



**Consolidated Financial Results for the First Three Quarters of the Fiscal Year ending March 31, 2010**  
(April 1, 2009 through December 31, 2009)

All financial information has been prepared in accord 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.

February 9, 2010

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: February 10, 2010  
 Commencement of dividend payments: -

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

**1. Consolidated Results for the First Three Quarters of the Fiscal Year ending March 31, 2010**  
(April 1, 2009 – December 31, 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 Three Qtrs, FY2010	208,927	(10.3)	5,919	(49.0)	5,818	(50.7)	2,337	(46.3)
First Three Qtrs, FY2009	232,985	-	11,613	-	11,794	-	4,353	-

	Net income per share – basic	Net income per share – diluted
	yen	yen
First Three Qtrs, FY2010	27.29	-
First Three Qtrs, FY2009	51.28	51.27

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
End-Third Quarter, FY2010	305,953	148,492	43.2	1,530.97
End-FY2009	295,327	146,216	44.4	1,541.17

For reference:

Shareholders' equity: End-third quarter, FY2010: 132,202 million yen      End-FY2009: 131,054 million yen.

**2. Cash Dividends for Shareholders of Common Stock**

Record date or period	Cash dividends per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
FY2009	yen -	yen -	yen -	yen 32.00	yen 32.00
FY2010	-	12.00	-	-	-
FY2010 (forecast)	-	-	-	20.00	32.00

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

### 3. Forecast of Consolidated Results for FY2010 (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 FY2010 (year ending Mar. 31, 2010)	310,000	(8.4)	14,500	(39.0)	14,000	(40.7)	6,500	(30.9)	75..74

Note: Revision of consolidated results forecast during the third quarter of the fiscal year ending March 31, 2010: Yes

### 4. Other

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

Newly included: One (Sorun Corporation)

Excluded: One (Intec Holdings Limited)

Note: For details, see “4. Other” on page 5 in the “Qualitative Information and Financial Statements” section.

(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 5 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 5 in the “Qualitative Information and Financial Statements” section.

(4) Issued shares of common stock

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

End-Third Quarter, FY2010 (December 31, 2009): 86,373,919 shares

End-FY2009 (March 31, 2009): 86,372,339 shares

2) Period-end treasury stock:

End-Third Quarter, FY2010 (December 31, 2009): 22,156 shares

End-FY2009 (March 31, 2009): 1,337,013 shares

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

First Three Quarters, FY2010 (ended December 31, 2009): 85,647,596 shares

First Three Quarters, FY2009 (ended December 31, 2008): 84,882,742 shares

### Cautionary Statement on Forward-Looking Statements and Other Important Matters

1. Consolidated full-year results forecasts for FY2010, previously issued on November 10, 2009, have been revised.

The revised forecasts appear in this document.

2. 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 three quarters of fiscal 2010 (nine months ended December 31, 2009)

Despite improvement in some quarters of the Japanese economy during the nine months ended December 31, 2009, the economy remained weak overall as corporate earnings continued to decline due to the yen's appreciation and deflationary pressure.

These conditions are again making things difficult for the information services industry, prompting customers to be cautious about and limit IT investment. Figures from the Bank of Japan's December 2009 *Short-term Economic Survey of Enterprises in Japan* indicate that firms are planning to significantly reduce their software investment versus the fiscal year ended March 31, 2009.

To adapt our business to the encroaching paradigm shift in the information services industry, we continue to build and enhance our cloud computing services' business platform while bolstering our consultative sales initiatives and reducing expenses.

We booked consolidated net sales of ¥208,927 million for the nine months ended December 31, 2009, down 10.3% versus the nine months ended December 31, 2008, as customers trimmed IT investment. Profits were hurt by the decline in sales and an increase in sales-related costs and other selling, general and administrative expenses in the software development segment. For the nine months ended December 31, 2009, we posted an operating profit of ¥5,919 million (down 49.0%), recurring profit of ¥5,818 million (down 50.7%), and net profit of ¥2,337 million (down 46.3%).

The breakdown of net sales by segment was as follows.

#### 1) Outsourcing and network segment

Consolidated sales for the nine months ended December 31, 2009, totaled ¥91,070 million, down 1.4% versus the nine months ended December 31, 2008. Despite contributions to results from Nexway Co., Ltd., which became a group subsidiary in July 2008, sales were adversely impacted by requests for lower prices from key customers.

#### 2) Software development segment

Consolidated sales totaled ¥96,333 million, down 13.8% versus the year-earlier period, as the decline in customers' IT investment made it difficult to win new orders. Furthermore, a number of relatively large projects were completed during the previous fiscal year.

#### 3) Solution services segment

Consolidated sales totaled ¥16,187 million, down 22.2% from a year earlier as the economic downturn continued to hamper demand for hardware.

#### 4) Other businesses segment

Consolidated sales totaled ¥5,335 million, down 34.0% from a year earlier, largely reflecting a reduction in sales figures due to the application of new lease 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.

In line with our medium-term group strategy, in December 2009, we acquired Sorun Corporation shares via a tender offer and plan to make it a wholly owned subsidiary via an exchange of shares. The addition of Sorun Corporation to our group will enhance both our customer base and production platform and enable us to receive larger orders.

We continue endeavoring to optimize our group structure. In April 2010, we plan to make both IUK Inc. and Chuo System Corporation (currently subsidiaries of Intec Inc.) direct subsidiaries of IT Holdings Corporation. We also plan to make TIS Total Service Co., Ltd. (currently a subsidiary of IT Holdings Corporation) a subsidiary of TIS Inc.

## 2. Qualitative Information on Consolidated Financial Position

### 1) Assets

Assets totaled ¥305,953 million at the end of the fiscal third quarter (December 31, 2009), up ¥10,626 million from ¥295,327 million at the end of last fiscal year (March 31, 2009). The increase was mainly due to an overall increase in assets of ¥30,908 million due to making Sorun Corporation a consolidated subsidiary (including goodwill of ¥4,396 million) and a ¥5,635 million increase in work in process. These factors were partly offset by a ¥29,101 million decline in notes and accounts receivable.

### 2) Liabilities

Liabilities totaled ¥157,460 million at December 31, 2009, up ¥8,350 million from ¥149,110 million at March 31, 2009. This reflects an increase of ¥10,168 million due to making Sorun Corporation a consolidated subsidiary and a ¥19,500 million increase in short-term borrowings to finance the acquisition process, which were partly offset by a ¥8,215 million decline in notes and accounts payable, a ¥5,250 million decline in accrued bonuses, and a ¥2,891 million decrease in income taxes payable.

### 3) Net assets

Net assets totaled ¥148,492 million at December 31, 2009, up ¥2,276 million from ¥146,216 million at March 31, 2009. Of this increase, ¥2,298 million was attributable to the disposal of treasury stock (including IT Holdings Corporation stock held by a subsidiary), and we booked ¥1,384 million in net unrealized gains on other securities. However, retained earnings were down by ¥1,421 million (comprising a ¥2,337 million increase from net income and a ¥3,757 million decrease due to the payment of dividends).

## 3. Qualitative Information on the Consolidated Results Forecast

In light of conditions discussed below, we have revised our consolidated earnings forecasts for the fiscal year ending March 31, 2010, previously announced on November 10, 2009. No changes have been made to individual segment forecasts or our dividend forecast.

Our group faces an extremely challenging operating environment as the murky economic outlook prompts customers to become increasingly cautious about and further limit IT investment.

Amid this environment, we are enhancing cooperation between Group companies and have seen an increase in orders attributable to joint consultative efforts. We are also working to increase profit margins across the entire group through measures such as optimizing outsourcing expenses and cutting costs. However, due to customer demands for further price reductions and delays in going into full swing on development projects, we now expect net sales and operating income to fall short of our previous forecasts. We are currently in discussions on a number of promising deals for next year, which we are determined to convert into orders so as to restore and expand our earnings.

We expect to book ¥220 million in goodwill amortization in the fourth quarter of the fiscal year ending March 31, 2010, due to making Sorun Corporation a subsidiary (total goodwill of ¥4,396 million). The consolidated earnings forecasts below incorporate the impact of Sorun Corporation's fourth quarter results: ¥13,300 million in net sales, ¥980 million in operating income (net of goodwill amortization), ¥880 million in recurring profit, and ¥510 million in net income.

### Consolidated Results Forecast for the Fiscal Year Ending March 31, 2010

(Millions of yen, except net income per share)

	Net sales	Operating income	Recurring profit	Net income	Net income per share (yen)
Previous Forecast (A) (Nov. 10, 2009)	322,000	20,000	19,500	9,000	104.87
Revised Forecast (B)	310,000	14,500	14,000	6,500	75.74
Change (B – A)	(12,000)	(5,500)	(5,500)	(2,500)	—
Percent change	(3.7)%	(27.5)%	(28.2)%	(27.8)%	—
For reference: Previous fiscal year's results	338,302	23,787	23,604	9,406	110.74

Note: The above forecasts were prepared by IT Holdings based on information available at the time of preparation. Actual results may differ materially from forecasts due to various factors.

#### 4. Other

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

The Company newly added Sorun Corporation to the scope of consolidation due to acquisition of its stock during the third quarter ended December 31, 2009.

Intec Holdings Limited was acquired by and merged into Intec Inc. on October 1, 2009, and is therefore excluded from the Company's consolidated accounts as of the third quarter ended December 31, 2009.

(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 third quarter 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 third quarter. 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 Third Quarter of the Fiscal Year ending March 31, 2010

### (1) Consolidated Balance Sheets

Items	As of Dec. 31, 2009	As of Mar. 31, 2009
	millions of yen	millions of yen
<b>Assets</b>		
Current assets		
Cash and deposits	48,140	37,524
Notes and accounts receivable	39,602	62,862
Lease receivables and lease investment assets	7,775	7,274
Marketable securities	301	1,501
Merchandise and finished goods	3,341	2,799
Work in process	19,842	11,579
Raw materials and supplies	222	234
Deferred tax assets	8,303	11,075
Other current assets	7,731	6,203
Allowance for doubtful accounts	(226)	(255)
Total current assets	135,036	140,799
Fixed assets		
Property and equipment		
Buildings and structures, net	52,722	53,278
Machinery and equipment, net	5,076	5,799
Land	22,671	21,925
Leased assets, net	2,696	1,235
Other property and equipment, net	8,153	6,809
Total property and equipment	91,320	89,048
Intangible assets		
Goodwill	7,583	4,839
Other intangible assets	12,227	10,162
Total intangible assets	19,811	15,001
Investments and other assets		
Investment securities	32,012	26,904
Deferred tax assets	9,670	6,762
Other assets	20,868	19,489
Allowance for doubtful accounts	(2,765)	(2,678)
Total investments and other assets	59,785	50,477
Total fixed assets	170,917	154,527
Total assets	305,953	295,327

Items	As of Dec. 31, 2009	As of Mar. 31, 2009
	millions of yen	millions of yen
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	11,611	18,626
Short-term borrowings	38,431	22,919
Corporate bonds (redeemed within one year)	8,000	5,100
Income taxes payable	523	3,390
Accrued bonuses to directors and employees	5,028	9,830
Other allowances	523	71
Other current liabilities	25,003	22,112
Total current liabilities	89,121	82,051
Non-current liabilities		
Corporate bonds	7,600	11,500
Long-term debt	42,013	41,013
Lease obligations	3,897	2,549
Accrued retirement benefits to employees	10,456	8,113
Accrued retirement benefits to directors	475	248
Deferred tax liabilities	657	682
Deferred tax liabilities from revaluation of land	993	993
Other non-current liabilities	2,246	1,958
Total non-current liabilities	68,339	67,058
Total liabilities	157,460	149,110
<b>Net assets</b>		
Shareholders' equity		
Common stock	10,001	10,000
Additional paid-in capital	85,207	86,321
Retained earnings	38,765	40,186
Less treasury stock, at cost	(57)	(2,354)
Total shareholders' equity	133,917	134,153
Valuation and translation adjustments		
Net unrealized gains on other securities	266	(1,118)
Revaluation of land	(1,841)	(1,841)
Foreign currency translation adjustments	(140)	(139)
Total valuation and translation adjustments	(1,715)	(3,098)
Stock acquisition rights	18	8
Minority interests	16,271	15,154
Total net assets	148,492	146,216
Total liabilities and net assets	305,953	295,327

**(2) Consolidated Statements of Income**

Items	First Three Qtrs, FY2009 (Apr. 1 – Dec. 31, 2008)	First Three Qtrs, FY2010 (Apr. 1 – Dec. 31, 2009)
	millions of yen	millions of yen
Net sales	232,985	208,927
Cost of sales	190,794	171,811
Gross profit	42,191	37,115
Selling, general and administrative expenses	30,578	31,196
Operating income	11,613	5,919
Non-operating income		
Interest income	51	58
Dividends income	473	503
Amortization of negative goodwill	718	66
Other	423	754
Total non-operating income	1,667	1,382
Non-operating expenses		
Interest expenses	834	772
Organization expenses	110	-
Other	540	711
Total non-operating expenses	1,485	1,484
Recurring profit	11,794	5,818
Extraordinary income		
Gain on sale of investment securities	8	109
Gain on liquidation of subsidiaries	20	-
Reversal of allowance for doubtful accounts	67	92
Other	41	7
Total extraordinary income	137	209
Extraordinary loss		
Loss on disposal of fixed assets	196	394
Valuation loss on investment securities	1,519	162
Impairment loss	-	1,149
Other	463	128
Total extraordinary loss	2,179	1,834
Income before income taxes and minority interests	9,753	4,193
Income taxes: current	2,067	512
Income taxes: deferred	2,478	987
Total income taxes	4,546	1,500
Minority interests in earnings of consolidated subsidiaries	853	356
Net income	4,353	2,337

**(3) Notes on the Going-concern Assumption**

Not applicable

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

Not applicable

**(For Reference) Supplementary Information for the Third Quarter of the Fiscal Year ending March 31, 2010**

**Consolidated Net Sales (IT Holdings Corporation)**

**1. Net Sales by Business Segment**

(millions of yen)

	FY2010						
	1st quarter	2nd quarter	1st half	3rd quarter	3rd quarter YTD (A)	Full Year Forecast (B)	Progress ratio (A/B)
Net sales	65,855	81,098	146,954	61,972	208,927	310,000	67.4%
Outsourcing network	30,870 46.9%	30,753 37.9%	61,623 41.9%	29,447 47.5%	91,070 43.6%	125,700 40.6%	72.5%
Software development	27,425 41.6%	42,882 52.9%	70,308 47.9%	26,024 42.0%	96,333 46.1%	152,200 49.1%	63.3%
Solution services	5,798 8.8%	5,999 7.4%	11,798 8.0%	4,389 7.1%	16,187 7.7%	24,600 7.9%	65.8%
Other business	1,760 2.7%	1,463 1.8%	3,224 2.2%	2,111 3.4%	5,335 2.6%	7,500 2.4%	71.1%

(millions of yen)

	FY2009						
	1st quarter	2nd quarter	1st half	3rd quarter	3rd quarter YTD (A)	Full Year (B)	Progress ratio (A/B)
Net sales	66,934	96,491	163,426	69,559	232,985	338,302	68.9%
Outsourcing network	28,768 43.0%	32,026 33.2%	60,794 37.2%	31,548 45.3%	92,342 39.6%	125,720 37.2%	73.5%
Software development	28,894 43.2%	53,106 55.0%	82,000 50.2%	29,739 42.8%	111,740 48.0%	175,847 51.9%	63.5%
Solution services	6,361 9.5%	8,553 8.9%	14,914 9.1%	5,903 8.5%	20,817 8.9%	29,409 8.7%	70.8%
Other business	2,911 4.3%	2,806 2.9%	5,717 3.5%	2,368 3.4%	8,085 3.5%	7,325 2.2%	110.4%

\*Sales volumes forecasts for the full year are revised figures released on February 9, 2010.

\*Earnings forecasts and other forward-looking statements contained in this document are based on information available to the Company at the time of preparation and certain assumptions that it believes to be reasonable. Actual results may differ materially from those expressed or implied by forward-looking statements due to various factors.

\*Lease businesses included in the Other segment: Until end of the third quarter of the fiscal year ended March 31, 2009 (December 31, 2008), the Company used the now-replaced lease accounting standards, under which sublease transactions were recorded on a gross basis. Since the fourth quarter of the fiscal year ended March 31, 2009, the Company has used the new lease accounting standards, under which sublease transactions are recorded on a net basis.

\*Effective the fiscal year ending March 31, 2010, the Company adopted the percentage-of-completion method for revenue recognition.

**2. Orders for Software Development**

(millions of yen)

	FY2010				
	1st quarter	2nd quarter	1st half	3rd quarter	3rd quarter YTD
New order volume during the term	38,125	31,682	69,808	31,019	100,827
Order backlog at the end of the term	63,508	52,308	52,308	63,418	63,418

(millions of yen)

	FY2009						
	1st quarter	2nd quarter	1st half	3rd quarter	3rd quarter YTD	4th quarter	Full Year
New order volume during the term	35,152	38,741	73,894	42,601	116,496	39,889	156,385
Order backlog at the end of the term	78,527	64,163	64,163	77,025	77,025	52,808	52,808

\*Orders for outsourcing network services are not stated in this report because they are conducted on an ongoing basis.

\*Order backlog for the end of the third quarter FY2009 (December 31, 2009) includes the 6,115 million yen period-end backlog of Sorun Corporation, which became a consolidated subsidiary in December 2009.