February 3, 2011

(Translated from the Japanese original)

Company Name:	IT Holdings Corporation
URL:	http://www.itholdings.co.jp/e
Representative:	Susumu Okamoto, President
Stock Listing:	First Section of the Tokyo Stock Exchange
Stock Code:	3626
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Merger of Consolidated Subsidiaries (TIS, SORUN and UFIT)

At its meeting on February 3, 2011, the Board of Directors at IT Holdings (hereafter, "the Company") approved the merger of three companies—TIS, Inc. (hereafter, "TIS"), SORUN CORPORTION (hereafter, "SORUN") and UFIT Co., Ltd. (hereafter, ("UFIT")—and the Company concluded merger agreements with these subsidiaries. Details are provided below.

Please note that board of directors' meetings were also held today by the above three subsidiaries. The merger was approved and merger agreements were signed at the respective meetings. The executive teams at the four companies involved are all of the same opinion regarding the merger.

Also note that some disclosure items and related content have been omitted because the merger involves wholly owned subsidiaries.

Details

1. Purpose of Merger

As described in "Memorandum of Understanding on Merger of Consolidated Subsidiaries TIS, SORUN and UFIT," dated October 5, 2010, management seeks to reinforce corporate capabilities and improve management efficiency to successfully address the qualitative changes characterizing the operating environment and the speed at which these changes are taking place. Management sees the merger of the three subsidiaries as the next step in the reform of groupwide management structures.

2. Outline of Subsidiary Merger

(1) Schedule

October 5, 2010	Resolutions by the board of directors at each company and conclusion of memorandums of understanding on the merger.
February 3, 2011	Resolutions by the board of directors at each company and conclusion of merger agreements.
April 1, 2011 (planned)	Date of merger (effective date)

(2) Method

This will be an absorption-type merger wherein SORUN and UFIT are absorbed into TIS and dissolved, and TIS is the surviving company.

(3) Share issue and allocation

Because this is a merger among wholly owned subsidiaries of the Company, no new shares in the surviving company will be issued and no allocation of new shares in the shareholder (the Company) of the disappearing companies will be executed.

(4) Treatment of equity warrants/stock options and bonds with subscription rights

Neither SORUN nor UFIT have issued equity warrants/stock options or bonds with subscription rights.

3. Outline of Merging Subsidiaries

(As of February 3, 2011)		**Surviving company**	**Entity ceasing to exist**	**Entity ceasing to exist**
(1)	Name	TIS, Inc.	SORUN CORPORTION	UFIT Co., Ltd.
(2)	Address	11-30, Enoki-cho, Suita-shi, Osaka	11-24, Mita 3-chome, Minato-ku, Tokyo	27-8, Nishi-ku Meieki, Nagoya-shi, Aichi
(3)	Representative	Hiroaki Fujimiya, President	Masaki Chitose, President	Takahide Nishino, President
(4)	Principal line of business	Outsourcing services, software development, and solution services	Software development, information-processing services, system-related services, and sale of system equipment	System integration, sale of computer equipment
(5)	Paid-in capital	¥23,110 million	¥6,878 million	¥1,310 million
(6)	Established	April 28, 1971	June 5, 1970	July 9, 1970
(7)	Number of shares issued	45,336,787 shares	25,775,719 shares	800,000 shares
(8)	Fiscal period	March 31	March 31	March 31
(9)	Major shareholder and shareholding	IT Holdings Corporation 100％	IT Holdings Corporation 100％	IT Holdings Corporation 100％

	ratio			(note)
(10)	Most recent fiscal results			
	Fiscal year	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2010
	Net assets	¥53,026 million	¥15,750 million	¥21,085 million
	Total assets	¥93,469 million	¥25,400 million	¥26,342 million
	Net assets per share	¥1,169.62	¥604.23	¥26,357.18
	Net sales	¥89,055 million	¥39,375 million	¥39,967 million
	Operating income	¥4,391 million	¥1,358 million	¥1,595 million
	Recurring profit	¥4,726 million	¥1,148 million	¥1,750 million
	Net income	¥2,913 million	¥650 million	¥1,930 million
	Net income per share	¥64.27	¥24.82	¥2,412.92

Note: Because UFIT acquired all treasury stock except that held by the Company, the Company's shareholding ratio became 100% from 70.4%.

4. Post-Merger Status (plan)

(1)	Name	TIS, Inc.
(2)	Address	14-5, Kaigan 1-chome, Minato-ku, Tokyo
(3)	Representative	Toru Kuwano, President
(4)	Principal line of business	Outsourcing services, software development, and solution services
(5)	Paid-in capital	¥23,110 million
(6)	Fiscal period	March 31

5. Impact on Fiscal Results

During a series of procedures associated with the merger, UFIT will generate negative goodwill, paralleling the acquisition of all treasury stock except that held by the Company. Through blanket processing of this negative goodwill, the Company will post extraordinary profit of about ¥2.9 billion on the books. Management also plans to book an extraordinary loss on one-time costs stemming from merger preparations. Please refer to "Booking of Extraordinary Profit," released separately today.

Given such factors as the estimated value impact of the subsidiaries' merger and recent performance trends, management has revised its full-year outlook for the consolidated fiscal year ending March 31, 2011. For details, please refer to "Consolidated Financial Results for the First Three Quarters of the Fiscal Year ending March 31, 2011," released separately today.

References:
Revised Full-Year Forecast (consolidated) announced on February 3, 2011, and Previous Consolidated Results

(Millions of yen)

Consolidated	**Net Sales**	**Operating Income**	**Recurring Profit**	**Net Income**
Full-year forecast for the year ending March 31, 2011	328,000	12,500	12,000	5,500
Actual results for the year ended March 31, 2010	313,856	15,996	15,719	7,659

Note: The forward-looking statements which include the above full-year forecasts are based on information available to ITHD management as of the presentation date and reflect somewhat objective assumptions deemed reasonable at this time. Various factors may cause future results to be substantially different from the assumptions presented in this release.

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