Consolidated Financial Results for the First Half of the Fiscal Year ending March 31, 2010
(April 1, 2009 through September 30, 2009)

All financial information has been prepared in accordance with accounting principles generally accepted in Japan. This is a partial English translation of the original Japanese-language document. All information pertains to consolidated results unless otherwise noted. Information on the basis of presentation of consolidated financial statements does not appear in this translation.

November 10, 2009

Company name: IT Holdings Corporation
Stock exchange listings: The First Section of the Tokyo Stock Exchange
Stock code: 3626
URL: http://www.itholdings.co.jp/e/
Representative: Susumu Okamoto, President
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Scheduled dates
Submission of quarterly report: November 13, 2009
Commencement of dividend payments: December 10, 2009

Figures in millions of yen are rounded down to the nearest million

1. Consolidated Results for the First Half of the Fiscal Year ending March 31, 2010 (April 1, 2009 – September 30, 2009)

(1) Consolidated Financial Results

Percentages indicate year-over-year changes

	Net sales		Operating income		Recurring profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
First Half, FY 2010	146,954	(10.1)	5,805	(38.2)	5,792	(38.9)	3,207	(28.6)
First Half, FY 2009	163,426	-	9,400	-	9,479	-	4,491	-

	Net income per share – basic	Net income per share – diluted
	yen	yen
First Half, FY 2010	37.60	-
First Half, FY 2009	52.97	52.94

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
End-First Half, FY 2010	280,943	149,384	47.9	1,558.63
End-FY 2009	295,327	146,216	44.4	1,541.17

For reference:
Shareholders' equity: End-First Half, FY 2010: 134,590 million yen End-FY 2009: 131,054 million yen.

2. Cash Dividends for Shareholders of Common Stock

	Cash dividends per share				
Record date or period	End-Q1	End-Q2	End-Q3	Year-end	Total
	yen	yen	yen	yen	yen
FY 2009	-	-	-	32.00	32.00
FY 2010	-	12.00	-	-	-
FY 2010 (forecast)	-	-	-	20.00	32.00

Note: Revision of dividend forecast during the first half of the fiscal year ending March 31, 2010: No

3. Forecast of Consolidated Results for FY 2010 (April 1, 2009 – March 31, 2010)

Percentages indicate year-over-year changes

	Net sales		Operating income		Recurring profit		Net income		Net income per share – basic
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Full FY 2010 (year ending Mar. 31, 2010)	322,000	(4.8)	20,000	(15.9)	19,500	(17.4)	9,000	(4.3)	104.87

Note: Revision of consolidated results forecast during the first half of the fiscal year ending March 31, 2010: No

4. Other

(1) Material reclassifications of subsidiaries (scope of consolidation) during the period: No

(2) Application of simplified accounting and/or accounting procedures specific to preparation of quarterly consolidated financial statements: Yes

Note: For details, see “4. Other” on page 4 in the “Qualitative Information and Financial Statements” section.

(3) Changes in accounting principles, procedures, presentation methods, etc., used in the preparation of quarterly consolidated financial statements (information reported in “Changes in Basis of Presentation of Consolidated Financial Statements”)

1) Changes associated with changes to accounting standards: Yes

2) Changes other than the above: No

Note: For details, see “4. Other” on page 4 in the “Qualitative Information and Financial Statements” section.

(4) Issued shares of common stock

1) Period-end issued shares (including treasury stock):

End-First Half, FY 2010 (September 30, 2009):	86,373,919 shares
End-FY 2009 (March 31, 2009):	86,372,339 shares

2) Period-end treasury stock:

End-First Half, FY 2010 (September 30, 2009):	21,960 shares
End-FY 2009 (March 31, 2009):	1,337,013 shares

3) Average number of shares (for the six months):

First Half, FY 2010 (ended September 30, 2009):	85,293,484 shares
First Half, FY 2009 (ended September 30, 2008):	84,805,595 shares

Cautionary Statement on Forward-Looking Statements and Other Important Matters

This report contains forward-looking statements that reflect IT Holdings Corporation (ITHD)’s plans and expectations. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause ITHD’s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

Refer to “3. Qualitative Information on the Consolidated Results Forecast” on page 4 in the “Qualitative Information and Financial Statements” section for assumptions underlying earnings forecasts and cautionary statements on the use of earnings forecasts.

Qualitative Information and Financial Statements

1. Qualitative Information on the Consolidated Results of Operations

Results for the first half of fiscal 2010 (six months ended September 30, 2009)

There were some mildly promising signs for the Japanese economy during the six months ended September 30, 2009, as exports and industrial production staged a rally, but with corporate earnings showing only the weakest of recoveries, the overall business climate remained extremely challenging as ongoing fallout from the global financial crisis and deep-rooted concerns over the risk of a further economic downturn weighed heavily on capital spending.

These conditions once again made things very difficult for the information services industry, as reflected in figures from the Bank of Japan's September 2008 *Short-term Economic Survey of Enterprises in Japan* indicating that firms are planning to significantly reduce their software investment versus the fiscal year ended March 31, 2009.

Our own sales for the first half of the fiscal year were adversely impacted as customers adopted an unexpectedly cautious stance with regard to the economic outlook, but we made significant progress in our efforts to cut outsourcing costs to more reasonable levels and reduce other expenditures while bolstering our project management capabilities and stepping up our consultative sales initiatives.

We booked consolidated net sales of ¥146,954 million for the six months ended September 30, 2009, down 10.1% versus the six months ended September 30, 2008. The decline in sales dealt our profits a blow, as did a decline in personnel utilization rates in our software development segment and an increase in sales-related costs in that segment as we stepped up consultative sales efforts. We ended the first half with operating profit of ¥5,805 million (down 38.2%), recurring profit of ¥5,792 million (down 38.9%), and net profit of ¥3,207 million (down 28.6%).

The breakdown of net sales by segment was as follows.

1) Outsourcing and network segment

Consolidated sales for the six months ended September 30, 2009, totaled ¥61,623 million, up 1.4% versus the six months ended September 30, 2008, on the back of solid contributions from ongoing operations and Nexway Co., Ltd., which became a group subsidiary in July 2008.

2) Software development segment

Consolidated sales totaled ¥70,308 million, down 14.3% from a year earlier due to the impact of a broad-based decline in corporate capital spending and the completion of a number of relatively large projects during the previous fiscal year.

3) Solution services segment

Consolidated sales totaled ¥11,798 million, down 20.9% from a year earlier as the economic downturn continued to hamper demand for hardware.

4) Other businesses segment

Consolidated sales totaled ¥3,224 million, down 43.6% from a year earlier, largely reflecting a reduction in sales figures due to the application of new accounting standards.

In April 2009 we launched a new three-year management plan—*IT Evolution 2011*—which aims to cement our group's position at the forefront of the IT services industry. The plan outlines key strategies for strengthening and expanding our existing operations while simultaneously exploring new business opportunities both at home and abroad, and we have recently taken a significant step toward realizing these goals by forging a strategic collaboration with British Telecommunications plc—one of the world's leading providers of network IT services—that will better enable us to: (1) provide worldwide support for our clients' global business strategies and (2) offer cloud computing services on a global scale.

On April 1, 2009 we established IT Service Force Inc. as a subsidiary that will provide shared back-office services for each of our group companies with a view to achieving group-wide efficiency gains, cost savings, and operational quality improvements.

Also in line with our medium- to long-term group strategy, we converted Systems Engineering Laboratory Co., Ltd. into a wholly owned subsidiary in June of this year and then merged this firm with TIS Solution Business Co., Ltd. the following month to launch a new firm under the name of Neoaxis Co., Ltd. We then completed the second step in our group formation strategy in October by merging Intec Holdings, Ltd. into Intec Inc.

Additionally, when it met today, IT Holdings' Board of Directors approved the purchase of Sorun Corporation shares via a tender-offer bid. For details, refer to the press release dated November 10, 2009, titled "Notice of commencement of tender offer for shares of SORUN Corporation."

2. Qualitative Information on Consolidated Financial Position

1) Assets

Assets totaled ¥280,943 million at the end of the fiscal first half (September 30, 2009), down ¥14,384 million from ¥295,327 million at the end of last fiscal year (March 31, 2009). This decline reflected a ¥15,386 million decrease in notes and accounts receivable, which was only partly offset by a ¥3,478 million increase in the market value of investment securities.

2) Liabilities

Liabilities totaled ¥131,558 million at September 30, 2009, down ¥17,552 million from ¥149,110 million at March 31, 2009. This decline reflected a ¥7,491 million decrease in notes and accounts payable and a ¥2,494 million reduction in long-term borrowings.

3) Net assets

Net assets totaled ¥149,384 million at September 30, 2009, up ¥3,168 million from ¥146,216 million at March 31, 2009. Of this increase, ¥2,298 million was attributable to the disposal of treasury stock (including the sale of IT Holdings Corporation stock held by subsidiary Intec Holdings, Ltd.), and we also booked ¥1,807 million in net unrealized gains on other securities as market values improved.

3. Qualitative Information on the Consolidated Results Forecast

The uncertain economic outlook continues to pose numerous challenges to our operations, but we are making group-wide efforts to secure new orders and decisively reduce costs, and have therefore left our consolidated earnings forecasts for the fiscal year ending March 31, 2010 unchanged from those announced on August 11, 2009.

4. Other

(1) Material reclassifications of subsidiaries (scope of consolidation) during the period

Not applicable

(2) Application of simplified accounting and/or accounting procedures specific to preparation of quarterly consolidated financial statements

1) Simplified accounting

(a) Bad debt estimation method for general claims

Certain consolidated subsidiaries estimated the value of uncollectible general claims based on the credit loss rate as of the end of the previous fiscal year, unless the credit loss rate as of the end of the first half was deemed to have changed substantially relative to the rate calculated at the end of the previous fiscal year

(b) Inventory valuation method

Certain consolidated subsidiaries write-down the book value of inventory to estimated net realizable value only when utility has clearly diminished.

(c) Calculation method for income taxes and deferred-tax assets and liabilities

Certain consolidated subsidiaries calculate income tax payments with a method that limits deductible and taxable items and tax-credit items to those that are material. To assess deferred assets' collectability, certain consolidated subsidiaries used the tax planning and earnings forecasts used at the end of the previous fiscal year, as no substantial changes in the operating environment and status of temporary differences were deemed to have taken place since the end of the previous fiscal year.

2) Accounting procedures specific to preparation of quarterly consolidated financial statements

Not applicable

(3) Changes in accounting principles, procedures, presentation methods, etc., used in the preparation of quarterly consolidated financial statements

Changes related to accounting standards

The Company previously used the completed-contract method to account for revenues associated with build-to-order software. Effective the first quarter of the fiscal year ending March 31, 2010, however, due to adoption of the *Accounting Standard for Construction Contracts* (ASBJ Statement No. 15, December 27, 2007) and its accompanying *Guidance on Accounting Standard for Construction Contracts* (ASBJ Guidance No. 18, December 27, 2007), the percentage-of-completion method has been applied to build-to-order software that went into development during the first quarter ended June 30, 2009, for which certain elements were determinable with certainty at end of the fiscal first half. The percentage of completion is estimated with the proportion-of-cost method, under which the percentage of software development completed during the period is calculated as the ratio of the development cost incurred during that period relative to the total development cost. The completed-contract method was applied to other works.

The effects of this change on net sales and income/loss are negligible.

5. Consolidated Financial Results for the Second Quarter of the Fiscal Year ending March 31, 2010

(1) Consolidated Balance Sheets

Items	As of Sept. 30, 2009 millions of yen	As of Mar. 31, 2009 millions of yen
Assets		
Current assets		
Cash and deposits	36,025	37,524
Notes and accounts receivable	47,476	62,862
Lease receivables and lease investment assets	7,646	7,274
Marketable securities	301	1,501
Merchandise and finished goods	2,305	2,799
Work in process	12,790	11,579
Raw materials and supplies	214	234
Deferred tax assets	8,215	11,075
Other current assets	5,768	6,203
Allowance for doubtful accounts	(229)	(255)
Total current assets	120,513	140,799
Fixed assets		
Property and equipment		
Buildings and structures, net	53,003	53,278
Machinery and equipment, net	5,433	5,799
Land	21,925	21,925
Leased assets, net	1,703	1,235
Other property and equipment, net	7,938	6,809
Total property and equipment	90,004	89,048
Intangible assets		
Goodwill	4,109	4,839
Other intangible assets	11,038	10,162
Total intangible assets	15,148	15,001
Investments and other assets		
Investment securities	30,382	26,904
Deferred tax assets	7,659	6,762
Other assets	19,994	19,489
Allowance for doubtful accounts	(2,759)	(2,678)
Total investments and other assets	55,276	50,477
Total fixed assets	160,430	154,527
Total assets	280,943	295,327

Items	As of Sept. 30, 2009 millions of yen	As of Mar. 31, 2009 millions of yen
Liabilities		
Current liabilities		
Notes and accounts payable	11,135	18,626
Short-term borrowings	21,278	22,919
Corporate bonds (redeemed within one year)	8,000	5,100
Income taxes payable	1,579	3,390
Accrued bonuses to directors and employees	9,970	9,830
Other allowances	72	71
Other current liabilities	18,116	22,112
Total current liabilities	70,153	82,051
Non-current liabilities		
Corporate bonds	7,600	11,500
Long-tern debt	38,519	41,013
Lease obligations	2,964	2,549
Deferred tax liabilities	658	682
Deferred tax liabilities from revaluation of land	993	993
Accrued retirement benefits to employees	8,486	8,113
Accrued retirement benefits to directors	209	248
Other non-current liabilities	1,972	1,958
Total non-current liabilities	61,405	67,058
Total liabilities	131,558	149,110
Net assets		
Shareholders' equity		
Common stock	10,001	10,000
Additional paid-in capital	85,207	86,321
Retained earnings	40,671	40,186
Less treasury stock, at cost	(56)	(2,354)
Total shareholders' equity	135,823	134,153
Valuation and translation adjustments		
Net unrealized gains on other securities	689	(1,118)
Revaluation of land	(1,841)	(1,841)
Foreign currency translation adjustments	(81)	(139)
Total valuation and translation adjustments	(1,233)	(3,098)
Stock acquisition rights	18	8
Minority interests	14,775	15,154
Total net assets	149,384	146,216
Total liabilities and net assets	280,943	295,327

(2) Consolidated Statements of Income

Items	First Half, FY 2009 (Apr. 1 – Sept. 30, 2008)	First Half, FY 2010 (Apr. 1 – Sept. 30, 2009)
	millions of yen	millions of yen
Net sales	163,426	146,954
Cost of sales	133,812	119,987
Gross profit	29,614	26,967
Selling, general and administrative expenses	20,213	21,162
Operating income	9,400	5,805
Non-operating income		
Interest income	36	40
Dividends income	386	429
Amortization of negative goodwill	478	44
Other	300	340
Total non-operating income	1,202	854
Non-operating expenses		
Interest expenses	560	526
Equity in losses of non-consolidated subsidiaries and affiliates	40	37
Organization expenses	110	-
Other	411	303
Total non-operating expenses	1,123	867
Recurring profit	9,479	5,792
Extraordinary income		
Gain on sale of investment securities	8	20
Gain on liquidation of subsidiaries	20	-
Reversal of allowance for doubtful accounts	31	53
Other	29	7
Total extraordinary income	89	81
Extraordinary loss		
Loss on disposal of fixed assets	173	151
Valuation loss on investment securities	307	112
Impairment loss	-	135
Other	330	103
Total extraordinary loss	811	502
Income before income taxes and minority interests	8,757	5,371
Income taxes: current	2,407	1,151
Income taxes: deferred	1,128	722
Total income taxes	3,536	1,873
Minority interests in earnings of consolidated subsidiaries	729	290
Net income	4,491	3,207

(3) Notes on the Going-concern Assumption

Not applicable

(4) Note on Significant Changes in the Amount of Shareholders' Equity

Not applicable