



July 31, 2012

(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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### **Notice regarding Partial Assumption of Subsidiary Management Operations by INTEC through Corporate Divestiture (Simple Divestiture)**

The Board of Directors at IT Holdings (hereafter, “the Company”) resolved on July 31, 2012, that the Company would transfer some of its subsidiary management operations to INTEC Inc. (hereafter, “INTEC”), a wholly owned subsidiary, by way of corporate divestiture to INTEC (hereafter, “the Divestiture”), effective October 1, 2012. Details are provided below.

Please note that some details of disclosure have been omitted from this press release because simple divestiture of operations to a wholly owned subsidiary does not require such information.

#### **Details**

##### **1. Purpose of the Divestiture**

Since its establishment, the Company has endeavored to strengthen the IT Holdings Group and enhance management efficiency through a gradual process of realignment within the Group.

The Divestiture, under which the Company will relinquish control of IUK Inc. (hereafter, “IUK”), whose businesses are the sale of hardware and software and provision of userware services, to INTEC, is part of this process, and the Board of Directors feels that this move to consolidate IUK’s business activities under INTEC’s control will suitably enhance efficiency.

##### **2. Overview of the Divestiture**

###### **(1) Schedule**

July 31, 2012	Board of Directors’ meeting approving the Divestiture
July 31, 2012	Conclude agreement for corporate the Divestiture
October 1, 2012	Date of the Divestiture (planned effective date)

Note: Neither INTEC nor the Company are required to obtain approval of the Divestiture at a general meeting of shareholders because for the Company, the Divestiture satisfies the conditions described for a simplified corporate divestiture under Article 784, Paragraph 3 of the Company Law, and for INTEC, it satisfies the conditions described for a summary corporate divestiture under Article 796, Paragraph 1 of the same law.

- (2) Method  
The Divestiture will be based on an absorption-type corporate divestiture method, wherein the divesting company is the Company, and the succeeding company is INTEC.
- (3) Share Allocation Associated with Divestiture  
No shares of stock will be allocated because INTEC is a wholly owned subsidiary of the Company.
- (4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in the Divesting Company  
The Company has issued stock acquisition rights, but the Divestiture will not cause any changes to such rights. The Company has not issued any bonds with stock acquisition rights.
- (5) Capitalization Decrease Through the Divestiture  
No capitalization decrease will occur through the Divestiture.
- (6) Rights and Obligations Assumed by the Divesting Company  
Upon the effective date of the Divestiture, INTEC will assume the assets listed below and the associated rights and obligations that the Company holds related to management of certain operations undertaken by INTEC.
- 1) Assets of IUK stock
  - 2) Rights and obligations associated with management of IUK
  - 3) There are no employment agreements to be assumed and therefore no rights or obligations connected to employment agreements that must be assumed.
- (7) Expectations for Fulfillment of Financial Obligations  
Management at the Company, the divesting company, and at INTEC, the succeeding company, anticipate no problems in regard to fulfillment of financial obligations that come due after the effective date.

### 3. Summary of the Relevant Companies (As of March 31, 2012)

(1) Name	IT Holdings Corporation (divesting company)	INTEC Inc. (succeeding company)
(2) Head office	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo	5-5, Ushijima-shinmachi, Toyama, Toyama Prefecture
(3) Representative	Susumu Okamoto, President	Koju Takizawa President
(4) Business	Management of Group companies and related business	Software development, systems integration, networking, outsourcing and IT consulting businesses
(5) Paid-in capital	¥10,001 million	¥20,830 million
(6) Established	April 1, 2008	January 11, 1964
(7) Number of shares issued	87,789 thousand shares	48,808 thousand shares
(8) Fiscal period	March 31	March 31
(9) Major shareholders and shareholding ratio	Japan Trustee Services Bank, Ltd. 18.02% The Master Trust Bank of Japan, Ltd. 8.41% Trust & Custody Services Bank, Ltd. 3.42% Nippon Life Insurance Company 2.95% The Bank of Tokyo-Mitsubishi UFJ, Ltd. 1.88%	IT Holdings Corporation 100%

(10) Financial Status and Business Results for Most Recent Fiscal Year (March 2012)		
Net assets	¥150,965 million (Consolidated)	¥56,135 million (Nonconsolidated)
Total assets	¥310,003 million (Consolidated)	¥112,695 million (Nonconsolidated)
Net assets per share	¥1,636.72 (Consolidated)	¥1,150.12(Nonconsolidated)
Net sales	¥327,417 million (Consolidated)	¥92,920 million (Nonconsolidated)
Operating income	¥15,621 million (Consolidated)	¥3,743 million (Nonconsolidated)
Recurring profit	¥15,393 million (Consolidated)	¥3,580 million (Nonconsolidated)
Net income	¥2,135 million (Consolidated)	¥792 million (Nonconsolidated)
Net income per share	¥24.33 (Consolidated)	¥16.24 (Nonconsolidated)

#### 4. Overview of Business Division to be Divested

##### (1) Business Activities of Subject Division

Management of IUK business activities

##### (2) Business Performance of Subject Division

Net Sales ¥63 million (Fiscal year ended March 31, 2012)

##### (3) Assets and Liabilities to be Divested (As of July 31, 2012)

Assets		Liabilities	
Items	Book Value	Items	Book Value
IUK stock	¥1,058 million	Debt	—
Total	¥1,058 million	Total	—

#### 5. Company Status Following the Divestiture

The Divestiture will not result in any changes to the corporate name, business description, head office address, name and position of representatives, capitalization or fiscal period of the Company or INTEC.

#### 6. Outlook

The Divestiture will have only a minor impact on the Company's consolidated business results for fiscal 2013 because INTEC is a wholly owned subsidiary of the Company.

(Reference)

Forecast for Fiscal 2013 (announced May 10, 2012), and Fiscal 2012 Results on Consolidated Basis

	Net Sales	Operating Income	Recurring Profit	Net Income	Net Income per Share
	Million	Million	Million	Million	Yen
Current Fiscal Year, ending March 31, 2013 (forecast)	¥340,000	¥17,500	¥17,000	¥6,000	¥68.36
Previous Fiscal Year, ended March 31, 2012 (actual)	¥327,417	¥15,621	¥15,393	¥2,135	¥24.33

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