IT Holdings

Information Meeting Materials for Fiscal 2009, ended March 31, 2009

- Financial Results for Fiscal 2009
- Fiscal 2010 Forecast
- Recap of Priorities in Fiscal 2009
- First Medium-term Management Plan

IT Holdings Corporation

May 13, 2009

Financial Results for Fiscal 2009

IT Holdings Consolidated Fiscal 2009 Performance Highlights

(Millions of yen)

IT Holdings	Fiscal 2009	Original Estimates	Change	
Net sales	338,302	340,000	(1,698)	(0.5)%
Operating income	23,787	22,000	1,787	8.1%
Recurring profit	23,604	22,000	1,604	7.3%
Net income	9,406	11,000	(1,594)	(14.5)%

➢ **Group Status**

- Solid results, especially from TIS, UFIT and Qualica, buoyed overall Group performance, compensating for the impact of reserve write-offs by INTEC and sluggish results from some companies, including Agrex.
- Nexway became a subsidiary in July 2008, and began contributing to consolidated results from the second quarter.
- TIS completed continuing large-scale projects, as planned, and welcomed system startups in November 2008.
  - Net sales: Movement generally as expected.
  - Operating income/recurring profit: Higher than anticipated because costs on large-scale projects kept within initial limits.
  - Net income: Far below target, owing to the booking of valuation losses on investments in marketable securities, paralleling the slumping stock market conditions.

➢ **Service Segment Status**

- Outsourcing and network: Favorable trend, supported by higher sales from key clients and contribution from Nexway.
- Software development: Generally in line with expectations, largely due to the booking of sales on large-scale projects and the inclusion of projects for new clients.
- Solution services: Uphill battle, owing to lull in upgrade demand among high-volume clients as well as retreating interest due to deteriorating economic conditions.

➢ **Dividends**

- The year-end dividend has been set at ¥32 per share, comprising a regular dividend of ¥27 per share as planned and a commemorative dividends of ¥5 per share.

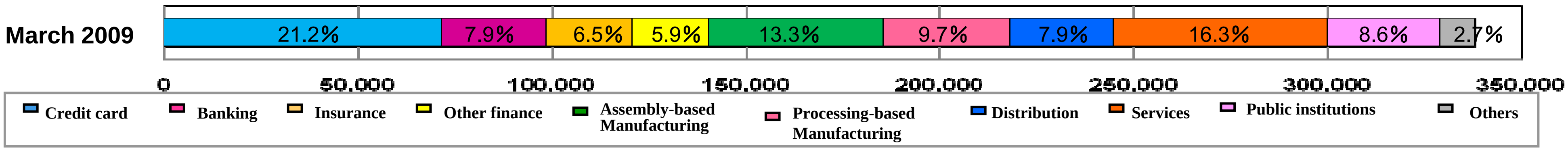
IT Holdings Fiscal 2009 Performance Summary

(Millions of yen)

	Fiscal 2008 actual (a)			Fiscal 2009 actual (b)			Change (b-a, b/a)			Fiscal 2009 estimate (c)			Change (b-c, b/c)		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Net sales	152,278	170,134	322,412	163,426	174,876	338,302	7.3% 11,148	2.8% 4,742	4.9% 15,890	160,000	180,000	340,000	2.1% 3,426	(2.8)% (5,124)	(0.5)% (1,698)
Outsourcing and network	—	—	—	37.2% 60,793	37.1% 64,928	37.2% 125,721	—	—	—	36.6% 58,500	34.2% 61,500	35.3% 120,000	3.9% 2,293	5.6% 3,428	4.8% 5,721
Software development	—	—	—	50.2% 82,001	53.7% 93,846	52.0% 175,847	—	—	—	50.9% 81,500	53.9% 97,000	52.5% 178,500	0.6% 501	(3.3)% (3,154)	(1.5)% (2,653)
Solution services	—	—	—	9.1% 14,913	8.3% 14,496	8.7% 29,409	—	—	—	10.3% 16,500	10.0% 18,000	10.1% 34,500	(9.6)% (1,587)	(19.5)% (3,504)	(14.8)% (5,091)
Other business	—	—	—	3.5% 5,717	0.9% 1,608	2.2% 7,325	—	—	—	2.2% 3,500	1.9% 3,500	2.1% 7,000	63.3% 2,217	(54.1)% (1,892)	4.6% 325
Operating income (loss)	1.7% 2,553	10.2% 17,420	6.2% 19,973	5.8% 9,400	8.2% 14,387	7.0% 23,787	268.2% 6,847	(17.4)% (3,033)	19.1% 3,814	5.0% 8,000	7.8% 14,000	6.5% 22,000	17.5% 1,400	2.8% 387	8.1% 1,787
Recurring profit (loss)	1.7% 2,563	10.2% 17,384	6.2% 19,947	5.8% 9,479	8.1% 14,125	7.0% 23,604	269.8% 6,916	(18.7)% (3,259)	18.3% 3,657	5.2% 8,300	7.6% 13,700	6.5% 22,000	14.2% 1,179	3.1% 425	7.3% 1,604
Net income (loss)	0.8% 1,198	4.4% 7,475	2.7% 8,673	2.7% 4,491	2.8% 4,915	2.8% 9,406	274.9% 3,293	(34.2)% (2,560)	8.5% 733	2.4% 3,900	3.9% 7,100	3.2% 11,000	15.2% 591	(30.8)% (2,185)	(14.5)% (1,594)

- Figures for fiscal 2008, ended March 31, 2008, are simple totals of respective consolidated amounts for TIS and INTEC Holdings and have been used to calculate year-on-year comparisons.
- The consolidated groups headed by TIS and INTEC Holdings still provided services under respective business segments during the fiscal year ended March 31, 2008. Because the segment classifications are different under IT Holdings, a breakdown of net sales by segment is not provided for fiscal 2008 in the table above.
- Performance results for fiscal 2009, ended March 31, 2009, include those from Nexway, which became a consolidated subsidiary in July 2008. Nexway contributed ¥6,593 million to net sales, ¥1,090 million to operating income, ¥1,069 million to recurring profit and ¥1,066 million to net income. Amortization of goodwill amounted to ¥434 million.
- Revenues from leasing operations, which are included under other business in fiscal 2009, were booked according to new accounting standards for leasing operations, wherein leasing transactions for which ownership has been transferred is written off on a net basis. The Company amended the full-year portion at year-end, with the amounts for the second half causing a decrease of ¥2,614 million in net sales and an increase of ¥4 million in operating income.

Net Sales by Client Sector



Growth in net sales was driven by the outsourcing and network segment, fueled by higher sales to major clients and the inclusion of business results by Nexway. Other segments, notably the solution services segment, failed to reach respective performance targets, but consolidated results were generally in line with forecasts. Net sales also benefited from the booking of sales on large-scale projects, which was considerably higher than in the previous fiscal year.
Operating income and recurring profit exceeded respective targets, mainly because costs on large-scale projects were kept within limits set at the start of the year. But changes in other income (expenses), particularly a ¥2,198 million valuation loss on investments in marketable securities, prevented the Company from achieving its net income goal.

Fiscal 2009 Performance Summary:
Breakdown of Net Sales by Principal Group Companies

(Millions of yen)

Fiscal 2009 actual	IT Holdings Consolidated	Principal Group Companies					
		TIS Nonconsolidated	INTEC	UFIT Consolidated	Agrex Consolidated	Qualica	AJS
Net sales	338,302	111,741	96,618	45,240	26,748	19,363	10,565
Outsourcing and network	37.2% 125,721	30.4% 33,966	31.9% 30,785	54.4% 24,628	57.4% 15,352	27.6% 5,348	55.8% 5,890
Software development	52.0% 175,847	59.1% 66,009	59.3% 57,288	40.1% 18,126	42.5% 11,372	41.4% 8,021	44.2% 4,674
Solution services	8.7% 29,409	10.5% 11,765	8.8% 8,545	5.5% 2,486	0.1% 22	31.0% 5,993	—
Other business	2.2% 7,325	—	—	—	—	—	—
Operating income	7.0% 23,787	5.4% 6,001	6.4% 6,171	11.0% 4,960	3.9% 1,041	8.9% 1,728	6.8% 715
Recurring profit	7.0% 23,604	6.3% 7,010	5.8% 5,604	11.2% 5,050	3.8% 1,023	9.0% 1,746	6.7% 706
Net income (loss)	2.8% 9,406	1.9% 2,174	3.2% 3,134	6.0% 2,720	1.3% 344	5.0% 971	5.9% 619

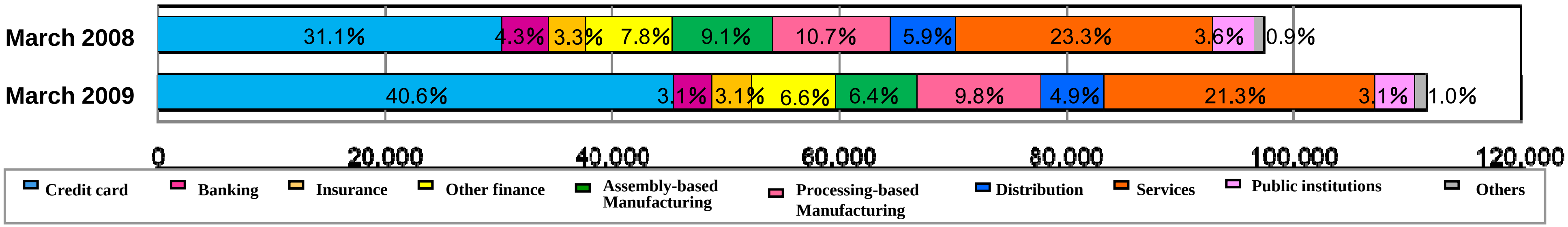
Fiscal 2009 Performance Summary: TIS (Nonconsolidated)

IT Holdings

(Millions of yen)

	Fiscal 2008 actual (a)			Fiscal 2009 actual (b)			Change (b-a, b/a)			Fiscal 2009 estimate (c)			Change (b-c, b/c)		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Net sales	45,954	51,458	97,412	54,744	56,997	111,741	19.1% 8,790	10.8% 5,539	14.7% 14,329	51,000	60,000	111,000	7.3% 3,744	(5.0)% (3,003)	0.7% 741
Outsourcing and network	33.6% 15,428	31.2% 16,059	32.3% 31,487	31.1% 17,021	29.7% 16,945	30.4% 33,966	10.3% 1,593	5.5% 886	7.9% 2,479	32.4% 16,500	27.5% 16,500	29.7% 33,000	3.2% 521	2.7% 445	2.9% 966
Software development	51.2% 23,521	55.4% 28,502	53.4% 52,023	58.2% 31,872	59.9% 34,137	59.1% 66,009	35.5% 8,351	19.8% 5,635	26.9% 13,986	54.9% 28,000	61.7% 37,000	58.6% 65,000	13.8% 3,872	(7.7)% (2,863)	1.6% 1,009
Solution services	15.2% 7,005	13.4% 6,895	14.3% 13,900	10.7% 5,850	10.4% 5,915	10.5% 11,765	(16.5)% (1,155)	(14.2)% (980)	(15.4)% (2,135)	12.7% 6,500	10.8% 6,500	11.7% 13,000	(10.0)% (650)	(9.0)% (585)	(9.5)% (1,235)
Operating income (loss)	(9.4)% (4,330)	11.6% 5,944	1.7% 1,614	2.6% 1,434	8.0% 4,567	5.4% 6,001	— 5,764	(23.2)% (1,377)	271.8% 4,387	2.0% 1,000	5.8% 3,500	4.1% 4,500	43.4% 434	30.5% 1,067	33.4% 1,501
Recurring profit (loss)	(8.5)% (3,927)	11.5% 5,893	2.0% 1,966	4.1% 2,231	8.4% 4,779	6.3% 7,010	— 6,158	(18.9)% (1,114)	256.6% 5,044	3.1% 1,600	5.7% 3,400	4.5% 5,000	39.4% 631	40.6% 1,379	40.2% 2,010
Net income (loss)	(5.2)% (2,403)	5.6% 2,874	0.5% 471	2.9% 1,589	1.0% 585	1.9% 2,174	— 3,992	(79.6)% (2,289)	361.6% 1,703	2.0% 1,000	3.3% 2,000	2.7% 3,000	58.9% 589	(70.8)% (1,415)	(27.5)% (826)

Net Sales by Client Sector



Net sales jumped over the fiscal 2008 level, largely owing to the booking of about ¥14.0 billion on large-scale projects undertaken by the software development segment. Both this segment and the outsourcing and network segment exceeded their sales targets.

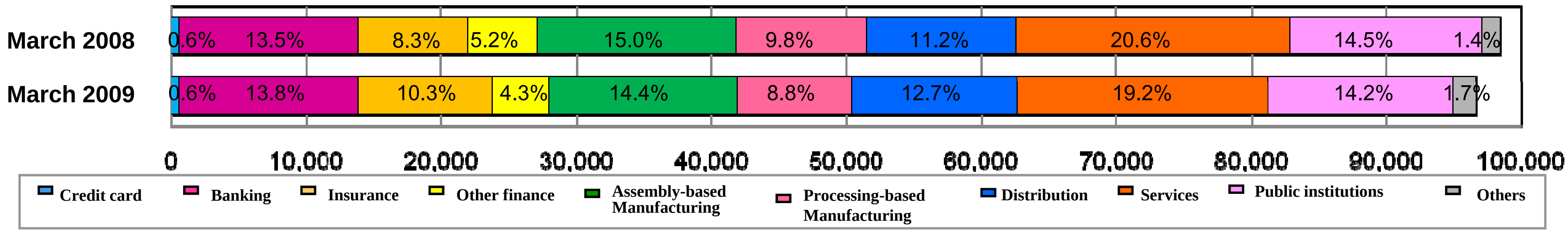
Operating income and recurring profit were considerably higher than expected and higher than fiscal 2008 levels, primarily because the company significantly reduced expenses by keeping costs on large-scale projects within limits set earlier in the year. Net income fell below target, mainly due to the booking of valuation losses on investments in marketable securities.

Fiscal 2009 Performance Summary : INTEC

(Millions of yen)

	Fiscal 2008 actual (a)			Fiscal 2009 actual (b)			Change (b-a, b/a)			Fiscal 2009 estimate (c)			Change (b-c, b/c)		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Net sales	44,662	53,834	98,496	45,034	51,584	96,618	0.8% 372	(4.2)% (2,250)	(1.9)% (1,878)	47,000	57,000	104,000	(4.2)% (1,966)	(9.5)% (5,416)	(7.1)% (7,382)
Outsourcing and network	34.7% 15,517	29.4% 15,818	31.8% 31,335	34.4% 15,497	29.6% 15,288	31.9% 30,785	(0.1)% (20)	(3.4)% (530)	(1.8)% (550)	31.9% 15,000	30.7% 17,500	31.3% 32,500	3.3% 497	(12.6)% (2,212)	(5.3)% (1,715)
Software development	55.7% 24,856	60.7% 32,688	58.4% 57,544	56.5% 25,442	61.7% 31,846	59.3% 57,288	2.4% 586	(2.6)% (842)	(0.4)% (256)	58.5% 27,500	59.6% 34,000	59.1% 61,500	(7.5)% (2,058)	(6.3)% (2,154)	(6.8)% (4,212)
Solution services	9.6% 4,288	9.9% 5,328	9.8% 9,616	9.1% 4,095	8.6% 4,450	8.8% 8,545	(4.5)% (193)	(16.5)% (878)	(11.1)% (1,071)	9.6% 4,500	9.6% 5,500	9.6% 10,000	(9.0)% (405)	(19.1)% (1,050)	(14.6)% (1,455)
Operating income (loss)	6.3% 2,803	9.1% 4,906	7.8% 7,709	5.6% 2,544	7.0% 3,627	6.4% 6,171	(9.2)% (259)	(26.1)% (1,279)	(20.0)% (1,538)	6.6% 3,100	9.5% 5,400	8.2% 8,500	(17.9)% (556)	(32.8)% (1,773)	(27.4)% (2,329)
Recurring profit (loss)	5.3% 2,350	8.5% 4,554	7.0% 6,904	4.8% 2,176	6.6% 3,428	5.8% 5,604	(7.4)% (174)	(24.7)% (1,126)	(18.8)% (1,300)	5.4% 2,550	8.9% 5,050	7.3% 7,600	(14.7)% (374)	(32.1)% (1,622)	(26.3)% (1,996)
Net income (loss)	(2.3)% (1,039)	5.1% 2,770	1.8% 1,731	1.9% 859	4.4% 2,275	3.2% 3,134	— 1,898	(17.9)% (495)	81.1% 1,403	2.7% 1,290	4.8% 2,710	3.8% 4,000	(33.4)% (431)	(16.1)% (435)	(21.7)% (866)

Net Sales by Client Sector



The drop in net sales stems largely from the challenging business climate and the fact that development of large-scale systems has peaked. On the profit front, decreases are primarily due to the lower net sales starting point as well as the impact of unprofitable projects.

Fiscal 2009 Performance Summary
(Status of Principal Group Companies UFIT, Agrex, Qualica, AJS)

UFIT Co., Ltd.

IT Holdings holds 70.4% equity. Particularly strong in services for credit card and consumer finance companies. Focuses on outsourcing services.

■ Fiscal 2009 Results

Achieved higher sales and income, thanks to
- Expanded scale of system integration projects for credit card companies as well as a dramatic increase in projects to address revised legal structures.
- Larger-than-expected increase in demand from banks for system maintenance and operation services.
- Steady order activity from the public sector for services to address legal revisions.

Consolidated (Millions of yen)	At Mar. 2008	At Mar. 2009	YOY change	Target	Difference
Net sales	40,900	45,240	4,340	38,000	7,240
Operating income	3,740	4,960	1,220	2,800	2,160
Recurring profit	3,850	5,050	1,200	2,890	2,160
Net income	2,300	2,720	420	1,660	1,060

Agrex Inc.

IT Holdings holds 50.6% equity. Leader in Japan's business process outsourcing (BPO) business. Listed on Tokyo Stock Exchange First Section.

■ Fiscal 2009 Results

- Secured sales improvement, mainly due to contributions from newly consolidated Registration Network, Ltd., and Cronova Co., Ltd., as well as steady demand for system development from members of the finance industry in the Tokyo area.
- Key factors negatively impacting profitability were a decrease in existing BPO service volume, chiefly application form processing for communications industry, as well as delayed introduction of software. Profits also squeezed by higher costs on investment in facilities and personnel as well as temporary expenses accompanying office relocation.

Consolidated (Millions of yen)	At Mar. 2008	At Mar. 2009	YOY change	Target	Difference
Net sales	25,558	26,748	1,190	28,000	(1,252)
Operating income	2,079	1,041	(1,038)	1,150	(109)
Recurring profit	2,123	1,023	(1,100)	1,100	(77)
Net income	998	344	(654)	400	(56)

Qualica Inc.

IT Holdings holds 80% equity and Komatsu Ltd., 20%. Strength is is services for the manufacturing, distribution and service industries.

■ Fiscal 2009 Results

- Active IT investment by construction equipment makers contributed to higher sales and income.
- Favorable shift in demand from major beverage makers.
- Income reached an all-time high.

(Millions of yen)	At Mar. 2008	At Mar. 2009	YOY change	Target	Difference
Net sales	17,973	19,363	1,390	20,000	(637)
Operating income	1,355	1,728	373	1,360	368
Recurring profit	1,356	1,746	390	1,360	386
Net income	716	971	255	730	241

AJS Inc.

IT Holdings holds 51% equity and Asahi Kasei Corp., 49%. Focuses on systems for the manufacturing and medical services industries.

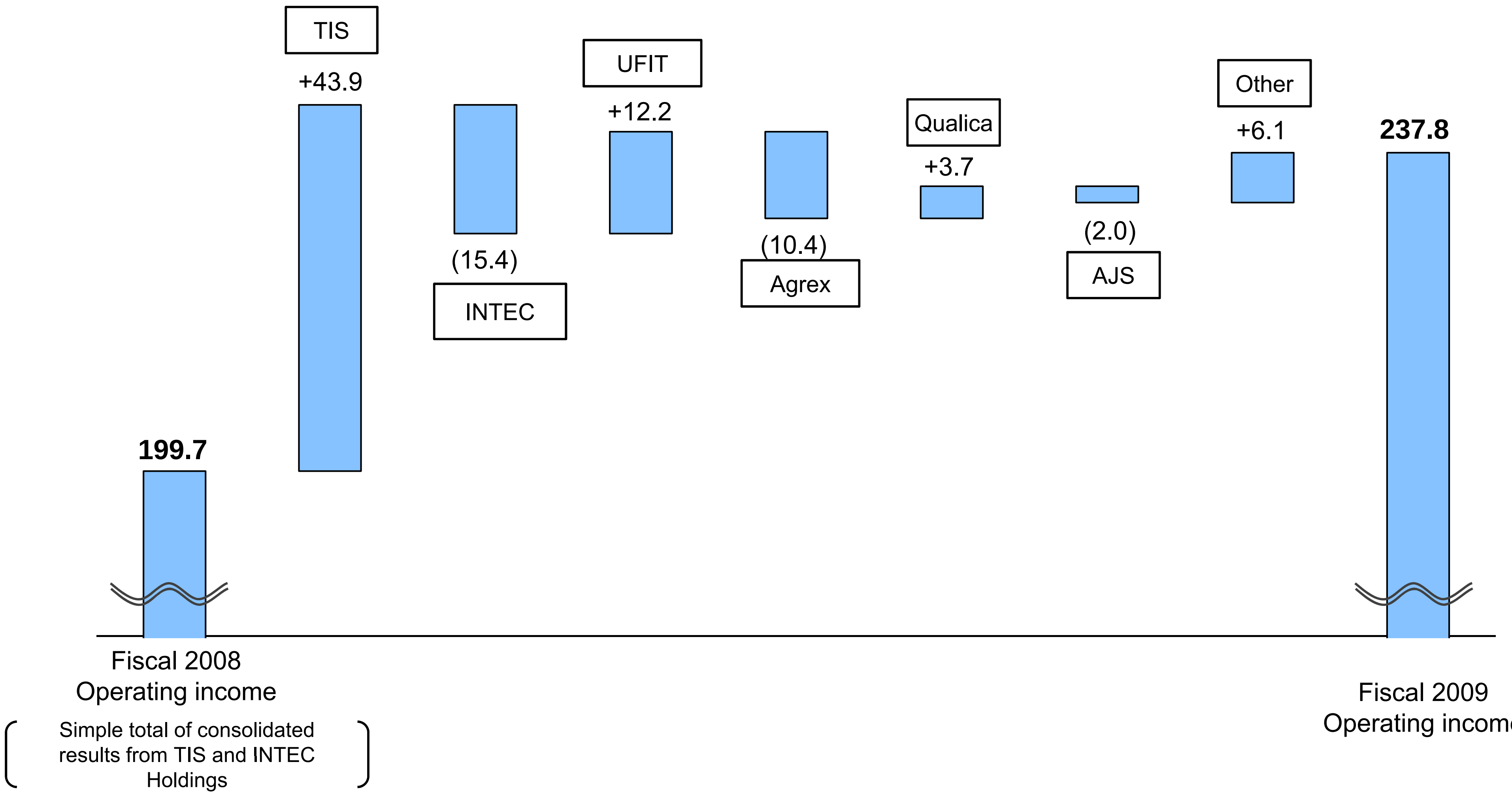
■ Fiscal 2009 Results

- Higher net sales, largely due to receipt of orders for platform system configuration from group companies of big clients.
- Operating income better than expected but still less than in fiscal 2008, due to investment in development of a new product—a radiation treatment information system.
- Net income inched up, following a huge year-on-year reduction in fixed asset-related disposal and impairment losses.

(Millions of yen)	At Mar. 2008	At Mar. 2009	YOY change	Target	Difference
Net sales	9,934	10,565	631	10,800	(235)
Operating income	915	715	(200)	500	215
Recurring profit	905	706	(199)	470	236
Net income	539	619	80	470	149

Fiscal 2009 Operating Income Analysis for IT Holdings

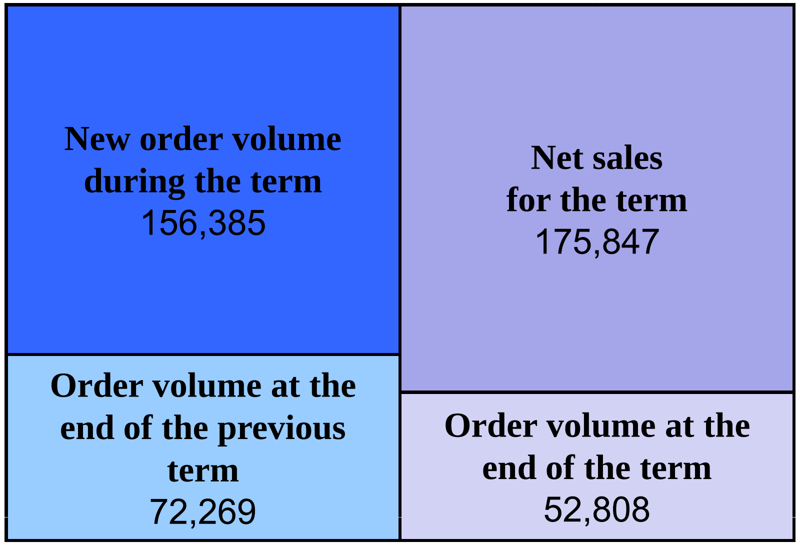
(100 million yen)



Orders for Software Development in Fiscal 2009: IT Holdings

IT Holdings

(Millions of yen)

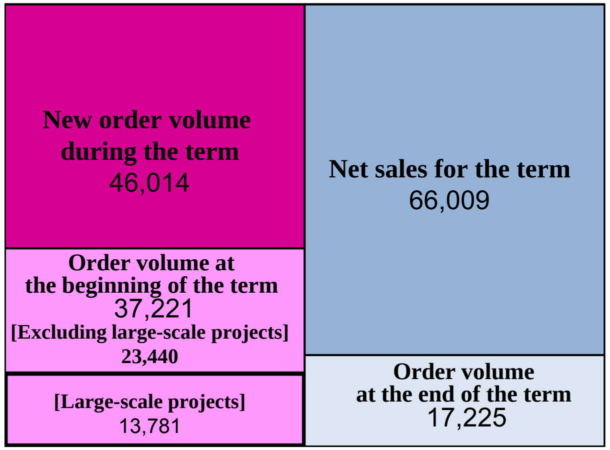


TIS

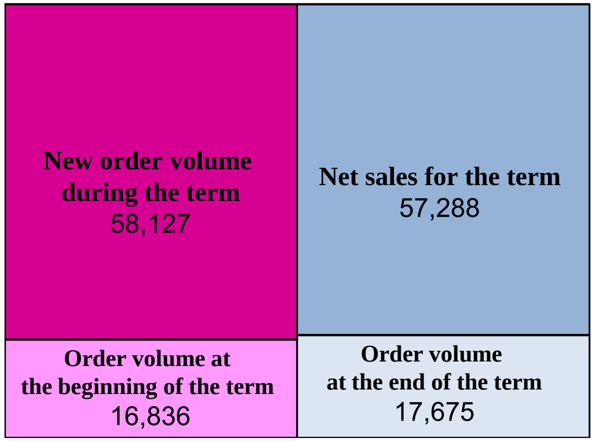
Reference

INTEC

(Millions of yen)

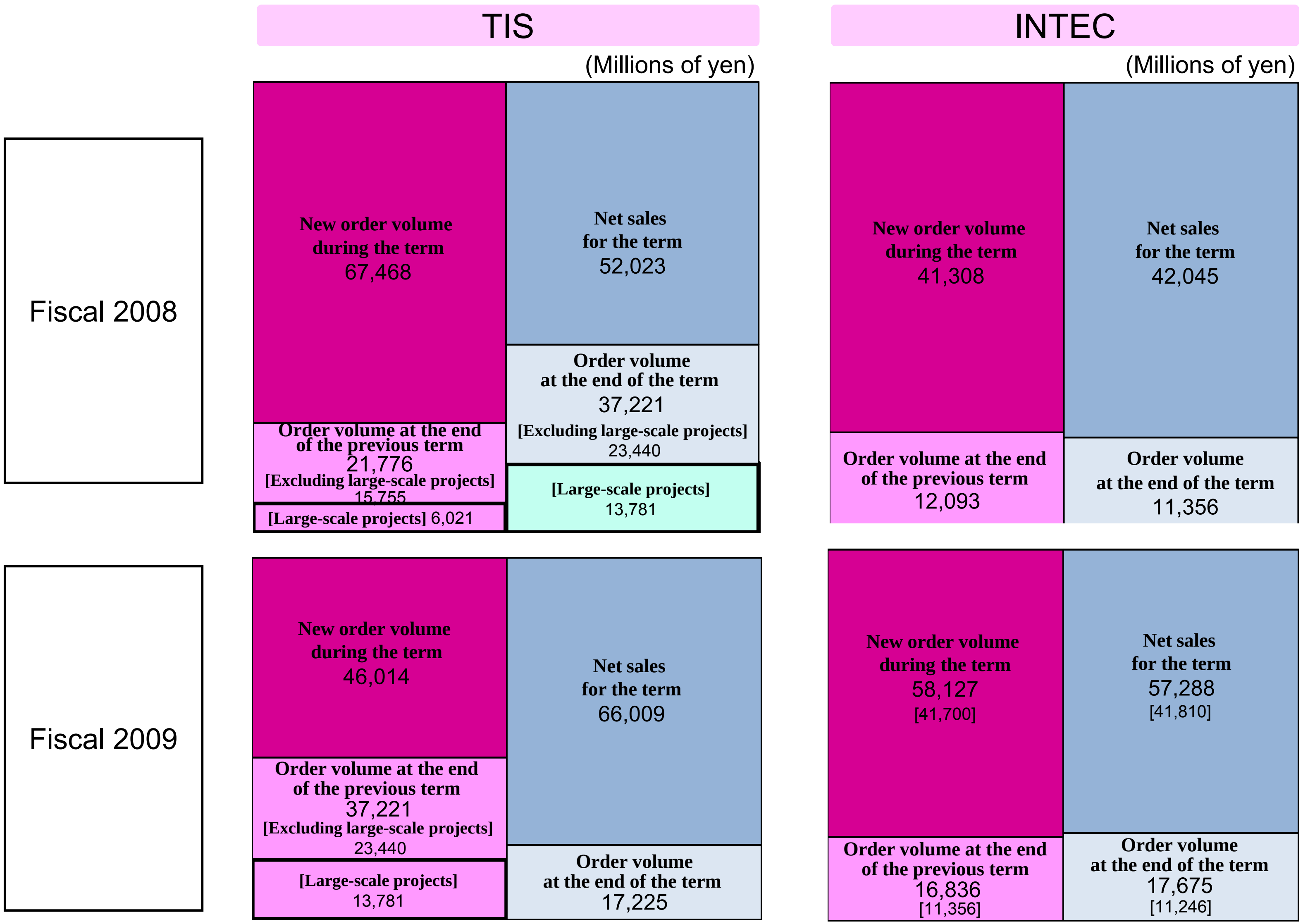


(Millions of yen)



Orders for Software Development in Fiscal 2009: TIS and INTEC

IT Holdings



*INTEC changed the scope of this segment, effective from fiscal 2009.
The figures in [ ] above are amounts prior to the change.

Fiscal 2010 Forecasts

Operating Environment Highlights

Status of Japan's IT Services Industry

Finance Industry
【 4.6% (at Sept, 30, 2008) → 1.8% (at Dec. 31, 2008) 】
In the software development market, demand from the securities and insurance sectors is expected to drop sharply and hold flat in 2009. From 2010, companies will probably continue to limit investment to a select few projects while striving to reduce the costs incurred. In the outsourcing services market, interest in shared service facilities is sure to promote wider use of next-generation data centers that come into operation in 2008 and 2009.

Manufacturing Industry
【4.2% (at Sept, 30, 2008) → 2.0% (at Dec. 31, 2008)】
IT spending by manufacturers is likely to switch from the steadily increasing budgets of the past to significantly smaller allocations, owing to sluggish demand for respective products overseas. In the outsourcing services market, providers will undoubtedly encounter more clients seeking price reductions on contracts up for renewal.

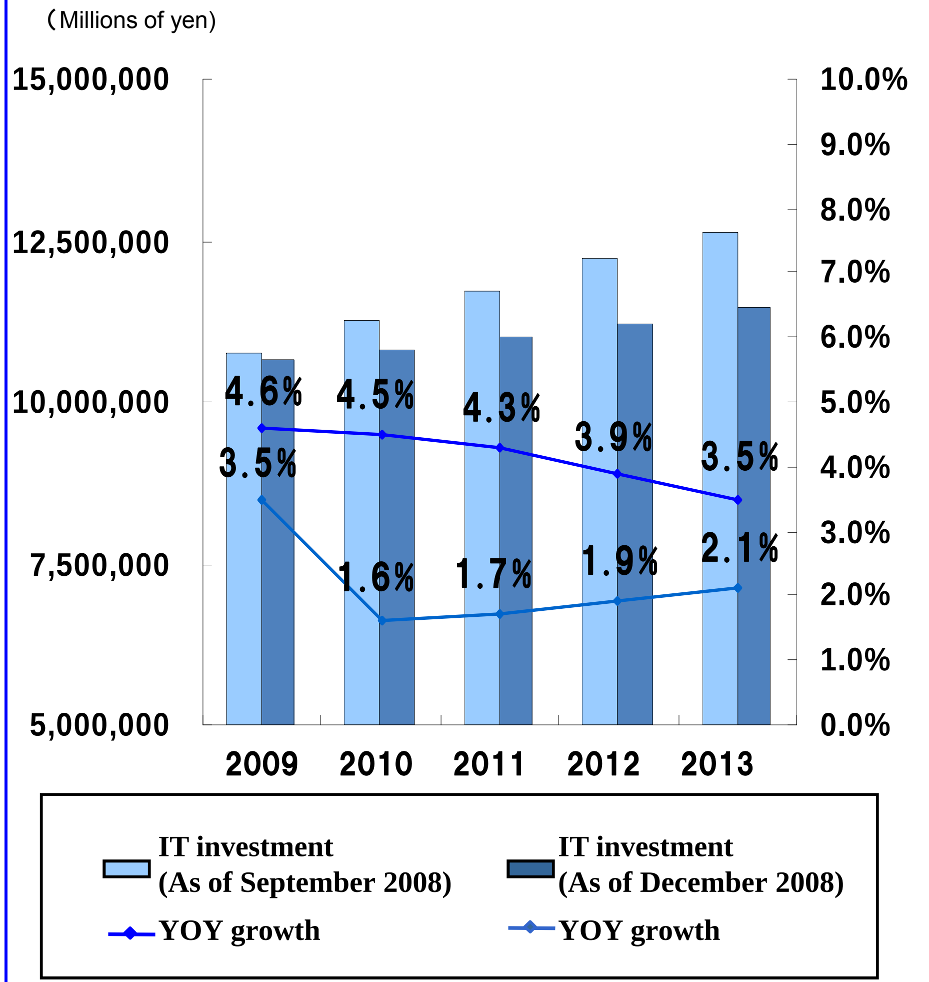
Service Industry
【5.7% (at Sept, 30, 2008) → 3.2% (at Dec. 31, 2008)】
Rather than the sudden drop in spending on IT services seen elsewhere, particularly in 2009, demand from the service industry will probably decrease gradually. IT systems are indispensable to the execution of business activities by members of the service industry, so an immediate freeze on IT spending is difficult to imagine.

*Percentages in【 】are average market growth predictions for period between 2008 and 2012.

IT Holdings' View

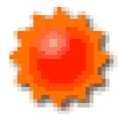
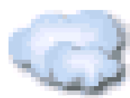
- The failure of Lehman Brothers put the brakes on IT investment in fiscal 2009.
- The investment downturn could bottom out sooner than expected, with recovery from the second half of fiscal 2010.
- Cutbacks on IT investment are having only a minimal impact on IT Holdings since the Company's main clients are the primary contractors of services, the percentage of stock-style business is high, and the revenue breakdown by client industry is evenly distributed.

Japan's IT Services Industry Growth Forecast



*Compiled by IT Holdings from Gartner's IT service industry projections in December 2008.

Client Trends by Industry: Part 1

Sector	General Industry Trends	Impact on IT Holdings Group	
Banking	• Large-scale projects, especially for megabank integration, have ended, causing demand for IT services to slow. • The need to invest certainly exists, because banks must address financial system changes and tougher internal control requirements. But this need is increasingly tempered by a growing concern that the financial crisis and the impact of a deteriorating economy on business results will curtail IT investment.	• Investment by major clients to upgrade platform systems had been high but is dropping now that the projects have wrapped up. • Demand for small and medium-sized projects is relatively strong, buoyed by need for peripheral systems and systems to enhance operating efficiency at regional banks. But the prospect of poor business results precludes the chance of overall expansion in investment scale.	
Credit Card	• The need to address changes in the operating environment, following revision of the Money-Lending Law, is at a high level, but reduced profitability is prompting some companies to streamline their IT investment budgets. • Next-generation system upgrades matched to new services and system integration, following industry realignment, will remain an urgent priority.	• Projects to upgrade the platform systems of major credit card companies moved out of the development stage in fiscal 2008, and are steadily going into operation. The new emphasis is on maintenance. • Across the industry, the need for IT investment remains high, particularly for system responses to revised laws, and will sustain solid demand for engineering expertise.	
Insurance	• Demand up for system configuration geared to implementation of government guidance and tougher rules, and greater interest for BPO and system configuration to deal with problem of unpaid premiums. • Greater concern that the financial crisis and the impact of a deteriorating economy will squeeze profit opportunities and limit IT investment budgets.	• Large-scale projects for big clients are slow to kick off, and IT investment, which had been expanding, appears to be leveling off, largely due to the poor business environment. • Concern emerging over a growing trend, especially among foreign-owned and mid-sized insurers, to cut back on IT investment.	
Leasing	• Challenging conditions persist against a backdrop of still-rigorous credit screening for some leasing companies and cooling corporate interest in capital investment activity caused by poor business results. • Change in application of accounting standards for leasing, effective from fiscal year ending March 2009, also major negative factor eroding interest in leasing, thereby trimming profits and sidelining IT investment plans.	• No major shift is expected in the investment trends of principal clients, but for some, streamlined performance projections have cooled their interest in IT investment.	
Securities	• A harsh environment surrounds this sector, as securities market activity retreats amid financial crisis. Previous demand factors, such as corporate responses to the dematerialization of stock certificates, have also faded.	• Concerned by deteriorating performances, clients remain unenthusiastic about investment, substantiated by a trend toward holding off or scaling back on new project spending.	

Notes: 1. The information in this slide applies to the IT investment trends of our clients, grouped by industry sector, and may differ from general conditions.
2. References: *Nihon Keizai Shimbun* and Gartner.

Client Trends by Industry: Part 2

Sector	General Industry Trends	Impact on IT Holdings Group	
Assembly-based Manufacturing (Construction equipment)	• Considerable drop in sales volume, owing to worldwide effect of economic downturn. Impact of high yen caused steep erosion of profits. Globally pervasive influence stifling demand everywhere, even in newly emerging markets where conditions had been robust. • Bumpy ride isn't over but progress in inventory adjustments and production increases on items aimed at the Chinese market are indications that the situation may be bottoming out.	• The trend toward budget freezes and other measures to deal with poor performances became entrenched in the second half of fiscal 2009. Some clients are close to end of production adjustments, indicating light at the end of the demand tunnel. • Current conditions obscure the path ahead, which will force more clients to dramatically scale back their IT investment plans and put new projects on hold.	
Assembly-based Manufacturing (Electric appliances)	• "White goods"—refrigerators, washing machines and other household appliances once made only in white—are fairly unaffected by recession and demand remains strong. But sales of items that were market boosters, like thin-screen TVs and next-generation DVD players, are down. • Business results faltering, primarily because of sluggish consumer spending at home and abroad, due to economic conditions, and intense price competition as well as the impact of yen appreciation.	• The trend toward budget freezes and other repercussions from clients' poor performances became entrenched in the second half of fiscal 2009. • Current conditions obscure the path ahead, and IT investment plans may swing wildly, depending on the economic environment and respective business results. Consequently, IT Holdings may encounter challenges to its own performance.	
Processing-based Manufacturing	• Impact from lower demand in related industries, due to economic downturn, and price reductions, paralleling lower oil prices, are squeezing earnings. Despite poor business results, production decreases may be easing. • Inventory adjustment under way in China, where sense of product excess pervades, and export levels showing signs of recovery after a steep decline.	• Poor economic environment could shrink IT investment plans. Some companies appear close to completing production adjustments, indicating light at the end of the demand tunnel.	
Commerce, Distribution (Retailing)	• Intense pressure to cut prices to address consumers' preference for inexpensive items. Efforts to stimulate spending met with limited success. • Recession cooling consumers' incentive to spend, prompting sluggish sales of clothing and daily necessities. Even food items, which had been exception to the trend, are not selling as well as before.	• Client interest in IT investment likely to remain low, as troubled economy and lackluster consumer spending squeeze profits that would otherwise be available for such applications.	
Public Corporations	• Although central government–led IT strategy entered new phase, national agency budgets generally leave little room for IT spending. • At local level, municipal mergers have prompted convergence of IT investment at regional offices, keeping total IT spending stable overall. But application of funds could be restricted by less tax money in the coffers because of the economic downturn.	• Reduced IT investment by private sector means more IT specialists bidding for projects in the public sector in addition to heightened competition from new entries into this market. • A trend toward choosing a provider by the lowest price rather than the quality of service or proven results likely to persist, paralleling a drop in market pricing.	

Notes: 1. The information in this slide applies to the IT investment trends of our clients, grouped by industry sector, and may differ from general conditions.
2. References: *Nihon Keizai Shimbun* and Gartner.

IT Holdings' Major Client Status

Client	Industry	Status of Responses
Company A	**Credit card**	Completed upgrade of platform system and gradually brought system into operation from November 2008. Continuing to respond to requests for maintenance and adjustments associated with new laws.
Company B	**Banking**	Large-scale system integration projects wrapped up in 2008. Challenges, particularly the financial crisis, has streamlined IT investment on peripheral systems.
Company C	**Construction equipment**	Budget freezes and other consequences of the deteriorating economic situation are emerging and will probably put significant downward pressure on client's IT investment plans in the first half. System operation will probably make up for some of the shortfall from reduced investment on new systems.
Company D	**Credit card, consumer finance**	System integration following management integration is a few years off, but demand for software development and system operation should remain steady.
Company E	**Chemicals**	Deteriorating business conditions are having effect on client's performance, but business diversification is keeping overall results up. IT investment should therefore continue, but the emphasis will be more selective.
Company F	**Credit card**	Plan to begin upgrades to platform system.
Company G	**Life insurance**	Work on a large-scale software development project was already in progress, but various factors, primarily the financial crisis, caused client to redirect investment before project reached its peak. Consequently, IT investment will probably hover near the current level.
Company H	**Hardware vendor**	Pursuing joint activities, based on business alliance relationship. Demand for services is steady.
Company I	**Leasing**	Conditions in the leasing industry are tough, but demand for IT-related services appears to be relatively steady, especially for system operation.
Company J	**Beverage production**	Configuration of a platform system moved steadily toward completion. Demand for services hit a temporary lull. But this client is a flagship account, so efforts will be made to secure repeat business.

Fiscal 2010 Full-Year Forecast: IT Holdings

(Millions of yen)

	Fiscal 2009 actual (a)			Fiscal 2010 estimate (b)			Change (b-a, b/a)		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Net sales	163,426	174,876	338,302	155,000	173,000	328,000	(5.2)% (8,426)	(1.1)% (1,876)	(3.0)% (10,302)
Outsourcing and network	37.2% 60,793	37.1% 64,928	37.2% 125,721	39.4% 61,000	37.0% 64,000	38.1% 125,000	0.3% 207	(1.4)% (928)	(0.6)% (721)
Software development	50.2% 82,001	53.7% 93,846	52.0% 175,847	49.7% 77,000	51.4% 89,000	50.6% 166,000	(6.1)% (5,001)	(5.2)% (4,846)	(5.6)% (9,847)
Solution services	9.1% 14,913	8.3% 14,496	8.7% 29,409	8.7% 13,500	9.5% 16,500	9.1% 30,000	(9.5)% (1,413)	13.8% 2,004	2.0% 591
Other business	3.5% 5,717	0.9% 1,608	2.2% 7,325	2.3% 3,500	2.0% 3,500	2.1% 7,000	(38.8)% (2,217)	117.7% 1,892	(4.4)% (325)
Operating income	5.8% 9,400	8.2% 14,387	7.0% 23,787	6.1% 9,500	8.7% 15,000	7.5% 24,500	1.1% 100	4.3% 613	3.0% 713
Recurring profit	5.8% 9,479	8.1% 14,125	7.0% 23,604	6.0% 9,300	8.5% 14,700	7.3% 24,000	(1.9)% (179)	4.1% 575	1.7% 396
Net income	2.7% 4,491	2.8% 4,915	2.8% 9,406	2.9% 4,500	3.8% 6,500	3.4% 11,000	0.2% 9	32.2% 1,585	16.9% 1,594

Although the business climate is tough and corporate earnings appear to be on a downward trend, the IT Holdings Group will strive to capitalize on business opportunities by accurately pinpointing and responding to clients' IT investment needs. Sales derived from large-scale projects booked in fiscal 2009, may decrease—this will be particularly noticeable in the software development segment—but other sales may increase slightly.
On the profit front, an improvement is expected, as the cost burden on large-scale projects is eliminated.

Fiscal 2010 Full-Year Forecast:
Breakdown of Net Sales by Principal Group Companies

(Millions of yen)

Fiscal 2009 estimate	IT Holdings Consolidated	Principal Group Companies					
		TIS Consolidated	INTEC	UFIT Consolidated	Agrex Consolidated	Qualica	AJS
Net sales	328,000	100,000	92,000	44,000	28,500	18,000	10,300
Outsourcing and network	38.1% 125,000	34.0% 34,000	32.3% 29,700	53.4% 23,500	57.0% 16,235	28.3% 5,100	58.6% 6,040
Software development	50.6% 166,000	53.6% 53,600	59.0% 54,300	43.9% 19,300	43.0% 12,256	40.6% 7,300	41.4% 4,260
Solution services	9.1% 30,000	12.4% 12,400	8.7% 8,000	2.7% 1,200	0.0% 9	31.1% 5,600	—
Other business	2.1% 7,000	—	—	—	—	—	—
Operating income	7.5% 24,500	7.6% 7,600	7.2% 6,600	8.3% 3,600	4.6% 1,300	6.7% 1,200	3.9% 400
Recurring profit	7.3% 24,000	7.6% 7,600	6.4% 5,900	8.5% 3,680	4.6% 1,300	6.6% 1,190	3.7% 385
Net income	3.4% 11,000	4.5% 4,500	3.5% 3,200	4.8% 2,090	2.0% 580	3.7% 670	3.2% 330

Note: The amounts under “TIS (Consolidated)” in the table above represent non-consolidated results by TIS and the four subsidiaries currently included within the scope of consolidation.

Fiscal 2010 Full-Year Forecast: TIS (Consolidated)

(Millions of yen)

	Fiscal 2009 actual (a)			Fiscal 2010 estimate (b)			Change (b-a, b/a)		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Net sales	55,660	58,026	113,686	47,200	52,800	100,000	(15.2)% (8,460)	(9.0)% (5,226)	(12.0)% (13,686)
Outsourcing and Network	32.0% 17,820	30.8% 17,879	31.4% 35,699	36.0% 17,000	32.2% 17,000	34.0% 34,000	(4.6)% (820)	(4.9)% (879)	(4.8)% (1,699)
Software development	57.5% 31,990	59.0% 34,232	58.2% 66,222	52.3% 24,700	54.7% 28,900	53.6% 53,600	(22.8)% (7,290)	(15.6)% (5,332)	(19.1)% (12,622)
Solution services	10.5% 5,850	10.2% 5,915	10.3% 11,765	11.7% 5,500	13.1% 6,900	12.4% 12,400	(6.0)% (350)	16.7% 985	5.4% 635
Operating income	3.9% 2,180	9.1% 5,298	6.6% 7,478	4.1% 1,950	10.7% 5,650	7.6% 7,600	(10.6)% (230)	6.6% 352	1.6% 122
Recurring profit	5.5% 3,063	8.4% 4,849	7.0% 7,912	4.1% 1,950	10.7% 5,650	7.6% 7,600	(36.3)% (1,113)	16.5% 801	(3.9)% (312)
Net income	3.8% 2,106	0.7% 401	2.2% 2,507	2.6% 1,250	6.2% 3,250	4.5% 4,500	(40.6)% (856)	710.5% 2,849	79.5% 1,993

Notes:
1. The amounts under "TIS (Consolidated)" in the table above represent non-consolidated results by TIS and the four subsidiaries currently included within the scope of consolidation.
2. Non-consolidated results for fiscal 2009 are presented on page 5 of these materials.

Net sales are likely to fall, owing to the absence of sales derived from large-scale projects that were booked in fiscal 2009, a situation particularly noticeable in the software development segment.
Operating income could increase slightly, as investment in data centers and preparations for future growth eat into the savings achieved by eliminating the cost burden on large-scale projects.

Fiscal 2010 Full-Year Forecast: INTEC

IT Holdings

(Millions of yen)

	Fiscal 2009 actual (a)			Fiscal 2010 estimate (b)			Change (b-a, b/a)		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Net sales	45,034	51,584	96,618	43,500	48,500	92,000	(3.4)% (1,534)	(6.0)% (3,084)	(4.8)% (4,618)
Outsourcing and Network	34.4% 15,497	29.6% 15,288	31.9% 30,785	34.0% 14,800	30.7% 14,900	32.3% 29,700	(4.5)% (697)	(2.5)% (388)	(3.5)% (1,085)
Software development	56.5% 25,442	61.7% 31,846	59.3% 57,288	56.8% 24,700	61.0% 29,600	59.0% 54,300	(2.9)% (742)	(7.1)% (2,246)	(5.2)% (2,988)
Solution services	9.1% 4,096	8.6% 4,449	8.8% 8,545	9.2% 4,000	8.2% 4,000	8.7% 8,000	(2.3)% (96)	(10.1)% (449)	(6.4)% (545)
Operating income	5.6% 2,544	7.0% 3,625	6.4% 6,171	6.0% 2,600	8.2% 4,000	7.2% 6,600	2.2% 56	10.3% 375	7.0% 431
Recurring profit	4.8% 2,176	6.6% 3,428	5.8% 5,604	5.1% 2,200	7.6% 3,700	6.4% 5,900	1.1% 24	7.9% 272	5.3% 296
Net income	1.9% 859	4.4% 2,275	3.2% 3,134	2.8% 1,200	4.1% 2,000	3.5% 3,200	— 341	(12.1)% (275)	2.1% 66

Net sales may decrease, reflecting the impact of peaking large-scale projects for banks and the challenging business climate.
On the profit front, increases are expected, largely because the profit-squeezing impact of unprofitable projects in fiscal 2009 will be gone.

Fiscal 2010: Full-Year Forecasts for Principal Subsidiaries UFIT, Agrex, Qualica, AJS

UFIT Co., Ltd.

IT Holdings holds 70.4% equity. Particularly strong in services for credit card and consumer finance companies. Focuses on outsourcing services.

■ Fiscal 2010 Forecast

- Revenues expected to decrease. Key factors are a steep drop in demand for maintenance and operation services, following system integration at banks and clients; lower prices on BPO for key clients in the finance industry; and more assertive requests for lower rates for system engineers.
- Profits will also suffer, due to the poor revenue starting point and an anticipated increase in expenses, largely due to investment in BPO facilities and solutions.

Consolidated (Millions of yen)	Fiscal 2009 (actual)	Fiscal 2010 (estimate)	YOY Change
Net sales	45,240	44,000	(1,240)
Operating income	4,960	3,600	(1,360)
Recurring profit	5,050	3,680	(1,370)
Net income	2,720	2,090	(630)

Agrex Inc.

IT Holdings holds 50.6% equity. Leader in Japan's business process outsourcing (BPO) business. Listed on Tokyo Stock Exchange First Section.

■ Fiscal 2010 Forecast

- With the catchphrase "On a new growth path", will embark on Proceed X, a medium-term management plan covering the second stage of the current long-term vision. Will make concerted effort to improve operating structure, with a thorough look at existing business activities, a review of production costs, and optimized placement of resources.
- Cronova, a consolidated subsidiary from August 2008, will contribute full-year results. Plan to integrate two offices in the Kansai region, centered on Osaka, in the first half, which will cause expenses to rise in that period.

Consolidated (Millions of yen)	Fiscal 2009 (actual)	Fiscal 2010 (estimate)	YOY Change
Net sales	26,748	28,500	1,752
Operating income	1,041	1,300	259
Recurring profit	1,023	1,300	277
Net income	344	580	236

Qualica Inc.

IT Holdings holds 80% equity and Komatsu Ltd., 20%. Maintains a high profile with services for the manufacturing, distribution and service industries.

■ Fiscal 2010 Forecast

- Lower revenues and profits expected, largely due to reduced IT investment by major construction equipment makers.
- Will enter new territory, such as built-in software market, in response to clients' global shift.
- Will continue to expand services to major beverage makers.

(Millions of yen)	Fiscal 2009 (actual)	Fiscal 2010 (estimate)	YOY Change
Net sales	19,363	18,000	(1,363)
Operating income	1,728	1,200	(528)
Recurring profit	1,746	1,190	(556)
Net income	971	670	(301)

AJS Inc.

IT Holdings holds 51% equity and Asahi Kasei Corp., 49%. Focuses on systems for the manufacturing and medical services industries.

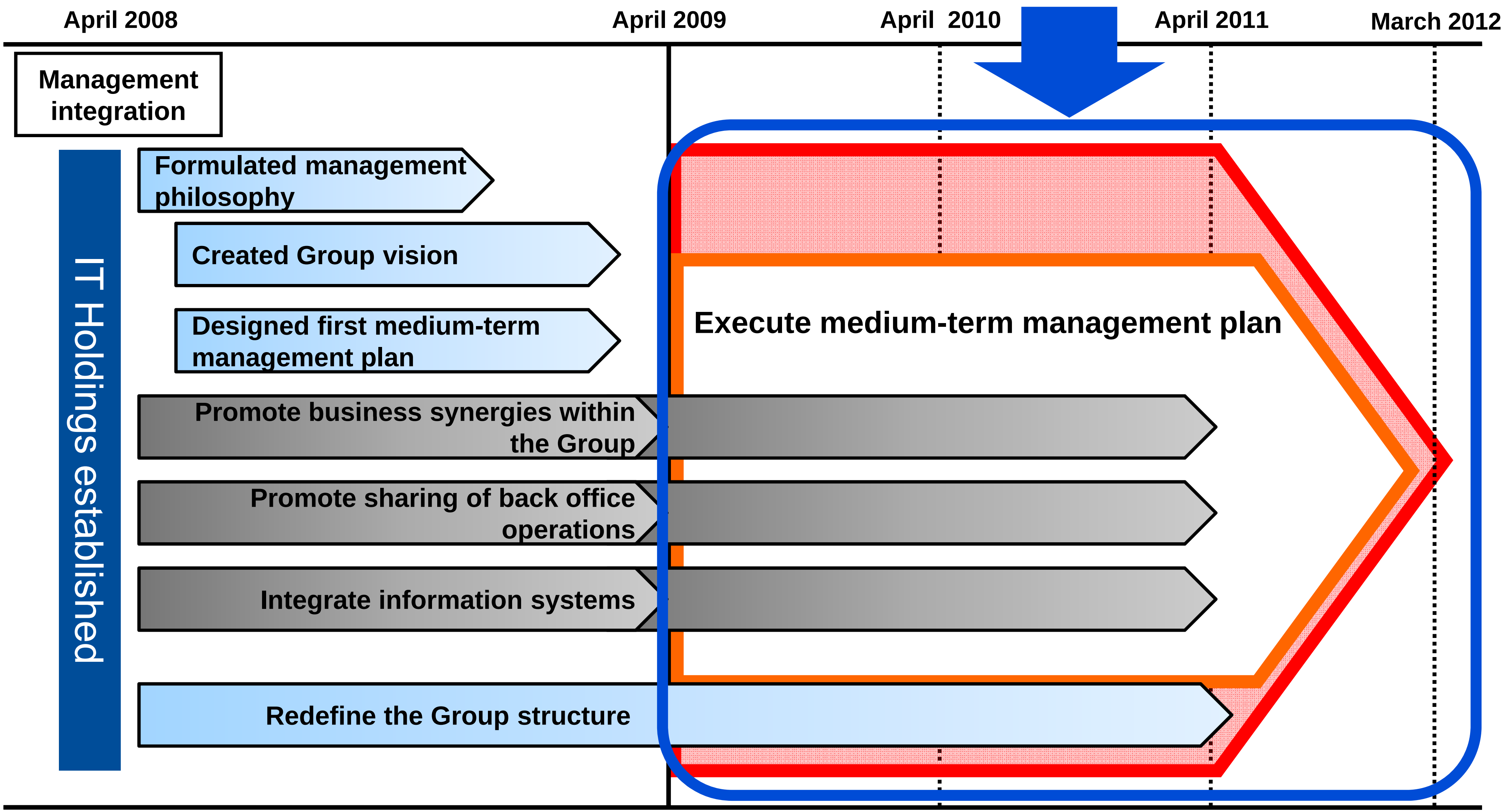
■ Fiscal 2010 Forecast

- Braced for lower revenues and profits, as presented in the table below, largely due to retreating demand from manufacturing industry, as poor fiscal results prompt more companies to tighten IT budgets with new-investment freeze.
- Will use new radiation treatment information system to buoy demand from the medical services industry, which should lead to higher sales and profits.

(Millions of yen)	Fiscal 2009 (actual)	Fiscal 2010 (estimate)	YOY Change
Net sales	10,565	10,300	(265)
Operating income	715	400	(315)
Recurring profit	706	385	(321)
Net income	619	330	(289)

Recap of Priorities in Fiscal 2009

IT Holdings Medium-term Management Plan (Roadmap)



Promoting Business Synergies within the Group: Part 1

IT Holdings

Domains	Strategies	Results
Account-centered synergies	Flagship accounts	• Identified targets for the IT Holdings Group • Drafted joint account plans
Solution-centered synergies	Cross-selling model	• Organized the Group Solutions Forum attracting more than 400 participants • Implemented joint promotions (20 projects) • Conducted joint ordering (29 projects generating ¥2.4 billion)
Region-centered synergies	New solutions	• Promoted next-generation data center concept • Pinpointed geographical areas and themes aimed at becoming the No. 1 provider and laid out project proposals

Promoting Business Synergies within the Group: Part 2

IT Holdings

Major Groupwide Promotional Activities			
	Planned for Fiscal 2009	Executed in Fiscal 2009	Planned for Fiscal 2010 and Onward
Exhibitions	• 【Internal】IT Holdings Group Solutions Forum • Shared booth at FIT 2008 (exhibition highlighting IT solutions for financial institutions) • Shared booth at Retailtech 2009	• 【Internal】IT Holdings Group Solutions Forum • Shared booth at FIT 2008 (exhibition highlighting IT solutions for financial institutions) • Shared booth at Retailtech 2009	• Five Group companies will participate in six dedicated IT exhibitions → INTEC: Information Security Expo → UFIT: Green IT Expo Japan → AJS and Agrex: Data Warehouse & CRM Expo → NEXWAY: Software Development Expo and Web2.0 Marketing Fair • FIT 2009, targeting financial institutions • Retailtech 2010, for the distribution industry
Joint Seminars	• Private seminar series in the Hokuriku region • Private seminar on electronic purchasing solutions for manufacturers • Private seminar on outsourcing solutions	• IT Fair in Kanazawa • Seminar “Reducing Total Cost of Ownership in IT Infrastructure Environments” • Seminar “New Directions in IT Cost Reduction” • Seminar “Electronic Purchasing Solutions for Manufacturers” • Data application case study seminar “Learning from Companies Resilient to Downturns” • IT Holdings Group Outsourcing Business Workshop	• 【Internal】IT Holdings Group Synergy Information Exchange • Private seminar on solutions for manufacturers • 【External】IT Holdings Group Solutions Forum • Private thin-client seminar • Private outsourcing business seminar • Private seminars geared to different regions

Promoting Business Synergies within the Group: Part 3

Expanding the Group's Production Platform

Planned for Fiscal 2009	Realized in Fiscal 2009	Planned for Fiscal 2010 and Beyond
• **Pinpoint and share current status of Group companies.** • **Define a structure to promote the Group's production platform.** • **Start on high-priority themes.** • **Apply new technology before the competition does.** • **Establish the structure to promote the Group's production platform.**	• **Pinpointed and shared current status of Group companies.** • **Defined a structure to promote the Group's production platform.** • **Improved quality and productivity.** → Formulated Group project management guidelines. → Sorted through points to watch for, based on differences in development standards. → Made Group companies aware of these points through training programs. • **Began access to groupwide Social Networking Service (SNS).** → Launched trials using SNS to facilitate information-sharing among Group companies. → Formulated plan to take SNS groupwide. • **Clarified concept underlying Group's R&D activities.** → Began exploring specific themes. • **Integrated training for system engineers.** → Crystallized process for implementing training programs that generate to high-synergy results. → Established working group to draft plan for cross-section training program. • **Laid out structure to reinforce Group's production platform.** → Gave Group Production Platform Promotion Committee a regular meeting schedule.	• **Continuously improve aspects of the Group's production technology.** → Utilize the Group Production Platform Promotion Committee to share concerns and strategies among Group companies, and identify themes that the Group can tackle as one unit. • **Promote Group R&D.** → Shape a means to realize an R&D model appropriate to the Group, and concurrently begin discussions on actual action themes. • **Develop skills of system engineers.** → Frame a structure that will support skill development among system engineers throughout the Group. Revamp existing training programs, and design new ones. Also, create an e-learning environment that fits the whole Group. • **Energize information exchange** → Encourage information exchange within the Group through groupwide SNS access. Plan events that revolve around information exchange and promote the use of ideas and opinions that may lead to new business.

Promote Shared Back-Office Operations

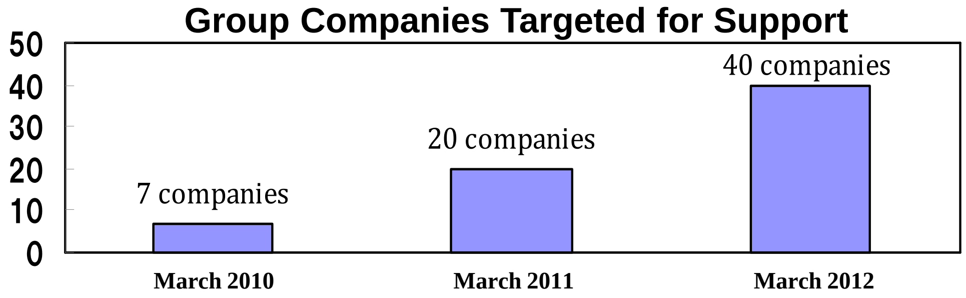
- **IT Service Force Inc., established April 1, 2009**

→ To integrate execution of independent yet common activities, such as back-office operations, at certain Group companies.

→ To be the driving force of enhanced operating efficiency, lower costs and higher service quality, from the perspective of optimized Group performance.

→ To elevate business know-how and expertise and achieve greater specialization.

ITSF



Roadmap

Fiscal 2009 Results	Fiscal 2010 Plans	Fiscal 2011 and Beyond
• **Prepared for establishment of shared service company.** • **Formed project teams to facilitate a service shift at all operating companies.** • **Began centralized purchasing.**	• **Establish new company, IT Service Force, with 80 employees** • **Begin shared services for such administrative tasks as accounting, labor services, order management, and purchasing** • **Expand services offered and number of companies served.** • **Improve service quality and efficiency.** • **Restructure internal control system.** • **Encourage shared use of Group assets and facilities and raise operating efficiency.**	• **Expand scope of companies served.** • **Broaden range of services offered.** → To cover training and administration and general affairs, such as facilities management • **Enhance service quality and efficiency.** • **Create a business hub.** • **Acquire various certifications.** • **Consolidate offices.**

Integrate Information Systems

Roadmap		
Planned for Fiscal 2009	**Realized in Fiscal 2009**	**Planned for Fiscal 2010 and Beyond**
• **Determine current status of all Group companies with regard to the establishment of a groupwide infrastructure platform, and build it.** → Configure a groupwide network of networks. → Set up a system that facilitates information-sharing within the Group. • **Formulate a plan for building a management information system.** → Investigate and analyze the systems used by Group companies to provide services. → Build a system to monitor business results groupwide.	• **Built infrastructure platform.** → Configured a groupwide network of networks → Set up a system that facilitates information-sharing within the Group. → Created platform for communication within the Group. • **Formulated a plan for building a management information system.** → Investigated and analyzed the systems used by Group companies to provide services. → Created first step (simplified version) of system to monitor business results.	• **Build and apply infrastructure platforms.** → Start operating communication platforms within the Group. → Set up Group SNS* for groupwide information-sharing. → Promote standardization of all goupware operation. • **Build management information system.** • **Build service-based information system.** *The Group's SNS uses the TIS-developed open source information-sharing socialware called SKIP, short for Social Knowledge and Information Platform.

Cementing Group Structure

IT Holdings

Maximizing Group Synergies

As of October 1, 2008, nine TIS subsidiaries—UFIT, Agrex, Qualica, AJS, System Engineering Laboratory, TIS Solution Business, BM Consultants, TIS Total Service, and TIS Leasing—fall directly under the IT Holdings umbrella.

- **Preparing to turn System Engineering Laboratory Co., Ltd., into a wholly owned subsidiary and then execute management integration with TIS Solution Business**

→ Will reinforce order structure by capitalizing on IT Holdings' profile.
→ Will take advantage of mutually complementary client bases for major cross-selling opportunities.
→ Will utilize affinity for solutions, tapped as a forte field.
→ Will reduce fixed costs through streamlined back-office sections.
→ Will improve marketing structure through stronger ties with IT Holdings.

"Change-UP" to a company that vigorously supports growth companies through platform- and ECM*-based solutions

* Enterprise Content Management

- **Establish new company, IT Service Force Inc.**

ITSF

IT Service Force logo

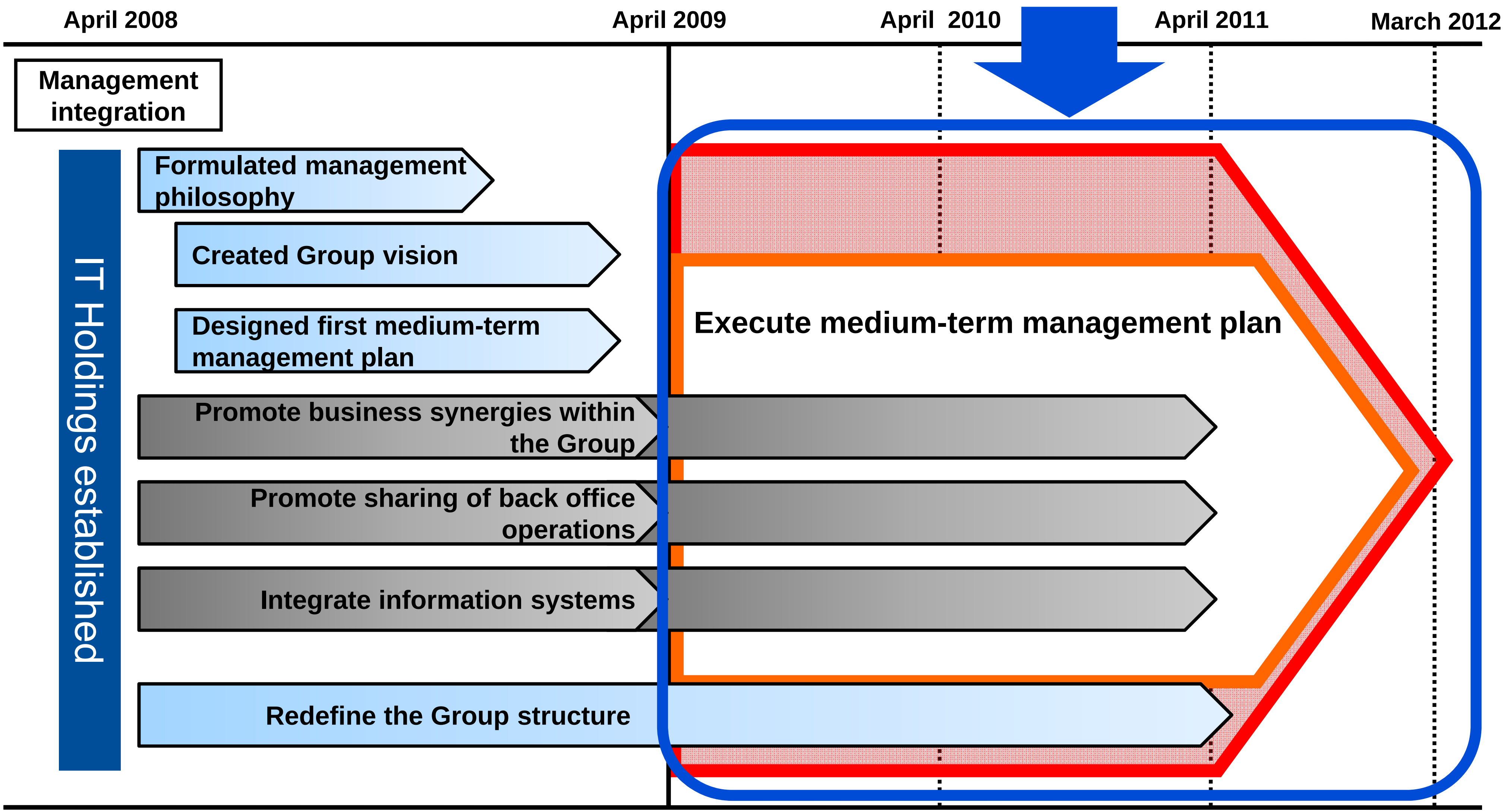
First Medium-term Management Plan

“IT Evolution 2011”

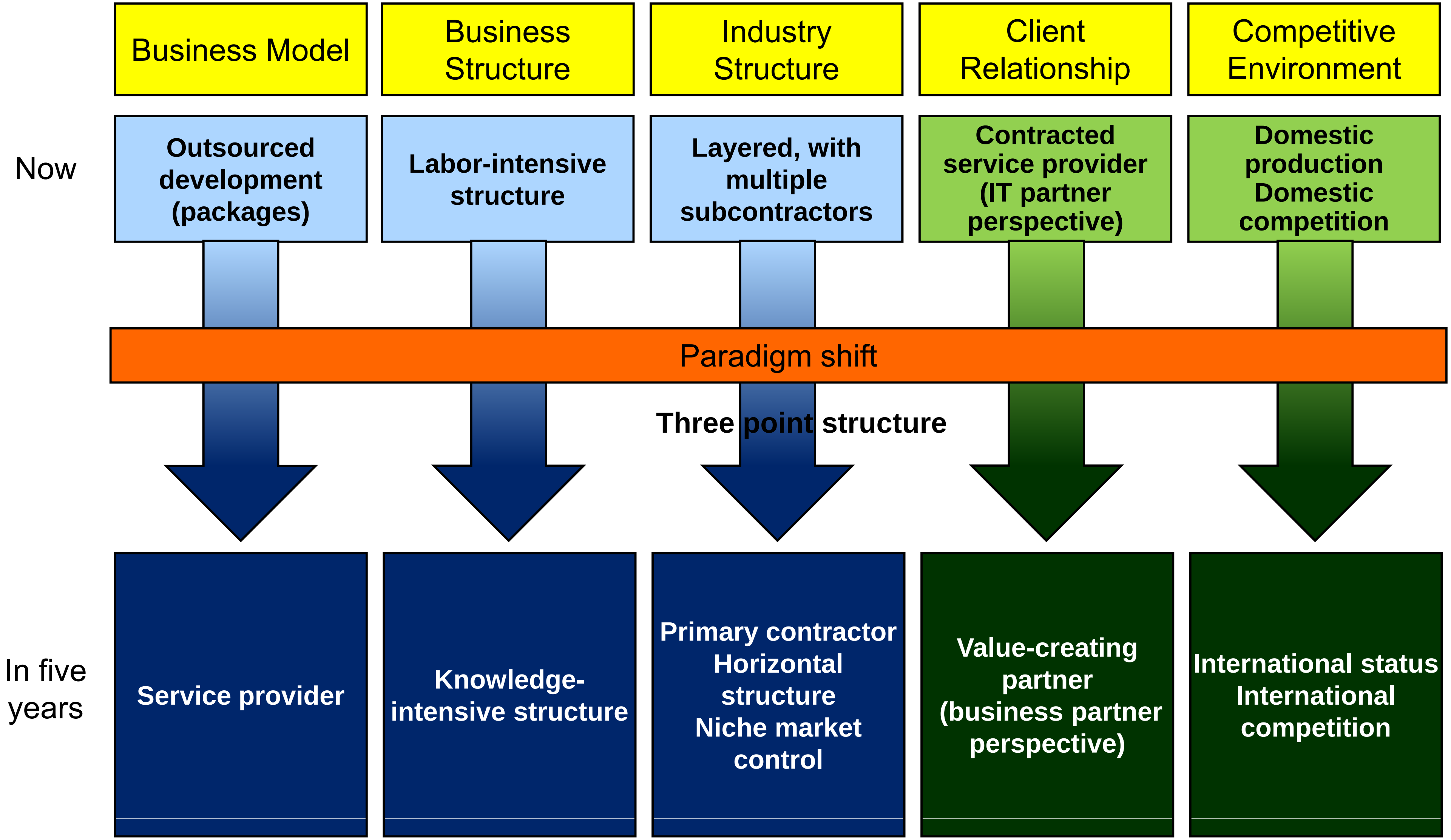
IT represents

- Innovative Technology—Promoting it
- Increasing Trust—Deepening bonds of trust with clients
- The IT Holdings Group—Developing the unique capabilities of companies under the Group umbrella while demonstrating the composite strength that the group structure creates.

IT Holdings Medium-term Management Plan (Roadmap)



Medium-term Vision



First Medium-term Management Plan:
"IT Evolution 2011"

IT Holdings

Desired Group Image
A constantly evolving IT business group that promotes the unique qualities of each company under the Group umbrella while demonstrating the composite strength that the group structure provides to maintain a sharply competitive edge in terms of quality, reliability, technologies and pricing.

Medium-term Management Direction	
Business activities	**• Foster individuality of Group companies while demonstrating the comprehensive strengths afforded by a group structure, and expand the scope of business activities. • Pursue business activities underpinned by client trust. • Actively reform the production platform and capitalize on new business opportunities.**
Management resources	**• Encourage greater management efficiency as a Group.**
Financial position	**• Strengthen financial position of the Group.**
Personnel	**• Promote measures that will fuel corporate growth and motivate employees.**
Corporate culture	**• Cultivate a corporate culture that unites the whole group.**

Performance Targets: Net Sales and Operating Income

Net Sales

By March 31, 2012: ¥400 billion

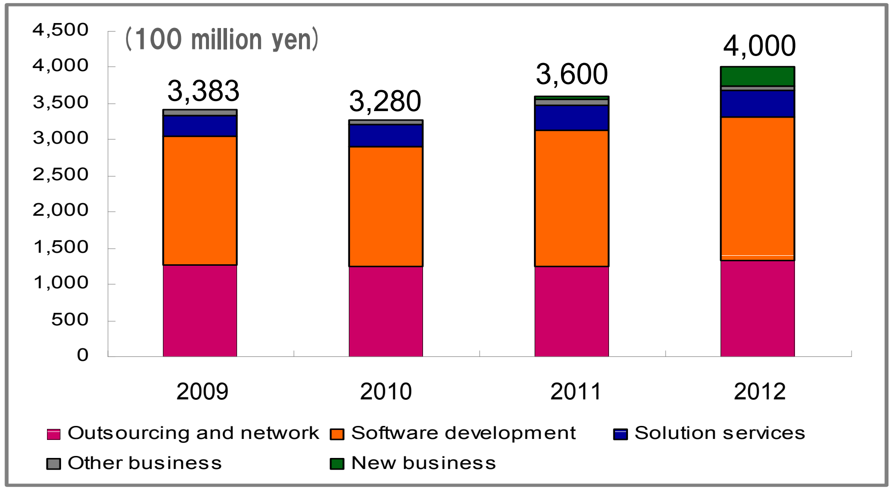
- **Outsourcing and network [¥132 billion]**
  → IT Holdings boasts the industry's largest next-generation data center and will maximize the sales-building potential of this facility
- **Software development [¥200 billion]**
  → Will hone competitive edge with enhanced services for clients in financial, manufacturing and distribution and service industries.
- **Solution services [¥36 billion]**
- **Other business [¥7 billion]**
- **New business [¥25 billion]**
  → Will promote business activities abroad and pursue new business opportunities.

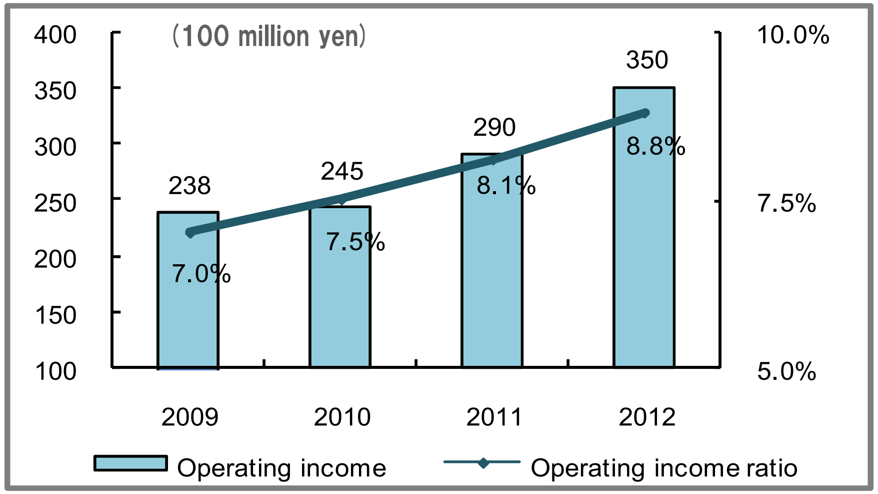
Note: Amounts in [ ] are anticipated net sales for fiscal 2012.

Operating Income

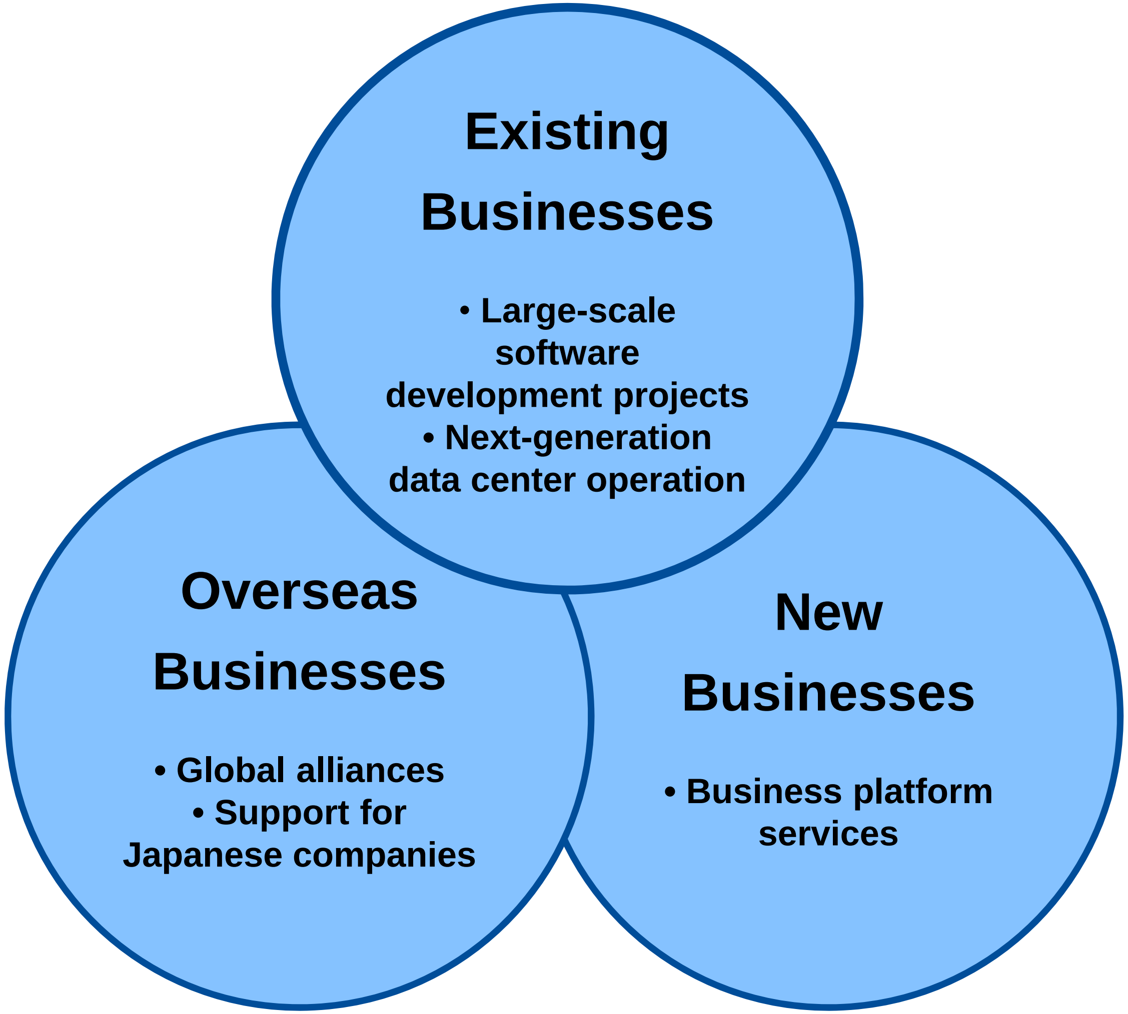
By March 31, 2012: ¥35 billion

- **In fiscal 2010**
  → Fully demonstrate Group capabilities by bringing big projects to an end and gradually eliminate unprofitable projects.
- **In fiscal 2011**
  → Boost profitability by improving software development productivity through widespread implementation of development standards and bold use of offshore providers.
- **In fiscal 2012**
  → Raise profitability in outsourcing services, especially in next-generation data center operation.





IT Holdings Group Growth Engine



Business Development Strategy for Existing Businesses (by segment)

IT Holdings

Outsourcing and Network

1. Establish next-generation data centers

→ Realize different data center formats, including green, cloud, virtualized and distributed.

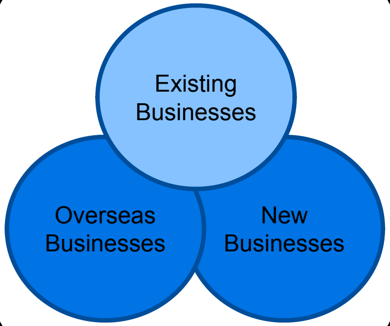
- Tianjin Data Center, and Gotenyama gDC (plan to open in April 2011).

By fiscal 2012, data center floor space will have increased 24,000m², to 126,000m², giving IT Holdings the distinction of having the largest data center in Japan, according to Company research based on a Gartner market report.

2. Expand IT platform services

→ One-stop services, from configuration of platforms, including Platform as a Service and Hardware as a Service, to their operation.

3. Consolidate services offered by operating company and develop a new service menu.



Software Development

1. Develop large-scale systems based on systems tailored to industry-specific standards.

→ Superhigh productivity and excellent quality.

2. Provide services for upstream phases, namely, consulting.

Plans

- Emphasize careful selection of projects on a groupwide basis.
- Plan to add 20 companies to the IT Holdings Group's base of key clients, a segment for which the Group has captured at least 20% of their respective IT investment budgets.

- Hold Group Solutions Forum
- Aim for joint ordering on 600 projects over three years.

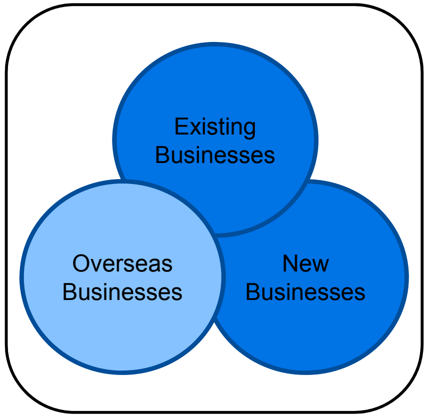
- Set up virtual business units with expertise in a specific area, such as next-generation data centers.

Concept drawing of Gotenyama gDC

Overseas Business Strategies, New-Business Strategies

Overseas Business Strategies

1. **Form alliances with companies overseas**
   - Respond to clients' global expansion activities
   - Capture all-inclusive orders for outsourcing in Japan for companies with a global presence.
2. **Participate in the Chinese market**
   - Utilize the Tianjin Data Center and local companies under the Group umbrella to support the business pursuits of businesses in China, including those established with Japanese, European and U.S. investment.
3. **Strengthen research center capabilities**
   - Utilize representative offices abroad to strategically track the appearance of leading-edge solutions and gain access for application into proprietary products.

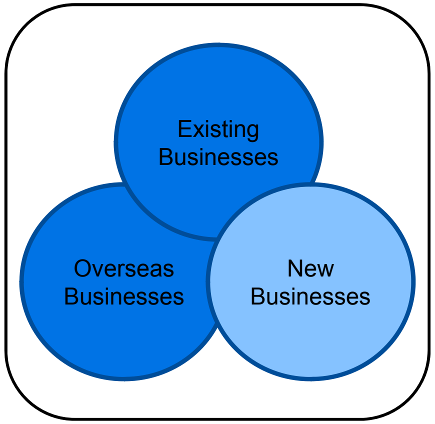


New-Business Strategies

→ Generate three new businesses or solutions a year within the Group.

→ Total new-business sales target for fiscal 2012 is ¥25 billion.

1. **Business platform service business**
   - Formulate groupwide business plan.
2. **Consulting business**
   - Optimize placement of consulting businesses within the Group through virtual business units.
   - Increase number of consultants, mainly by training existing employees as consultants.
3. **Pursue joint development of new products with vendors**
4. **Enter uncharted territory**



Medium-term Management Direction: Business Activities

IT Holdings

Strategies to Enhance Business Activities

Foster individuality of Group companies while demonstrating the comprehensive strengths afforded by a group structure, and expand the scope of business activities.

- **Thoroughly reinforce Group strengths to cement leadership position.**
  - Emphasize forefront status in services for credit card companies, insurers and banks.
- **Expand strategic development businesses.**
  - Focus on ERP, CRM and SCM solutions for members of the chemical, public service, construction equipment and distribution service industries.

Pursue business activities underpinned by client trust.

- **Gaining the trust of clients is the first step toward becoming a partner in value creation -- a Group objective.**
  → Maintain long-term contact to entrench presence in corporate mind of client companies.
  → Raise planning and proposal capabilities to a level that attracts the attention of decision-making management at client companies.

Actively reform production platform and capitalize on new business opportunities.

- **Production and outsourcing platforms are key components of the Group's competitiveness.**
  → Standardize production and outsourcing platforms and development methodology within the Group.
  - Full-scale application of new technologies, especially those that automate, virtualize and reduce consumption of electricity.
- **Constantly embrace noteworthy technologies.**
  → Be a step ahead of the competition in turning technologies into business opportunities.
  - Promote R&D matched to corporate scale to realize new businesses and carve out new markets.

Medium-term Management Direction: Operations and Assets, Capital and Finances

IT Holdings

Strategy for Operations and Assets

Encourage greater management efficiency as a group and cut costs by more than ¥1 billion.

- **Make operations more efficient**
  → Utilize IT Service Force to cut costs and improve quality of back-office operations.
- **Use assets more effectively**
  → Raise operating rate through joint use and alternate application of assets.
- **Consolidate offices**
  → Gradually consolidate workplaces.
- **Optimize information systems**
  → Promote shared use and more effective use of information system assets.
- **Approach procurement from a new direction**
  → Pursue Group-based contracts and single procurement-window access.

Strategy for Capital and Finances

Strengthen financial position of the Group.

- **Goal: Return-on-equity above 10%**
  → Pursue strategic investments, especially in data centers, M&A and R&D, while building a solid financial foundation.
- **Dividend policy**
  → Make the long-term, comprehensive return of profits to shareholders a management priority, and consider performance trends, financial status, and the need to enrich retained earnings to support business growth in maintaining stable dividends.
  Fiscal 2009: ¥32 per share = ¥27 regular dividend + ¥5 commemorative dividend
  Fiscal 2010: ¥32 per share = ¥32 regular dividend

Medium-term Management Direction: Personnel and Corporate Culture

Strategy for Personnel

Promote measures that will fuel corporate growth and motivate employees.

- **Enhance personnel structure**
  → Based on fair and open processes
- **Define talent image and what is required to realize it**
  → Promote a strategy to mine talent resources
- **Develop talent**
  → Create understandable career plan and training framework
- **Recruit talented individuals and assign them to positions that make the most of their skills**
  → Implement personnel exchanges and rotations groupwide
- **Enable employees to maintain good work-life balance**
  → Integrate difference health insurance plans and design a health-and-welfare service menu.
- **Reinforce awareness of compliance and corporate social responsibility**

Strategy for Corporate Culture

Cultivate a corporate culture that unites the whole group.

- Always consider the client's perspective, and be a corporate group in which all the companies under the group umbrella work together to meet clients' requirements and solve challenges with a "One for all. All for one" attitude.

Cautionary Note

All content described in these materials is based on information available to management regarding the IT Holdings Group—that is, IT Holdings and the subsidiaries under its umbrella—as of the presentation date and reflect somewhat objective assumptions deemed reasonable at this time. Please be advised that various factors may cause future results to be substantially different from expectations.