income	2,092	24,292
Stock acquisition rights	45	—
Minority interests	8,004	4,388
Total net assets	164,502	188,789
<b>Total liabilities and net assets</b>	¥313,610	¥345,851

## Consolidated Statements of Income

IT Holdings Corporation and Its Consolidated Group Companies  
For Years Ended March 31, 2014 and 2015

	Millions of yen	
	2014	2015
<b>Net sales</b>	¥346,647	<b>¥361,025</b>
<b>Cost of sales</b>	283,881	<b>294,927</b>
<b>Gross profit</b>	62,766	<b>66,097</b>
<b>Selling, general and administrative expenses</b>	43,255	<b>44,976</b>
<b>Operating income</b>	19,510	<b>21,121</b>
<b>Non-operating income</b>		
Interest income	38	<b>74</b>
Dividend income	644	<b>744</b>
Foreign exchange gains	88	<b>206</b>
Rental income from real estate	259	<b>265</b>
Other	626	<b>472</b>
<b>Total non-operating income</b>	1,656	<b>1,762</b>
<b>Non-operating expenses</b>		
Interest expenses	598	<b>519</b>
Equity in losses of non-consolidated subsidiaries and affiliates	470	<b>205</b>
Rent expenses on real estates	211	<b>238</b>
Financing expenses	350	—
Other	564	<b>668</b>
<b>Total non-operating expenses</b>	2,195	<b>1,632</b>
<b>Recurring profit</b>	18,971	<b>21,251</b>
<b>Extraordinary income</b>		
Gain on sale of investment securities	817	<b>377</b>
Gain on termination of retirement benefit plan	—	<b>59</b>
Gain on reversal of stock acquisition rights	—	<b>58</b>
Other	45	<b>3</b>
<b>Total extraordinary income</b>	862	<b>500</b>
<b>Extraordinary losses</b>		
Loss on disposal of fixed assets	269	<b>354</b>
Impairment loss	1,073	<b>1,566</b>
Loss on liquidation of business	463	<b>67</b>
Special severance pay	608	<b>44</b>
Loss on partial termination of retirement benefit scheme	148	—
Other	834	<b>1,533</b>
<b>Total extraordinary losses</b>	3,398	<b>3,567</b>
<b>Income before income taxes and minority interests</b>	16,435	<b>18,184</b>
<b>Income taxes: current</b>	5,459	<b>5,417</b>
<b>Income taxes: deferred</b>	2,353	<b>1,865</b>
<b>Total income taxes</b>	7,813	<b>7,282</b>
<b>Income before minority interests</b>	8,622	<b>10,901</b>
<b>Minority interests in earnings (losses) of consolidated subsidiaries</b>	708	<b>626</b>
<b>Net income</b>	¥ 7,913	<b>¥ 10,275</b>



## Consolidated Statements of Comprehensive Income

IT Holdings Corporation and Its Consolidated Group Companies  
For Years Ended March 31, 2014 and 2015

Millions of yen		
	2014	2015
<b>Income before minority interests</b>	¥ 8,622	¥10,901
<b>Other comprehensive income</b>		
Net unrealized gains on other securities	1,689	20,239
Difference in revaluation of land	—	68
Foreign currency translation adjustments	249	379
Remeasurements of defined benefit plans	—	1,569
Share of other comprehensive income of associates accounted for using the equity method	24	14
Total other comprehensive income	1,963	22,271
<b>Comprehensive income</b>	10,586	33,173
Components:		
Comprehensive income attributable to owners of the parent	9,813	32,474
Comprehensive income attributable to minority interests	¥ 773	¥ 698

## Consolidated Statements of Changes in Net Assets

IT Holdings Corporation and Its Consolidated Group Companies  
For Years Ended March 31, 2014 and 2015

(Millions of yen)

Fiscal 2014	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of fiscal year	10,001	86,787	51,596	(27)	148,357
Cumulative effects of changes in accounting policies					—
Restated balance	10,001	86,787	51,596	(27)	148,357
Changes during the fiscal year					
Dividends from surplus			(1,930)		(1,930)
Net income			7,913		7,913
Acquisition of treasury stock				(8)	(8)
Disposal of treasury stock		(1)		29	27
Purchase of shares of consolidated subsidiaries					—
Items other than changes in shareholders' equity, net					—
Net changes during the fiscal year	—	(1)	5,982	21	6,002
Balance at end of fiscal year	10,001	86,786	57,579	(6)	154,360

Fiscal 2014	Accumulated other comprehensive income					Stock acquisition rights	Minority interests	Total net assets
	Net unrealized gains on other securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of fiscal year	4,271	(1,967)	(147)	—	2,157	42	7,602	158,159
Cumulative effects of changes in accounting policies								—
Restated balance	4,271	(1,967)	(147)	—	2,157	42	7,602	158,159
Changes during the fiscal year								
Dividends from surplus								(1,930)
Net income								7,913
Acquisition of treasury stock								(8)
Disposal of treasury stock								27
Purchase of shares of consolidated subsidiaries								—
Items other than changes in shareholders' equity, net	1,703	—	196	(1,964)	(64)	3	402	341
Net changes during the fiscal year	1,703	—	196	(1,964)	(64)	3	402	6,343
Balance at end of fiscal year	5,975	(1,967)	48	(1,964)	2,092	45	8,004	164,502

## Consolidated Statements of Changes in Net Assets

(Millions of yen)

Fiscal 2015	Shareholders' Equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of fiscal year	10,001	86,786	57,579	(6)	154,360
Cumulative effects of changes in accounting policies			1,532		1,532
Restated balance	10,001	86,786	59,111	(6)	155,892
Changes during the fiscal year					
Dividends from surplus			(2,367)		(2,367)
Net income			10,275		10,275
Acquisition of treasury stock				(508)	(508)
Disposal of treasury stock					—
Purchase of shares of consolidated subsidiaries		(3,184)			(3,184)
Items other than changes in shareholders' equity, net					—
Net changes during the fiscal year	—	(3,184)	7,908	(508)	4,215
Balance at end of fiscal year	10,001	83,601	67,019	(514)	160,107

Fiscal 2015	Accumulated other comprehensive income					Stock acquisition rights	Minority interests	Total net assets
	Net unrealized gains on other securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of fiscal year	5,975	(1,967)	48	(1,964)	2,092	45	8,004	164,502
Cumulative effects of changes in accounting policies								1,532
Restated balance	5,975	(1,967)	48	(1,964)	2,092	45	8,004	166,035
Changes during the fiscal year								
Dividends from surplus								(2,367)
Net income								10,275
Acquisition of treasury stock								(508)
Disposal of treasury stock								—
Purchase of shares of consolidated subsidiaries								(3,184)
Items other than changes in shareholders' equity, net	20,216	68	347	1,566	22,199	(45)	(3,615)	18,538
Net changes during the fiscal year	20,216	68	347	1,566	22,199	(45)	(3,615)	22,753
Balance at end of fiscal year	26,191	(1,898)	396	(397)	24,292	—	4,388	188,789

## Consolidated Statements of Cash Flows

IT Holdings Corporation and Its Consolidated Group Companies  
For Years Ended March 31, 2014 and 2015

	Millions of yen	
	2014	2015
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	¥ 16,435	¥ 18,184
Depreciation	12,454	12,809
Impairment loss	1,073	1,566
Loss on disposal of fixed assets	269	354
Amortization of goodwill	1,095	863
Increase (decrease) in accrued bonuses to directors and employees	(151)	388
Increase (decrease) in allowance for doubtful accounts	(1,513)	38
Increase (decrease) in accrued retirement benefits to employees	(12,762)	—
Increase (decrease) in net defined benefit liability	13,958	(389)
Interest and dividend income	(682)	(819)
Interest expenses	598	519
(Increase) decrease in notes and accounts receivable	(1,597)	(10,229)
(Increase) decrease in inventories	142	(148)
Increase (decrease) in notes and accounts payable	1,138	2,516
Increase (decrease) in consumption tax payable	157	3,466
Other, net	685	(414)
Subtotal	31,304	28,707
Interest and dividend income received	695	831
Interest expenses paid	(626)	(533)
Income taxes paid	(5,602)	(6,067)
Net cash provided by operating activities	25,770	22,938
<b>Cash flows from investing activities</b>		
Purchase of marketable securities	(22,499)	(3,400)
Proceeds from sale and redemption of marketable securities	27,699	3,425
Acquisitions of property and equipment	(6,220)	(7,482)
Acquisitions of intangible assets	(5,409)	(5,400)
Purchase of investment securities	(8,388)	(5,150)
Proceeds from sale and redemption of investment securities	4,709	2,423
Payment of lease and guarantee deposits	(397)	(967)
Collection of lease and guarantee deposits	758	537
Proceeds from transfer of business	4,920	259
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(926)
Other, net	(505)	(1,062)
Net cash used in investing activities	(5,334)	(17,744)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings, net	(223)	(412)
Proceeds from long-term debt	30,850	7,300
Repayments of long-term debt	(32,664)	(13,949)
Acquisition of treasury stock	(8)	(508)
Dividends paid	(1,930)	(2,367)
Dividends paid to minority shareholders	(323)	(351)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(7,031)
Other, net	(1,571)	(1,747)
Net cash used in financing activities	(5,872)	(19,067)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	140	217
<b>Net increase (decrease) in cash and cash equivalents</b>	14,703	(13,656)
<b>Cash and cash equivalents at beginning of year</b>	28,433	43,142
<b>Increase in cash and cash equivalents resulting from merger</b>	4	—
<b>Cash and cash equivalents at end of year</b>	43,142	29,485

## IT Holdings Group (As of August 1, 2015)

### Domestic Subsidiaries

#### [Principal Companies]

- TIS Inc.
- INTEC Inc.
- AGREX INC.
- QUALICA INC.
- AJS Inc.
- AC MEDICAL INC.
- AGREX FINE TECHNO INC.
- ALMEC Co., Ltd.
- Cloud Scope Technologies, Inc.
- Chuo System Corporation
- HOKKOKU INTEC SERVICE Inc.
- iBPS, Ltd.
- IN-X Co., Ltd.
- INTEC IT Capital, Inc.
- INTEC Solution Power Inc.
- IT Service Force Inc.
- IUK Inc.
- KOUSHI INTEC Inc.
- KOUSHIN INC.
- Medical Toukei Co., Ltd.
- MicroMates Corp.
- MITEC Inc.
- NEOAXIS Co., Ltd.
- Nexway Co., Ltd.
- Registration Network, Ltd.
- SKY INTEC INC.
- SorunPure Inc.

- TIS Beijing Inc.
- TIS Business Consultants Inc.
- TIS Hokkaido Inc.
- TIS Nagano Inc.
- TIS Solution Link Inc.
- TIS System Service Inc.
- TIS Total Service Inc.
- TIS Tohoku Inc.
- TIS West Japan Inc.
- UPSHE Co., Ltd.

### Overseas Subsidiaries

#### [China]

- INTEC Information Technology (Shanghai) Co., Ltd.
- INTEC Information Technology (Dalian) Co., Ltd.
- INTEC Information Technology (Wuhan) Co., Ltd.
- Tianjin TIS Hi-tech Information System Service Co., Ltd.
- TISI (Shanghai) Co., Ltd.
- QUALICA (SHANGHAI) Inc.

#### [Singapore]

- TISI (Singapore) Pte. Ltd.
- QUALICA ASIA PACIFIC PTE. LTD.

#### [Thailand]

- AGREX (Thailand) Co., Ltd.
- INTEC SYSTEMS BANGKOK CO., LTD.
- TISI (Thailand) Co., Ltd.
- I AM Consulting Co., Ltd.
- Baseline Technology Consultants Co., Ltd.

- CODE IT Consulting Co., Ltd.
- ECM Consulting Co., Ltd.
- I Coach Co., Ltd.
- IHR Consulting Co., Ltd.
- ITS-Tradeship Co., Ltd.

#### [Vietnam]

- INTEC Vietnam Co., Ltd.

#### [United States]

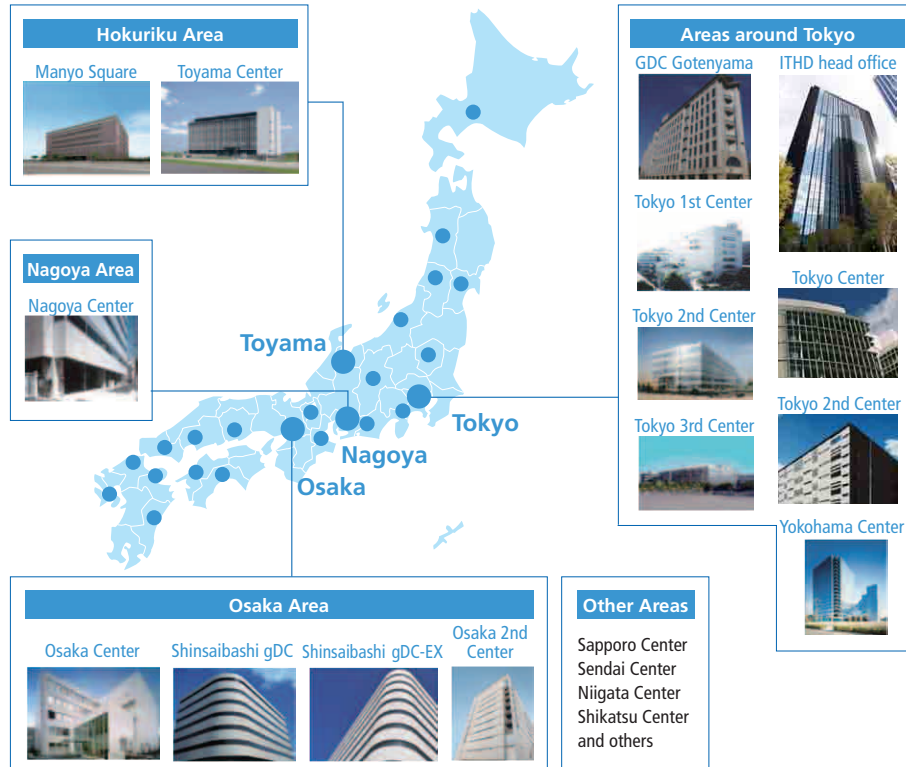
- INTEC Innovative Technologies USA, Inc.
- TIS R&D Center, Inc.

- Consolidated Subsidiaries
- Non-Consolidated Subsidiaries



## Domestic Business Hubs

We have an extensive business presence, particularly in Tokyo, Nagoya, Osaka and Toyama. We have the largest data center network in Japan, with locations in major urban centers.



## International Business Hubs

We are pursuing development in the ASEAN region as well as maintaining a focus on China. (Shifting from offshore development hub to business hub)



The ITHD Group has 22 data centers—154,100 m<sup>2</sup>—in major cities in Japan, including Tokyo, Nagoya, Osaka and Toyama, as well as in Tianjin, China. The Group, as a whole, has earned a solid reputation for reliability from clients for providing a cloud environment that boasts the experience and know-how accumulated over more than 40 years through round-the-clock, 365-day operation of data centers equipped with state-of-the-art facilities and highly secure features to protect against the risk of natural disasters and power failures.

### Key Features of the ITHD Group Data Center Network

- High operating quality and latest equipment
- Enables clients to achieve business continuity through access to Japan's largest data center network
- Highly reliable cloud environment platform

## Corporate Data (As of March 31, 2015)

Company name	IT Holdings Corporation
Established	April 1, 2008
Main business	Management and business execution of group companies that carry on information and communication business
Head office	21st Floor, Sumitomo Fudosan Shinjuku Grand Tower, 17-1, Nishi-shinjuku 8-chome, Shinjuku-ku, Tokyo 160-0023 Japan TEL. +81-3-5338-2277 FAX. +81-3-5338-2266
Paid-in capital	¥10 billion
Number of shares authorized	280,000,000 shares
Number of shares issued	87,789,098 shares
Number of shareholders	12,563
Stock listing	Tokyo Stock Exchange, First Section (Securities code: 3626)
Number of employees (consolidated)	19,090 (full-time employees)

## Board of Directors and Audit & Supervisory Board Members (As of June 24, 2015)

Chairman	<b>Katsuki Kanaoka</b>
President	<b>Norio Maenishi</b>
Director	<b>Toru Kuwano</b> (concurrent, Chairman and President, TIS Inc.)
Director	<b>Shigeo Morita</b> (concurrent, Executive Senior Corporate Advisor, INTEC Inc.)
Director	<b>Shigeki Kusaka</b> (concurrent, President, INTEC Inc.)
Director	<b>Kazunori Kawasaki</b> (concurrent, President, AJS Inc.)
Director	<b>Akira Kato</b> (concurrent, President, QUALICA Inc.)
Director	<b>Shingo Oda</b>
Director	<b>Yoshinobu Ishigaki</b>
Standing Audit & Supervisory Board Member	<b>Nobuyuki Yonezawa</b>
Standing Audit & Supervisory Board Member	<b>Masaru Sasakura</b>
Audit & Supervisory Board Member	<b>Taigi Ito</b>
Audit & Supervisory Board Member	<b>Muneaki Ueda</b>

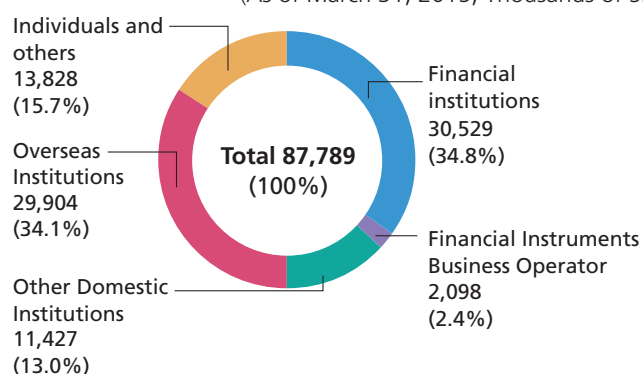
Notes: 1. Shingo Oda and Yoshinobu Ishigaki serve as external directors.  
2. Masaru Sasakura, Taigi Ito and Muneaki Ueda serve as external Audit & Supervisory Board Members.  
3. Shingo Oda, Yoshinobu Ishigaki, Masaru Sasakura, Taigi Ito and Muneaki Ueda serve as Independent Directors/Auditors as specified by the Tokyo Stock Exchange in Japan.

## Major Shareholders (As of March 31, 2015)

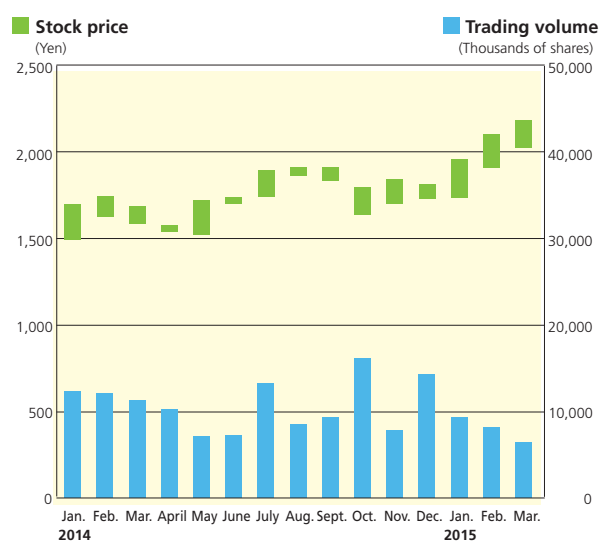
Name	Number of shares (Thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Limited (Trust Account)	5,064	5.8
Japan Trustee Services Bank, Limited (Trust Account)	4,979	5.7
ICHIGO Trust	4,870	5.5
Employees' Shareholding Association of IT Holdings Corporation	2,438	2.8
Nippon Life Insurance Company	2,073	2.4
Japan Trustee Services Bank, Limited (Trust Account 9)	1,861	2.1
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,654	1.9
The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account, Mitsubishi Electric Corporation Account)	1,598	1.8
Japan Trustee Services Bank, Limited (Trust Account 4)	1,227	1.4
Northern Trust Co. (AVFC) RE 15PCT Treaty Account	1,185	1.4

## Share Composition by Shareholder

(As of March 31, 2015; Thousands of Shares)



## Stock Price Range





# IT HOLDINGS GROUP

Go Beyond

## ITHD Group Logo

### Underlying Concepts of Group Logo

The logo portrays the IT Holdings Group as a tightly knit team, powered forward by the different sets of expertise that each member brings to the table. It is in our two main corporate colors: "ocean blue" for the new challenges that we are constantly tackling, and "intelligent gray" for the solid technological foundations that underpin our business.

### Brand message

The brand tagline, "Go Beyond," embodies our constant quest into the beyond in search of new challenges. It represents our firm commitment as a group to delivering solutions that are always one step ahead, not only solving clients' problems but anticipating and meeting their own customers' needs too.





IT HOLDINGS GROUP

Go Beyond

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Any revisions to information in this annual report subsequent to publication will be posted at:  
<http://www.itholdings.co.jp/e/>