



IT HOLDINGS

Go Beyond

**Information Meeting Materials
for the First Three Quarters of the Fiscal Year Ending March 31, 2016**

February 2, 2016

IT Holdings Corporation

Fiscal 2016 First Three Quarters Financial Highlights

Fiscal 2016 Performance Forecast

Reference Materials



Fiscal 2016 First Three Quarters: Financial Highlights

(Millions of yen)

- Higher sales and income year-on-year. Favorable tone that characterized first half continued through third quarter.
- Favorable business environment provided backdrop for growth in net sales, which created a solid starting point for improvement on the income front.

Net sales ¥270,595 million

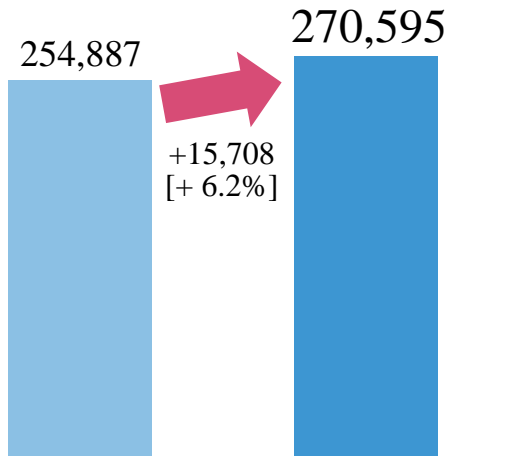
YOY change: +¥ 15,708 million [+ 6.2%]

Operating income ¥14,139 million

YOY change: +¥ 3,336 million [+ 30.9%]

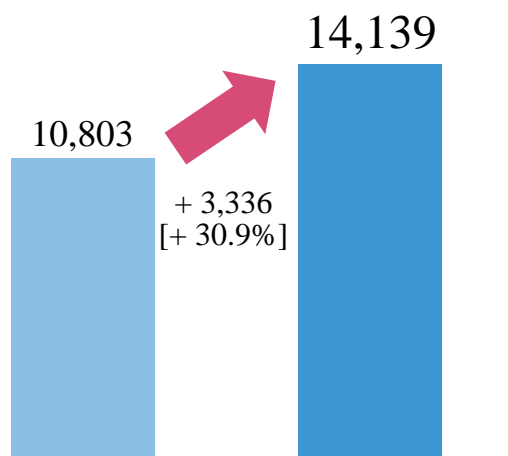
Net income attributable to owners of the parent company ¥7,113 million

YOY change: +¥ 2,247 million [+ 46.2%]



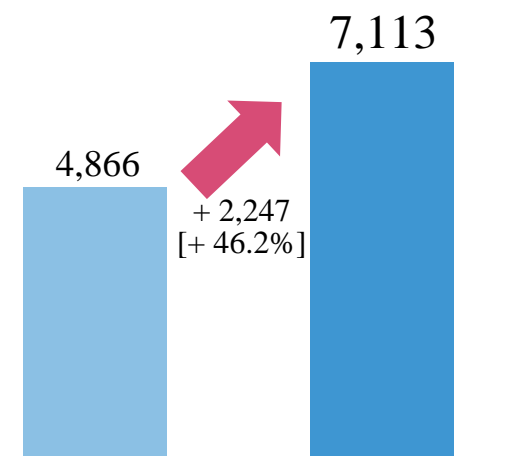
First Three Quarters of Fiscal 2015 First Three Quarters of Fiscal 2016

In fields where IT investment is showing an uptrend, accurate identification of client needs fueled a year-on-year increase in sales, with results exceeding expectations.



First Three Quarters of Fiscal 2015 First Three Quarters of Fiscal 2016

Higher sales and successful efforts to boost profitability neutralized the effects of tighter IT investment budgets and reduced scale of business among some existing clients, absorbing the impact of unprofitable projects and pushing operating income up year-on-year



First Three Quarters of Fiscal 2015 First Three Quarters of Fiscal 2016

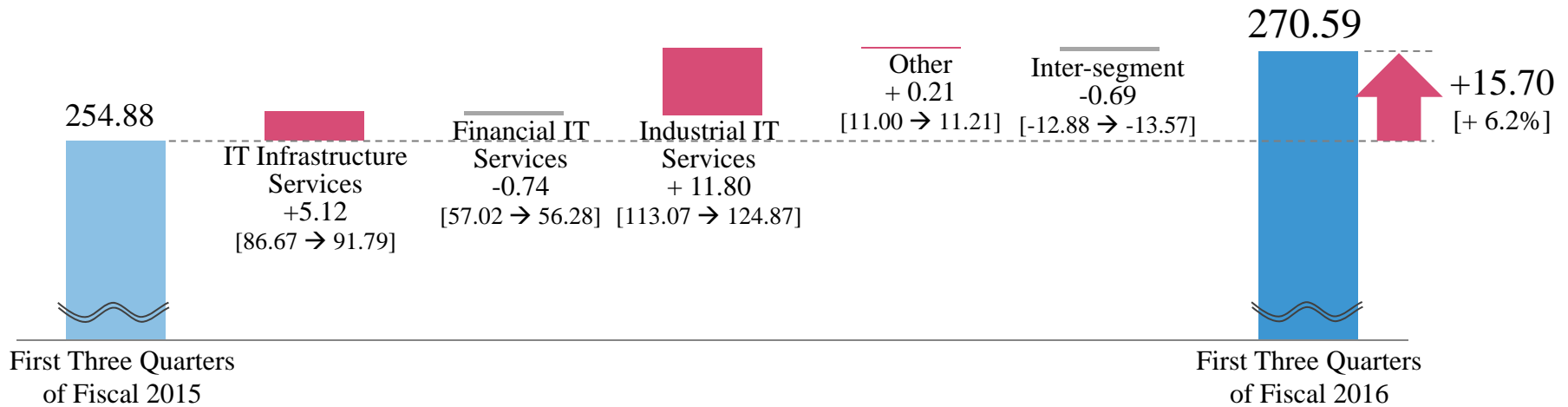
Net income was up over the corresponding period a year ago, thanks mainly to higher operating income. Booked gain on sale of investment securities in the second quarter but showed extraordinary losses associated with impairment loss following review of data center operations and also the impact of Group restructuring efforts.



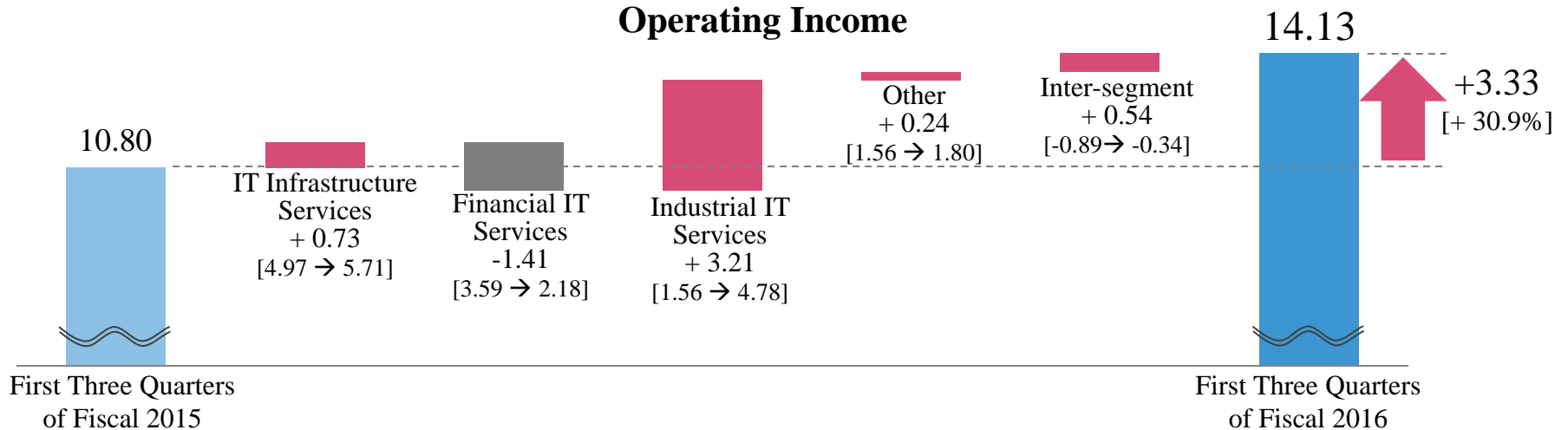
Fiscal 2016 First Three Quarters: Net Sales and Operating Income Analysis

(Billions of yen)

Net Sales



Operating Income



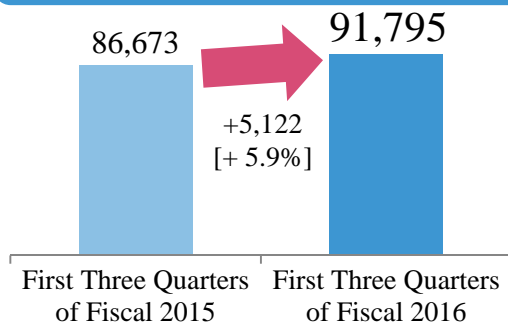
Fiscal 2016 First Three Quarters: Sales and Income for Key Segments

(Millions of yen)

IT Infrastructure Services

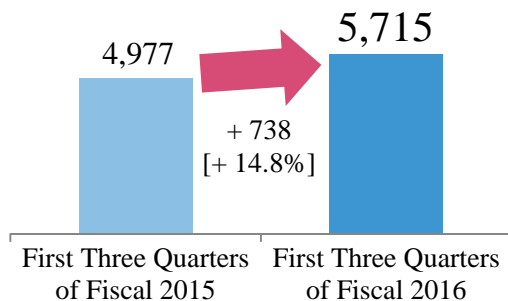
Net Sales ¥ 91,795million

YOY change : + ¥ 5,122 million [+5.9%]



Operating Income ¥ 5,715million

YOY change : + ¥738 million [+14.8%]

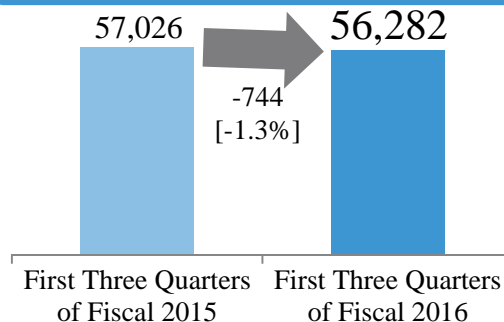


Stable demand for data center and BPO services, complemented by successful M&A activity, pushed segment sales higher year-on-year. The impact of reduced scale of business with some existing clients and lower profitability was offset by a higher segment sales starting point and lower depreciation and amortization, in which led to a year-on-year improvement in operating income.

Financial IT Services

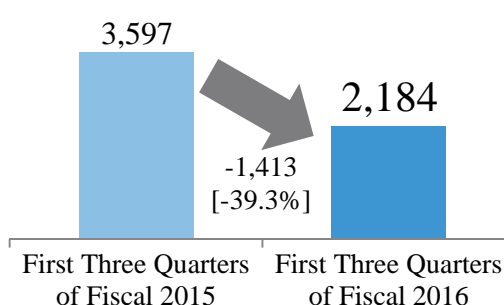
Net Sales ¥ 56,282million

YOY change : - ¥ 744 million [-1.3%]



Operating Income ¥ 2,184million

YOY change : - ¥1,413 million [-39.3%]

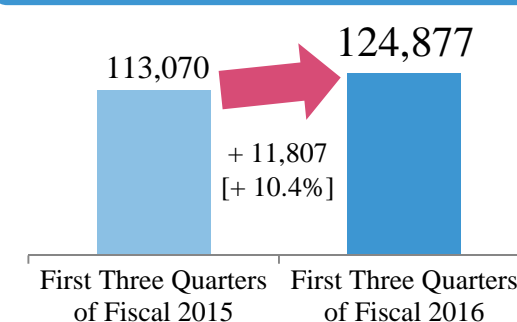


Shift toward greater IT investment by clients was generally favorable, but IT investment cuts at some existing clients had a significant impact on segment performance, causing a year-on-year drop in operating income.

Industrial IT Services

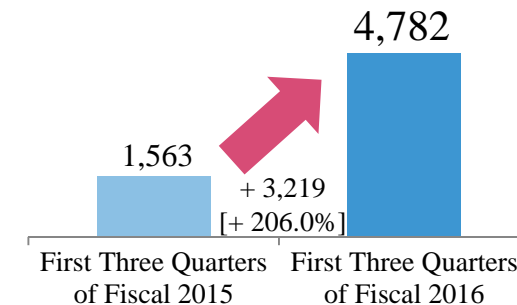
Net Sales ¥ 124,877million

YOY change : + ¥ 11,807 million [+10.4%]



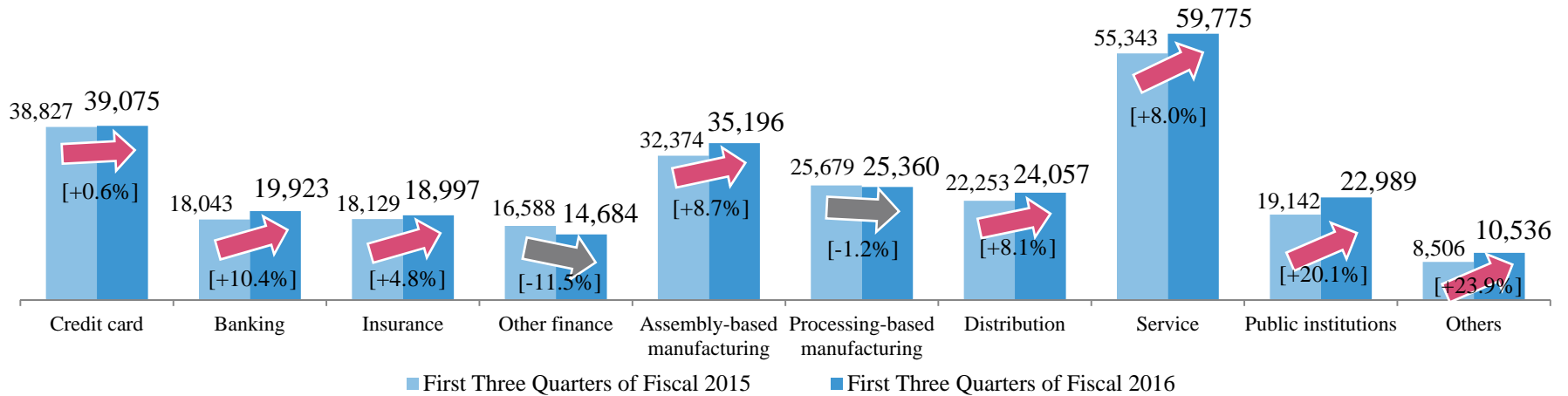
Operating Income ¥ 4,782million

YOY change : + ¥3,219 million [+206.0%]

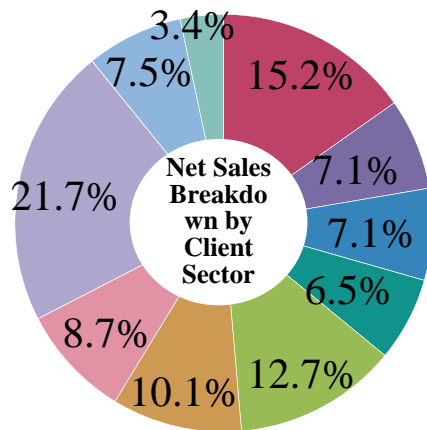


Demand was brisk, mainly for energy-related IT services, as electric power system reform spurred IT investment activity. Segment sales grew year-on-year. Higher sales starting point and successful efforts to boost profitability delivered vastly improved operating income.

Fiscal 2016 First Three Quarters: Sales by Client Sector (Millions of yen)

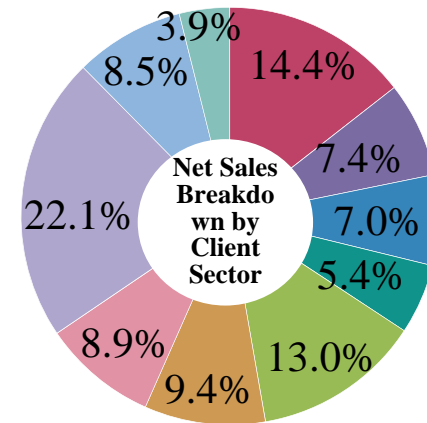


First Three Quarters of Fiscal 2015



Financial sector: 35.9% Industrial sector: 53.2%
Public sector: 7.5% Other sectors: 3.4%

First Three Quarters of Fiscal 2016



Financial sector: 34.2% Industrial sector: 53.4%
Public sector: 8.5% Other sectors: 3.9%

Fiscal 2016 First Three Quarters: Order Status

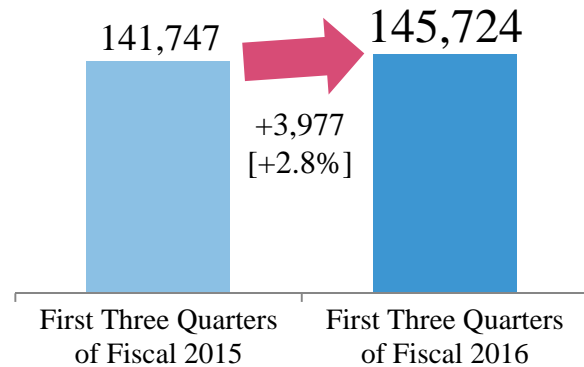
(Millions of yen)

- Order volume moved in a favorable direction, hinging on demand for energy-related IT services, and inevitably offset a reactionary drop in large public-sector projects—a client segment that provided significant demand in the corresponding period a year ago—to show a year-on-year increase. The order backlog at the end of the third quarter was up year-on-year, reflecting the positive trend in order volume.

Orders received during the term

¥145,724 million

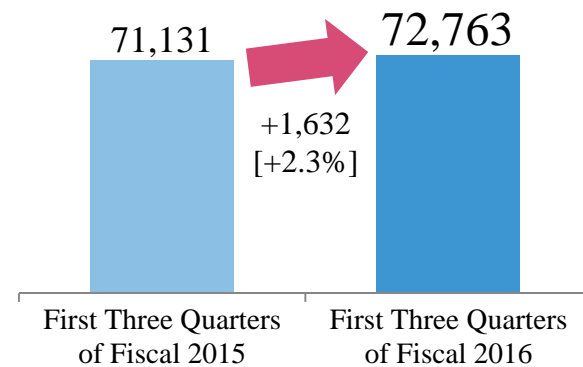
YOY change : +¥ 3,977 million [+2.8%]



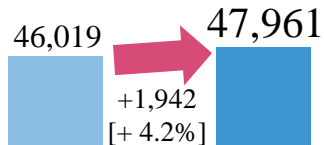
Order backlog at term-end

¥72,763 million

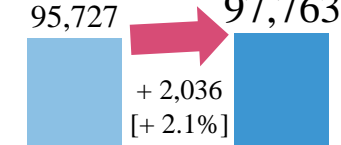
YOY change : +¥ 1,632 million [+2.3%]



Financial IT Services

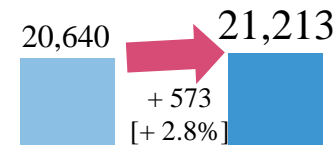


Industrial IT Services

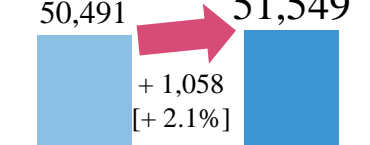


First Three Quarters of Fiscal 2015 First Three Quarters of Fiscal 2016 First Three Quarters of Fiscal 2015 First Three Quarters of Fiscal 2016

Financial IT Services



Industrial IT Services

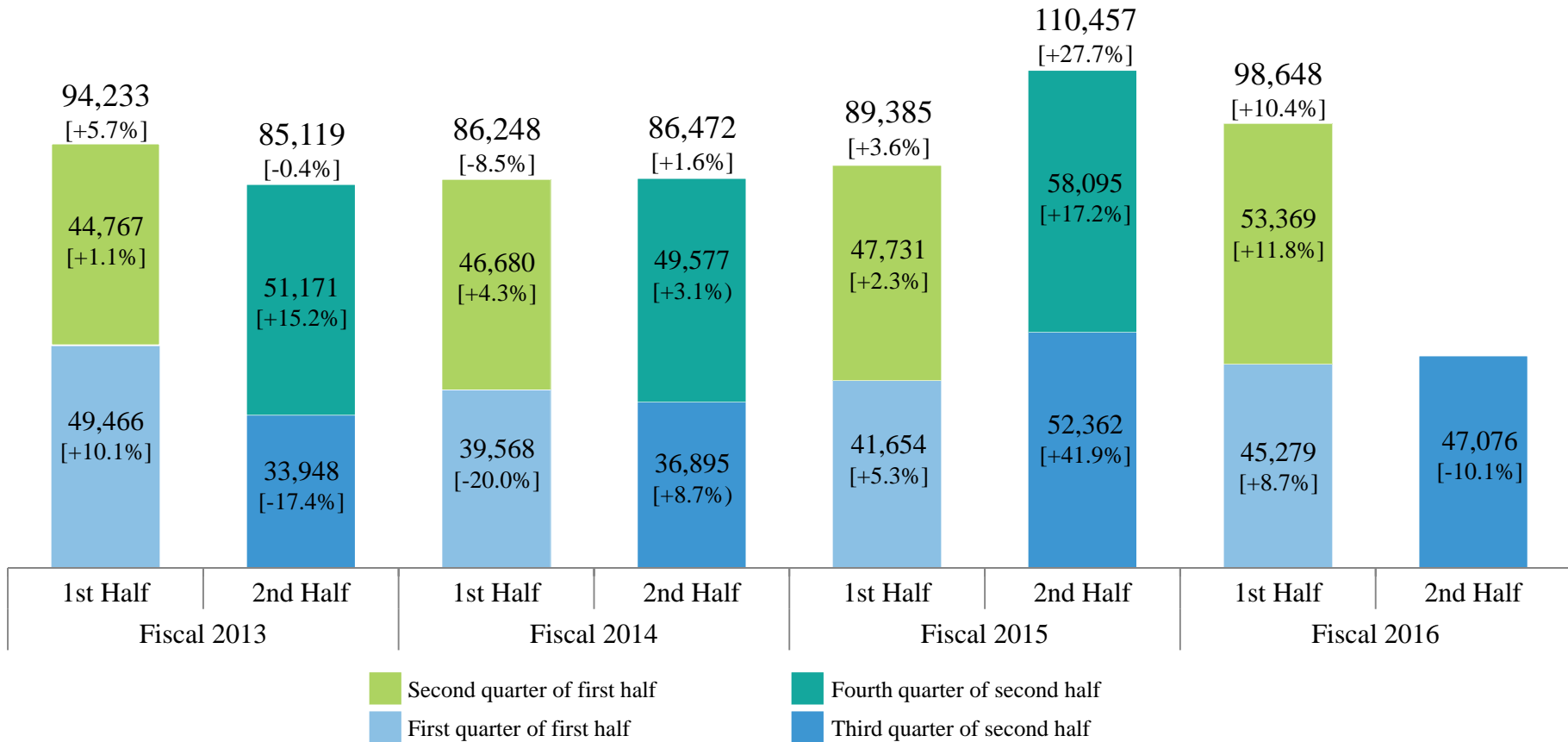


First Three Quarters of Fiscal 2015 First Three Quarters of Fiscal 2016 First Three Quarters of Fiscal 2015 First Three Quarters of Fiscal 2016



Changes in Orders Received

(Millions of yen)



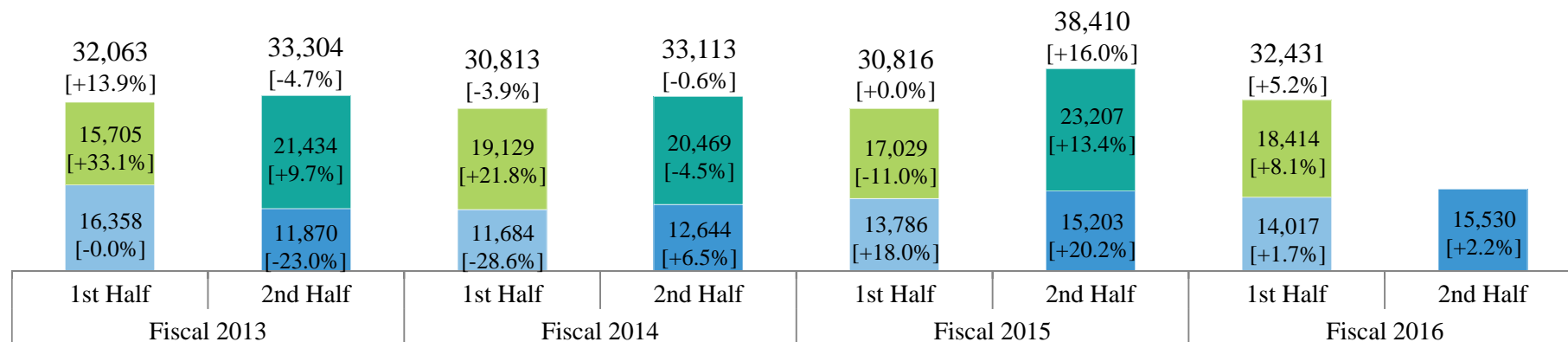
*Orders received during each quarter of each fiscal year apply to Software Development only. Percentages in columns indicate increase or decrease from the corresponding quarter in the previous fiscal year.



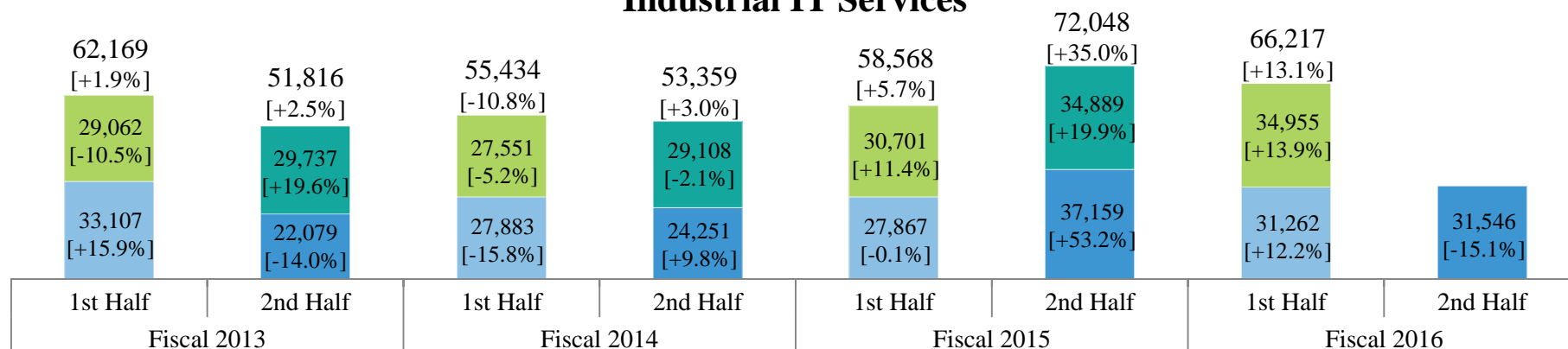
Changes in Orders Received

(Millions of yen)

Financial IT Services



Industrial IT Services



■ Second quarter of first half ■ Fourth quarter of second half
■ First quarter of first half ■ Third quarter of second half

*Orders received during each quarter of each fiscal year apply to Software Development only.
 Percentages in columns indicate increase or decrease from the corresponding quarter in the previous fiscal year.

Fiscal 2016 First Three Quarters Financial Highlights

Fiscal 2016 Performance Forecast

Reference Materials

Fiscal 2016: Performance Forecasts

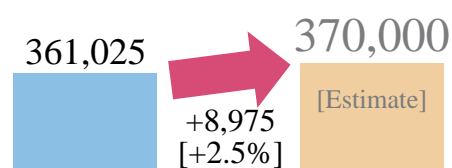
(Millions of yen)

- Anticipate higher sales and income for fiscal 2016, amid good business environment. Will expand business activities and promote measures, such as steps to improve productivity, to achieve higher income.
⇒ Results are generally in line with expectations so no changes need to be made to original targets.
- ITHD executed a share buyback, acquiring treasury stock worth ¥1.6 billion, between October 30, 2015 and December 9, 2015.
⇒ Total shareholder return in fiscal 2016 expected to reach 35.2%.

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

Net Sales ¥370,000 million

YOY change: +¥8,975 million [+2.5%]



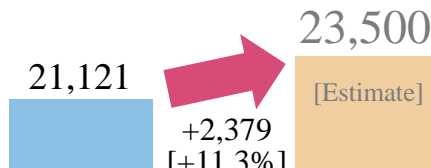
Fiscal 2015

Fiscal 2016

Emphasizing industrial IT services, we will expand our business reach by accurately responding to clients' IT investment needs. This should deliver a year-on-year increase in net sales.

Operating Income ¥23,500 million

YOY change: +¥2,379 million [+11.3%]



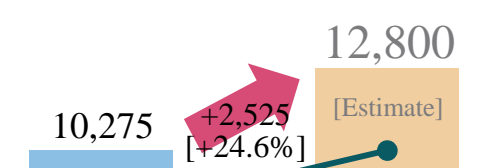
Fiscal 2015

Fiscal 2016

Anticipating higher income, primarily because of the higher net sales starting point, enhanced productivity and other efforts to boost profitability, and lower goodwill amortization expenses.

Net income attributable to owners of the parent company ¥12,800 million

YOY change: +¥2,525 million [+24.6%]



Fiscal 2015

Fiscal 2016

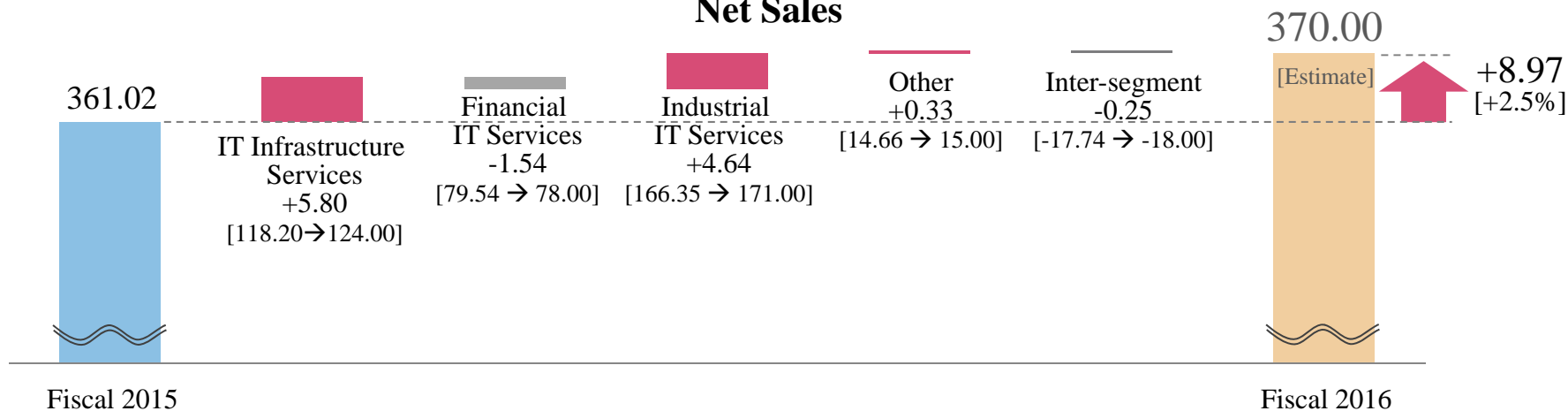
Higher operating income should lead to an increase in net income attributable to the parent company.



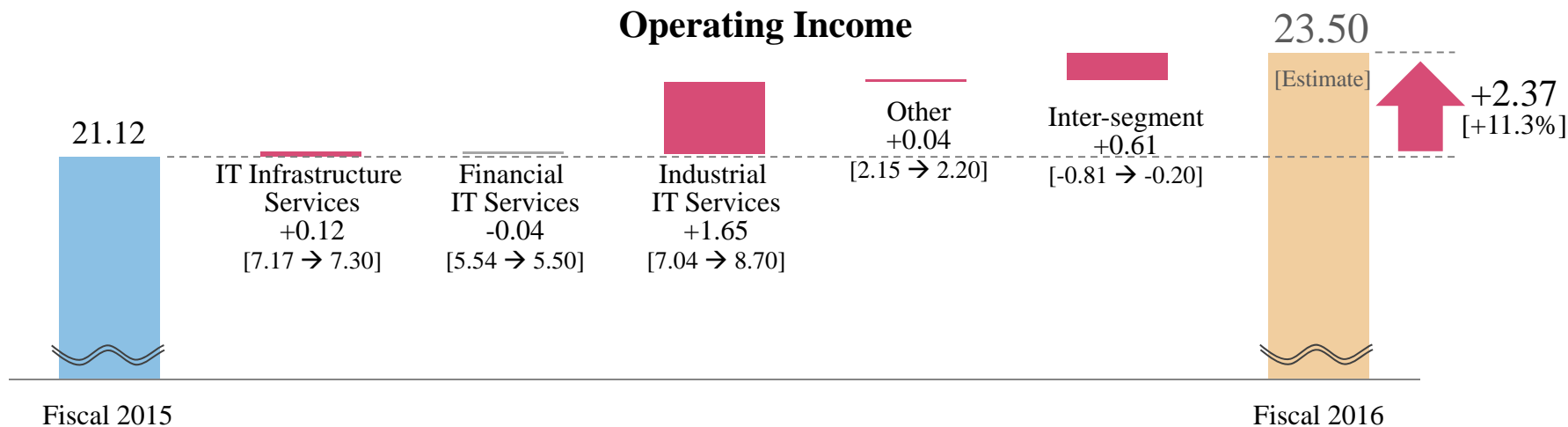
Fiscal 2016: Net Sales and Operating Income Analysis [Forecast]

(Billions of yen)

Net Sales



Operating Income

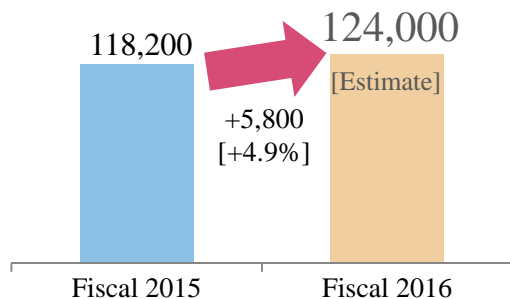


Fiscal 2016: Key Business Segment Performances [Forecast] (Millions of yen)

IT Infrastructure Services

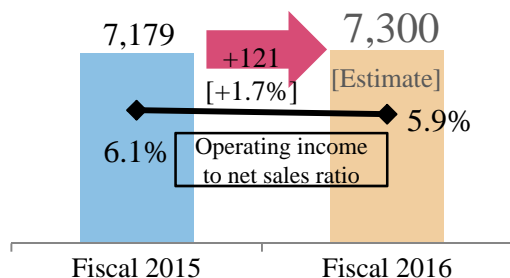
Net Sales ¥124,000 million

YOY change: +¥5,800 million [+4.9%]



Operating Income ¥7,300 million

YOY change: +¥121 million [+1.7%]

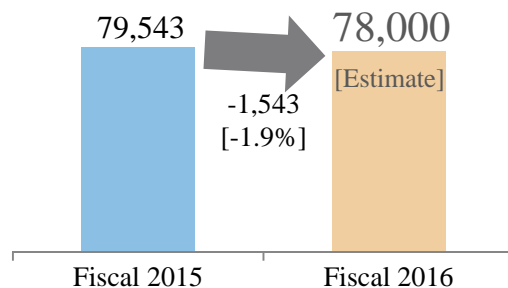


Segment sales are expected to increase, reinforced by successful M&A activity during the fiscal year. Operating income now likely to rise due to lower depreciation following impairment loss write-offs in the data center business booked during the first half of fiscal 2016. Increase paralleling segment changes prompted by careful review of business content.

Financial IT Services

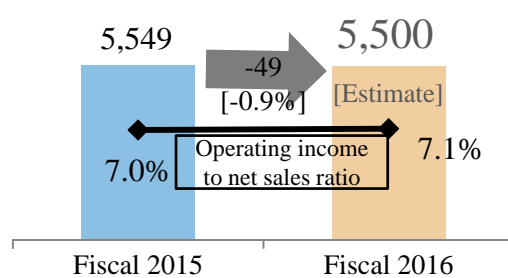
Net Sales ¥78,000 million

YOY change: -¥1,543 million [-1.9%]



Operating Income ¥5,500 million

YOY change: -¥49 million [-0.9%]

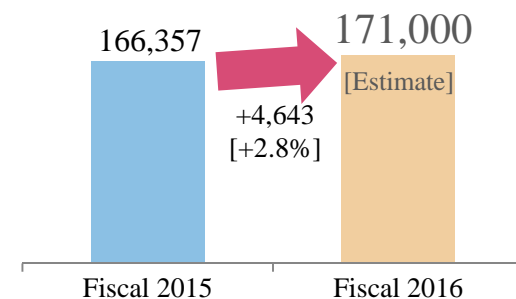


Given some clients' steps to limit IT spending, segment sales and operating income are now heading for a year-on-year decrease. Decrease due to sale of subsidiaries.

Industrial IT Services

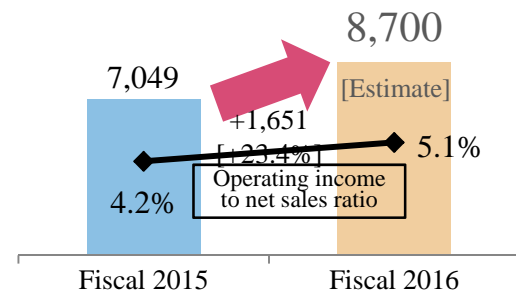
Net Sales ¥171,000 million

YOY change: +¥4,643 million [+2.8%]



Operating Income ¥8,700 million

YOY change: +¥1,651 million [+23.4%]



Growth paralleling overall expansion in IT investment, particularly by energy-related companies, as well as successful measures to boost productivity and enhance profitability, should lead to higher sales and income in this segment. Decrease following segment changes prompted by careful review of business content.

Fiscal 2016 First Three Quarters Financial Highlights

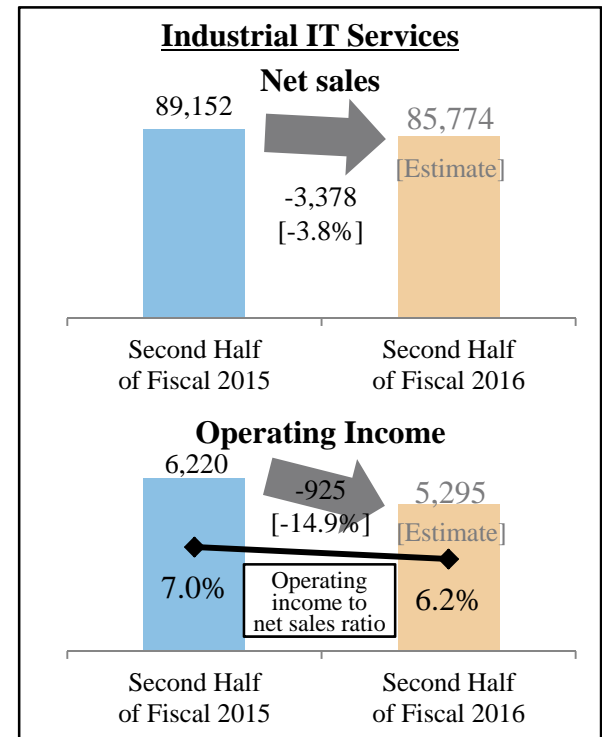
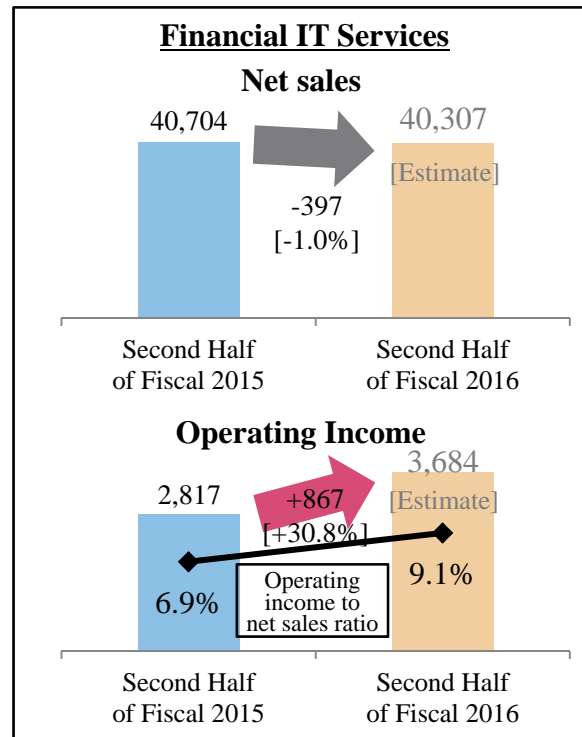
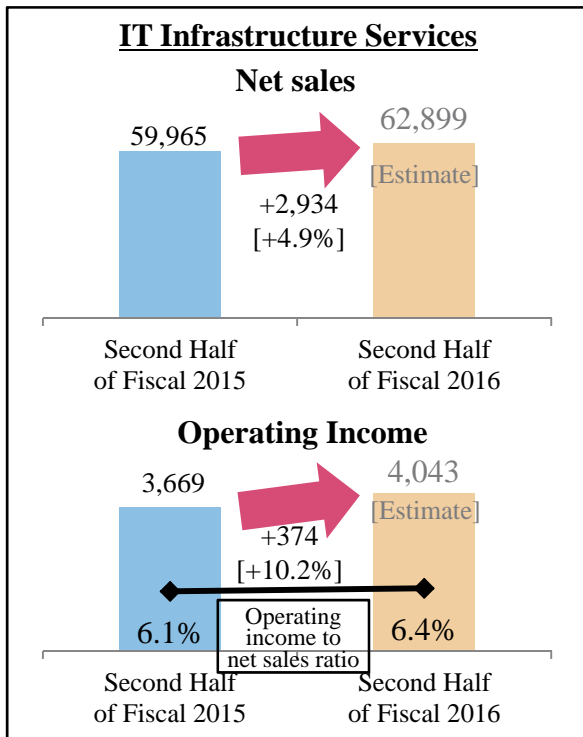
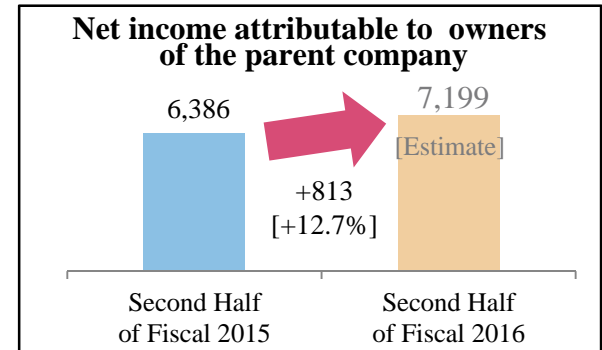
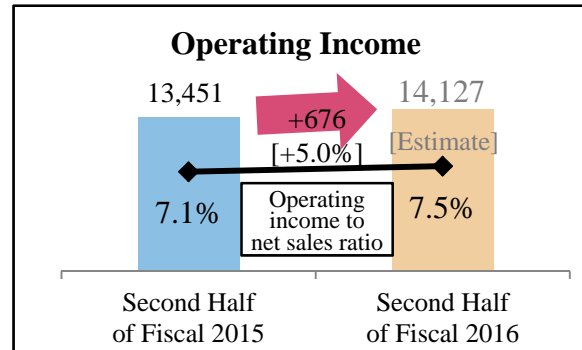
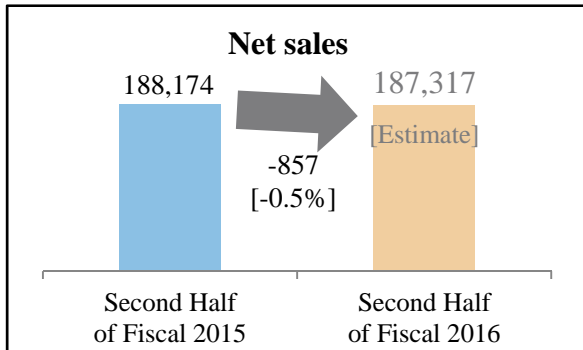
Fiscal 2016 Performance Forecast

Reference Materials



Fiscal 2016 Second Half: Key Business Segment Performances [Forecast]

(Millions of yen)



*Amounts for second-half estimates are calculated by subtracting first-half results from the annual estimates. Segment sales include intersegment sales.



IT HOLDINGS

Go Beyond

Cautionary Statements

- In these materials, IT Holdings is abbreviated ITHD.
- All statements described in these materials are based on information available to management regarding the ITHD Group—that is, ITHD and the subsidiaries under its umbrella—as of the presentation date and certain assumptions deemed reasonable at this time. No intent is implied of promise by the Company to achieve such forward-looking statements. Indeed, various factors may cause future results to be substantially different from the assumptions presented in these materials.
- Amounts for each three-month quarter are calculated by subtracting data for the respective period from the cumulative total.