



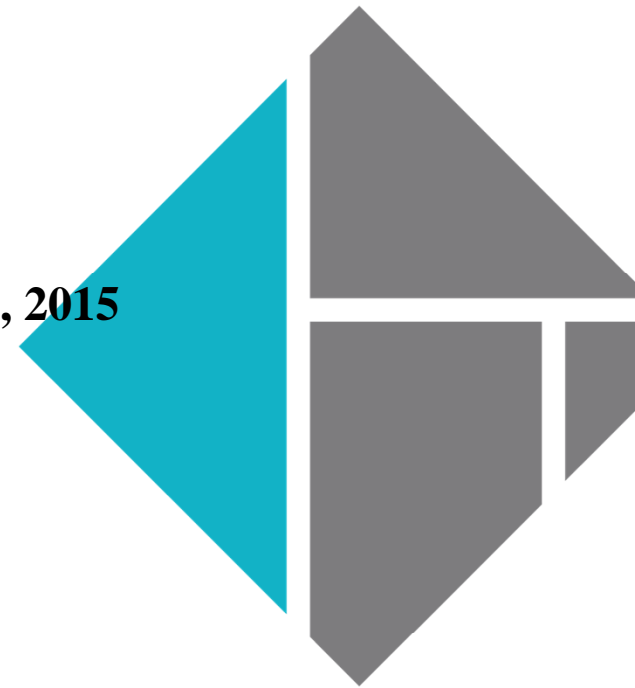
IT HOLDINGS

Go Beyond

**Information Meeting Materials
for the First Quarter of the Fiscal Year Ending March 31, 2015**

July 30, 2014

IT Holdings Corporation



Fiscal 2015 First Quarter: Financial Highlights

Fiscal 2015 Performance Forecast

Reference Materials

Fiscal 2015 First Quarter: Financial Highlights

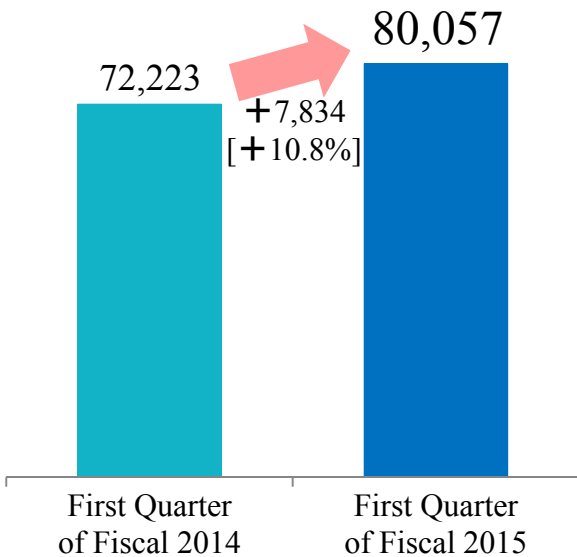
(Millions of yen)

A favorable shift in the business environment provided good conditions for year-on-year improvement in sales and income.
 ⇒ Net sales grew 10.8%, and the operating loss recorded in the first quarter of the previous fiscal year was replaced by operating income.

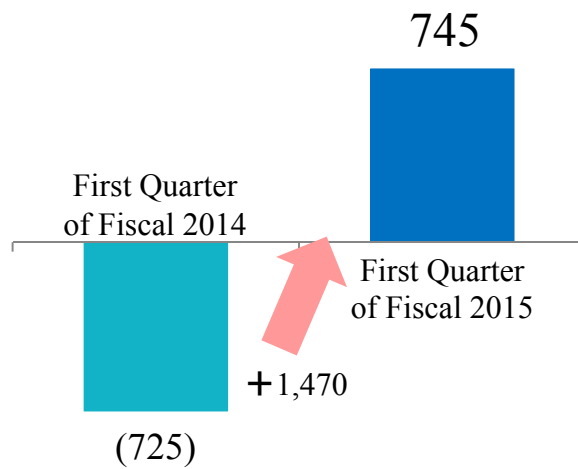
Net Sales ¥80,057 million
 YOY change : +¥ 7,834 million [+ 10.8%]

Operating Income ¥745 million
 YOY change : +¥ 1,470 million

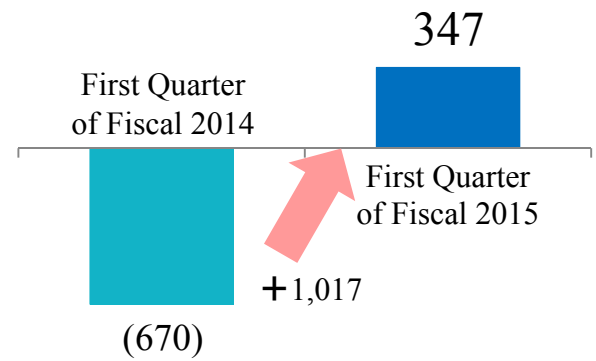
Net Income ¥347 million
 YOY change : +¥1,017 million



Sales in all three core segments grew year-on-year, buoyed by accurate identification of clients' IT investment needs and an increase in projects for which an accounting standard for work in-progress was applied, paralleling efforts to enhance project management.



The solid return to the black is largely due to a higher net sales starting point as well as an increase in projects for which an accounting standard for work in-progress was applied.

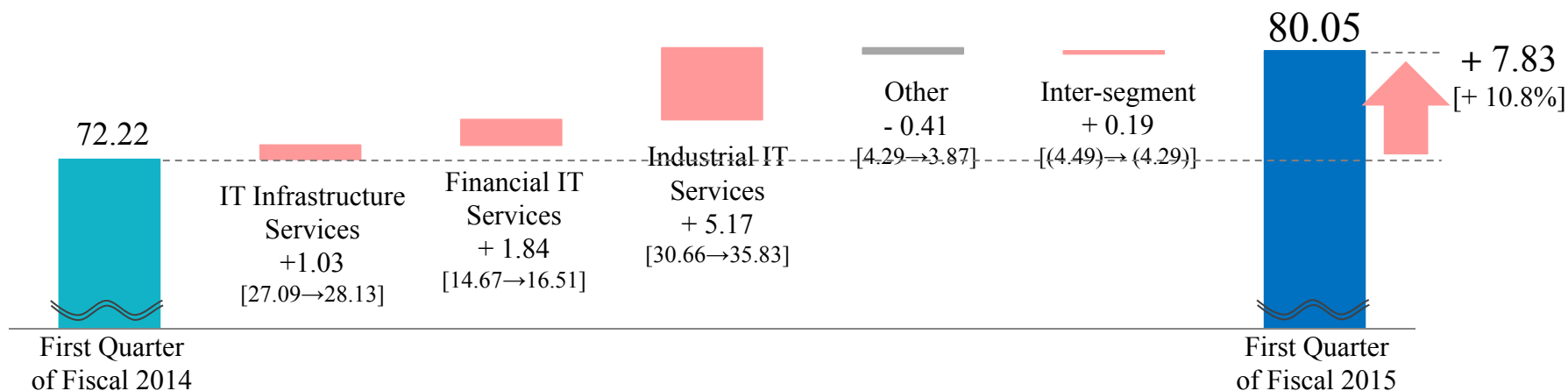


The big turnaround from net loss to net income is mainly due to higher operating income.

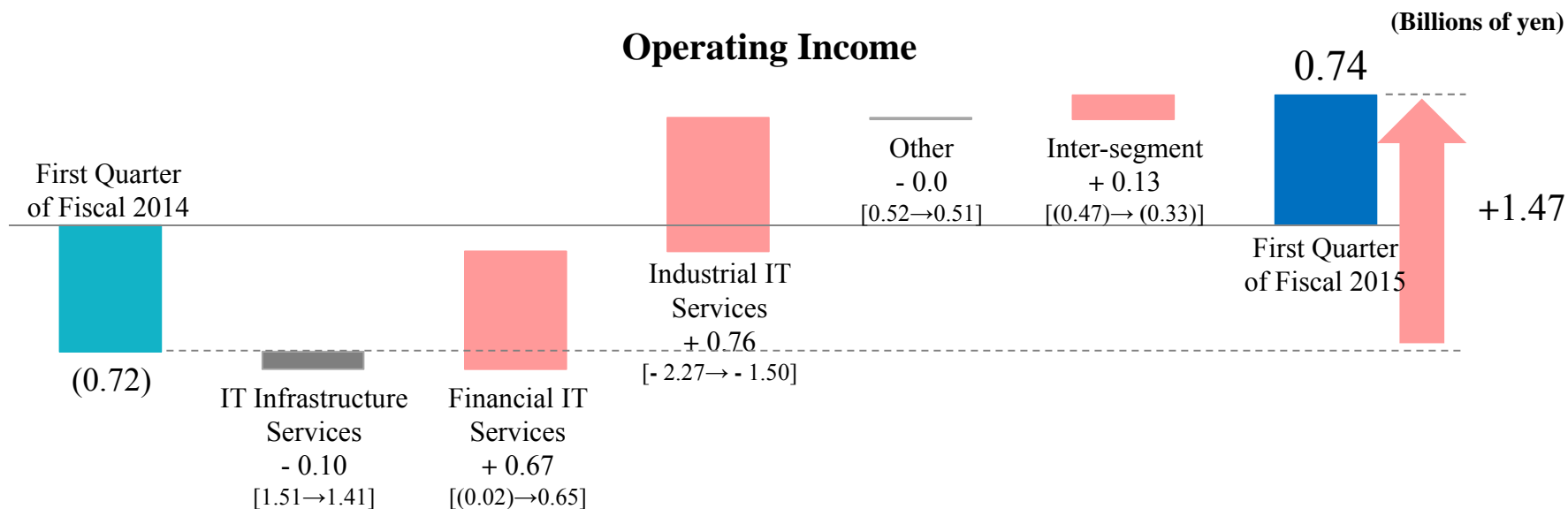
Fiscal 2015 First Quarter: Net Sales and Operating Income Analysis

(Billions of yen)

Net Sales



Operating Income

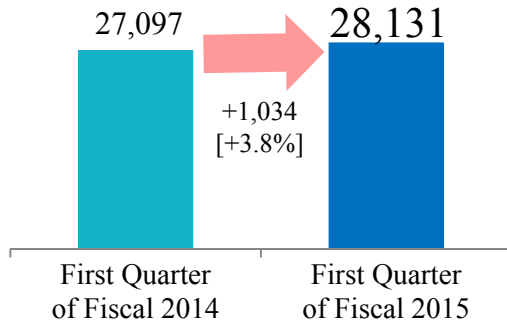


(Millions of yen)

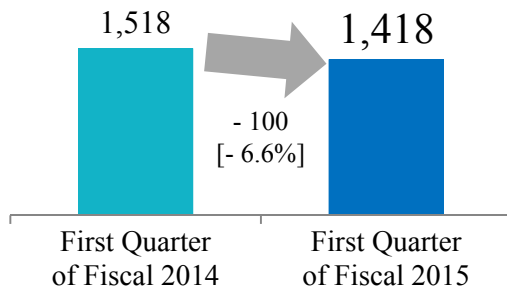
Fiscal 2015 First Quarter: Sales and Income for Key Business Segments

IT Infrastructure Services

Net Sales ¥28,131 million
YOY change : +¥1,034 million [+ 3.8%]



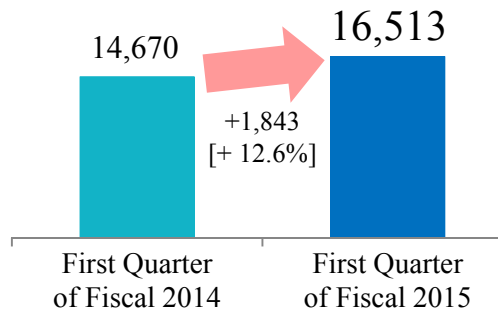
Operating Income ¥1,418 million
YOY change : - ¥100 million [- 6.6%]



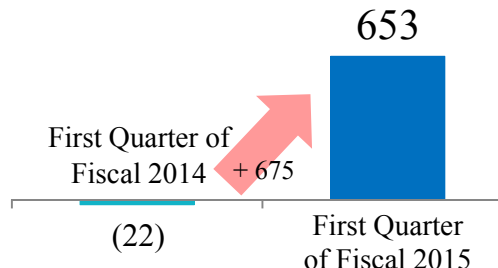
The segment recorded higher sales on brisk demand for data center services, but some existing clients scaled back, leading to a decrease in operating income.

Financial IT Services

Net Sales ¥16,513 million
YOY change : +¥1,843 million [+ 12.6%]



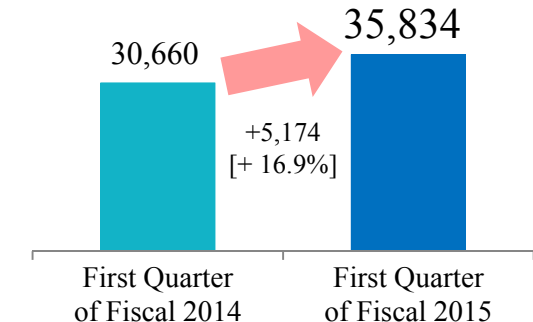
Operating Income ¥653 million
YOY change : +¥675 million



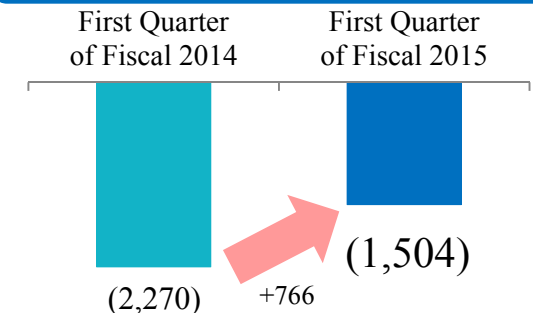
Sales and income were up, owing to wider IT investment among clients, especially credit card companies, and an increase in projects for which an accounting standard for work in process was applied.

Industrial IT Services

Net Sales ¥35,834 million
YOY change : +¥5,174 million [+ 16.9%]



Operating Income ¥(1,504) million
YOY change : +¥766 million



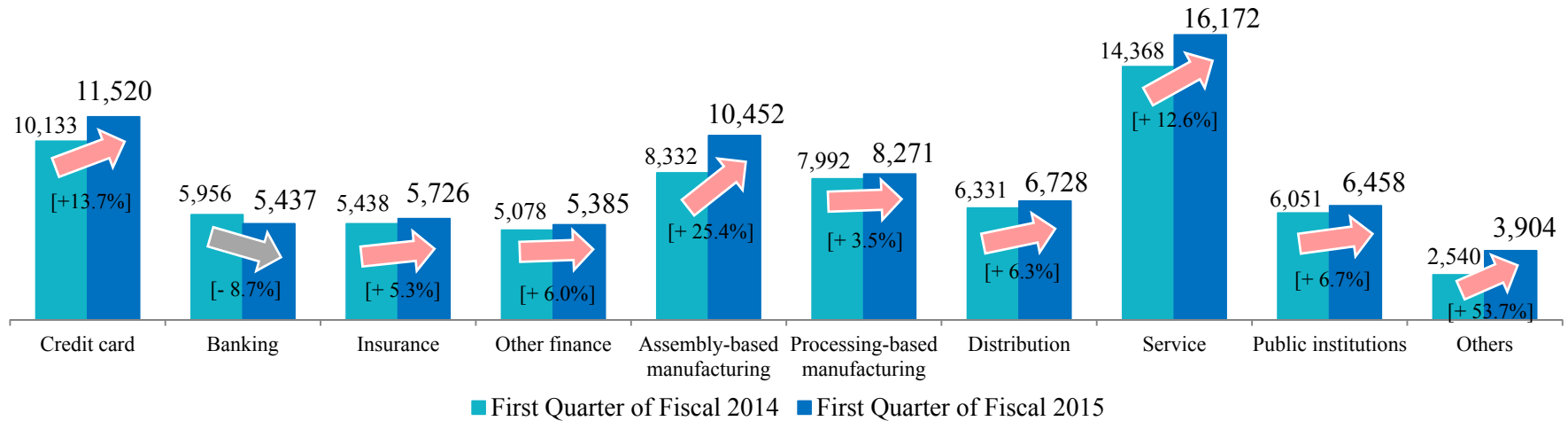
Sales and income improved, buoyed by a favorable shift in overall demand centering on clients in the manufacturing and service sectors and also by an increase in projects for which an accounting standard for work in process was applied and a decrease in the number of unprofitable projects.

*Segment sales include intersegment sales.

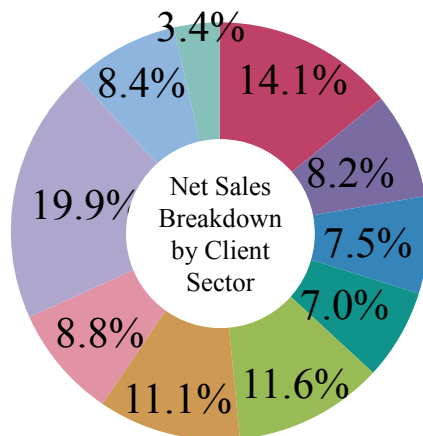
Copyright © 2014 IT Holdings Corporation All rights reserved.

Fiscal 2015 First Quarter: Sales by Client Sector

(Millions of yen)

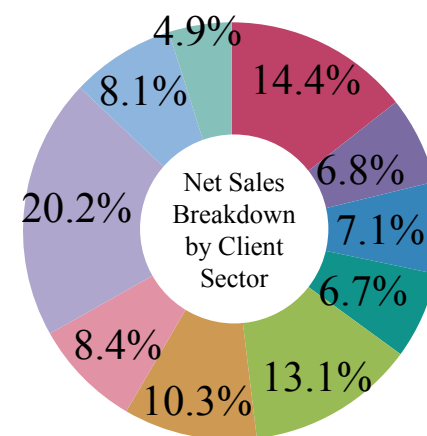


First Quarter of Fiscal 2014



Financial sector: 36.8% Industrial sector: 51.4%
 Public sector: 8.4% Other sectors: 3.4%

First Quarter of Fiscal 2015



Financial sector: 35.0% Industrial sector: 52.0%
 Public sector: 8.1% Other sectors: 4.9%

Fiscal 2015 First Quarter: Order Status

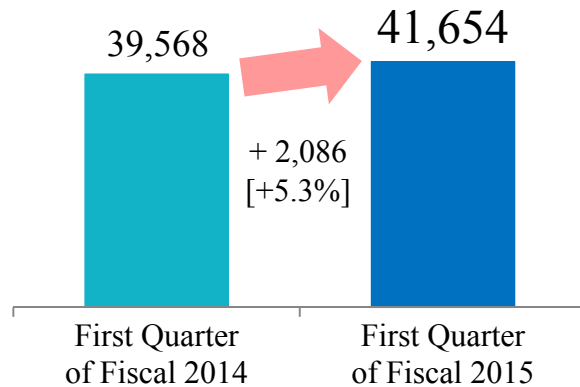
(Millions of yen)

Orders increased, driven by demand for financial IT services. Backlog decreased due to elimination as orders were transferred to the books as completed sales.

Orders received during the term

¥41,654 million

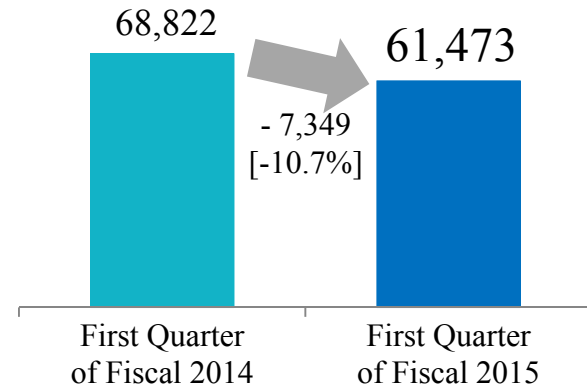
YOY change : +¥ 2,086 million [+5.3%]



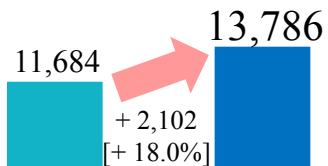
Order backlog at term-end

¥61,473 million

YOY change : -¥ 7,349 million [-10.7%]

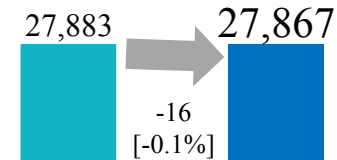


Financial IT Services



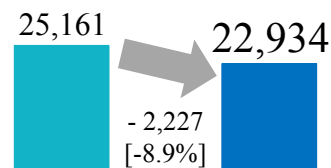
First Quarter of Fiscal 2014
First Quarter of Fiscal 2015

Industrial IT Services



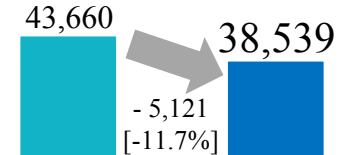
First Quarter of Fiscal 2014
First Quarter of Fiscal 2015

Financial IT Services



First Quarter of Fiscal 2014
First Quarter of Fiscal 2015

Industrial IT Services



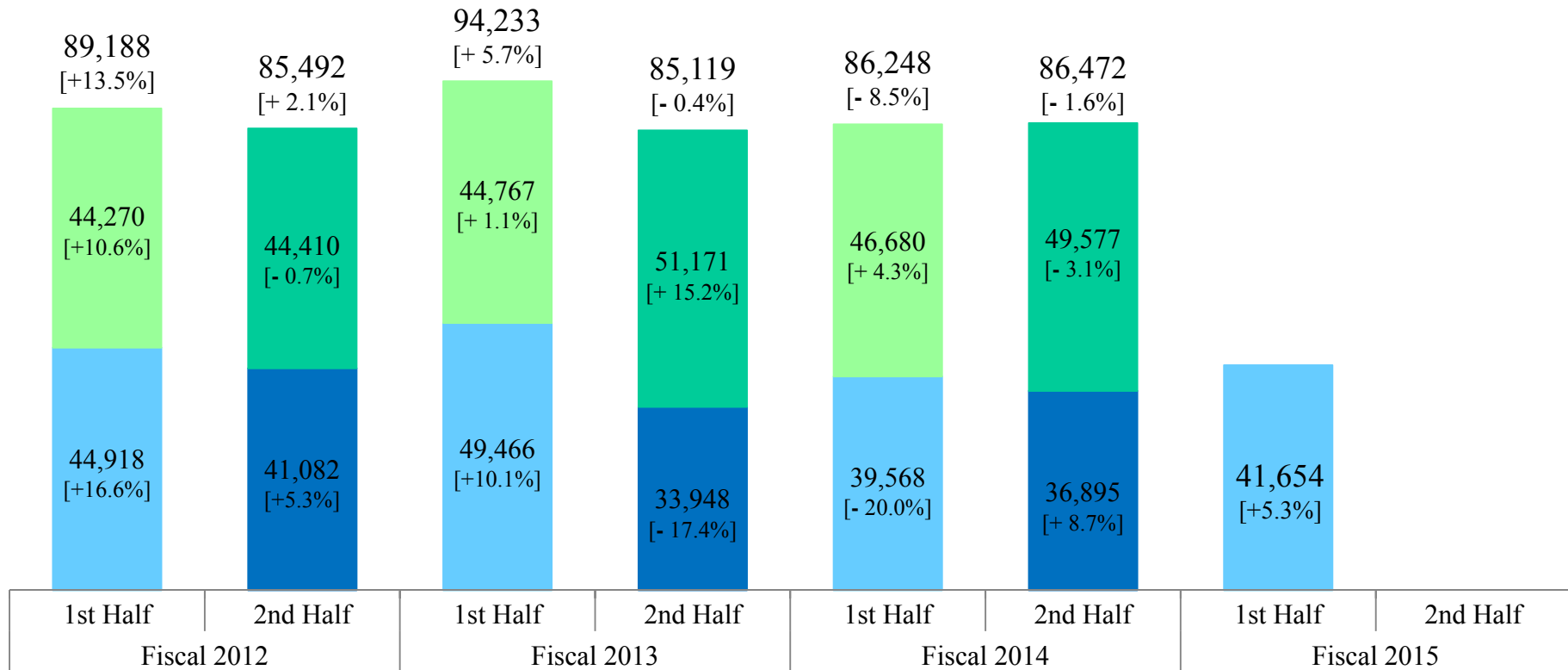
First Quarter of Fiscal 2014
First Quarter of Fiscal 2015

*Orders received during the term, and backlog at term-end apply to Software Development only.

Copyright © 2014 IT Holdings Corporation All rights reserved.

Changes in Orders Received

(Millions of yen)



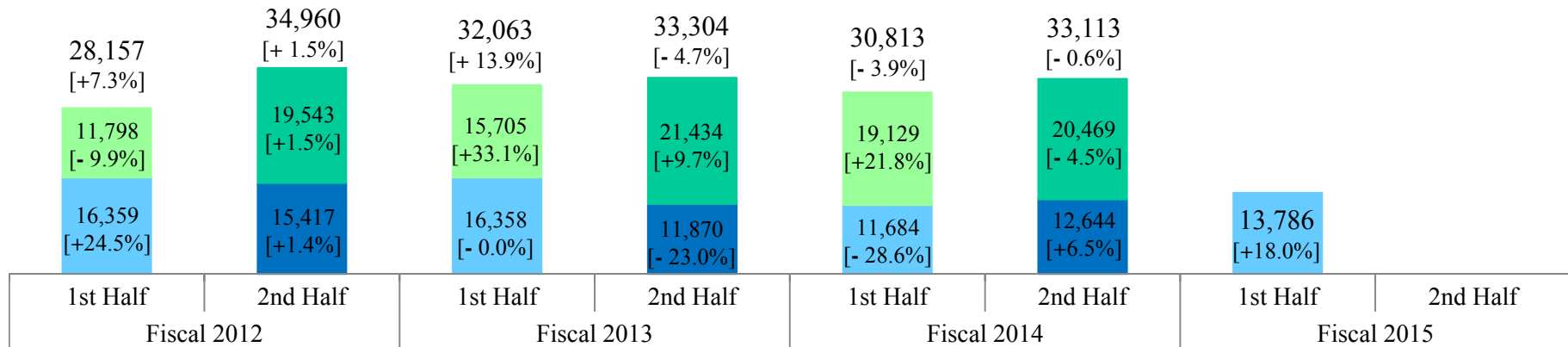
■ Second quarter ■ Fourth quarter
■ First quarter ■ Third quarter

*Orders received during the term apply to Software Development only. Percentage figures in columns indicate increase or decrease from the previous term.

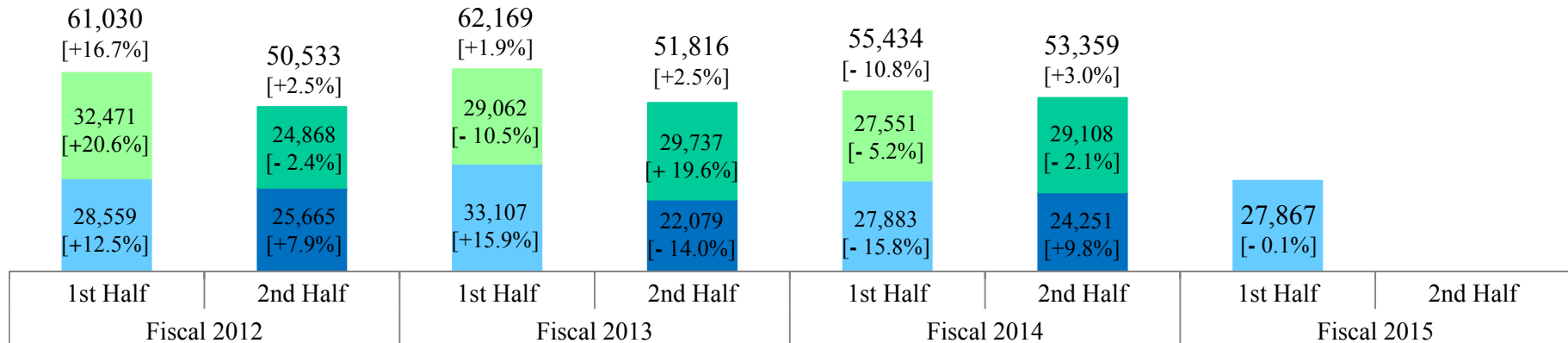
Changes in Orders Received

(Millions of yen)

Financial IT Services



Industrial IT Services



■ Second quarter ■ Fourth quarter
■ First quarter ■ Third quarter

*Orders received during the term apply to Software Development only. Percentage figures in columns indicate increase or decrease from the previous term.

Fiscal 2015 First Quarter: Financial Highlights

Fiscal 2015 Performance Forecast

Reference Materials

Fiscal 2015: Performance Forecasts

(Millions of yen)

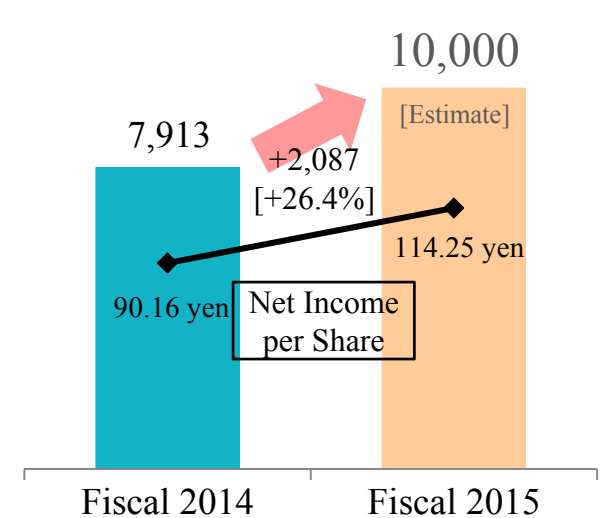
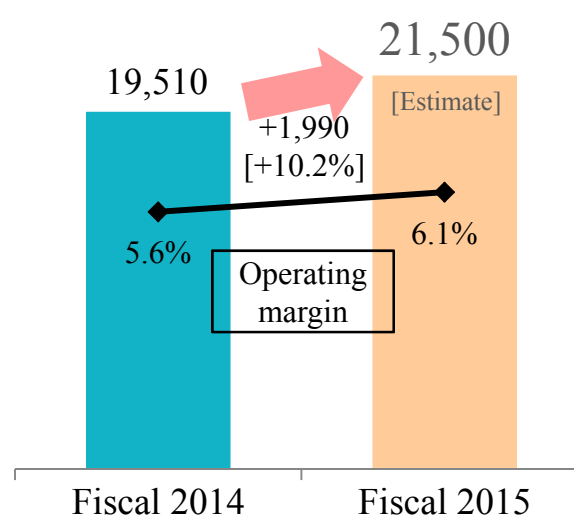
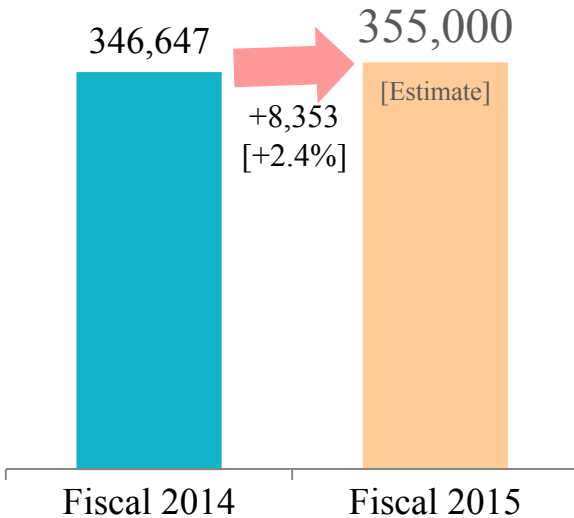
Expect year-on-year growth in net sales and income, with wider business activity fueling net sales against a backdrop of a better business environment, and enhanced productivity and efforts to prevent the occurrence of unprofitable projects underpinning income.

⇒Progress is generally in line with plans, so no changes have been made to initial targets for the year.

Net Sales ¥355,000 million
YOY change: +¥8,353 million [+2.4%]

Operating Income ¥21,500 million
YOY change: +¥1,990 million [+10.2%]

Net Income ¥10,000 million
YOY change: +¥2,087 million [+26.4%]



Emphasizing financial IT services and industrial IT services, we will expand our business reach by accurately responding to our customers' IT investment needs. This should pave the way to higher net sales.

The higher net sales starting point, along with enhanced productivity and efforts to prevent the occurrence of unprofitable projects, should lead to higher income.

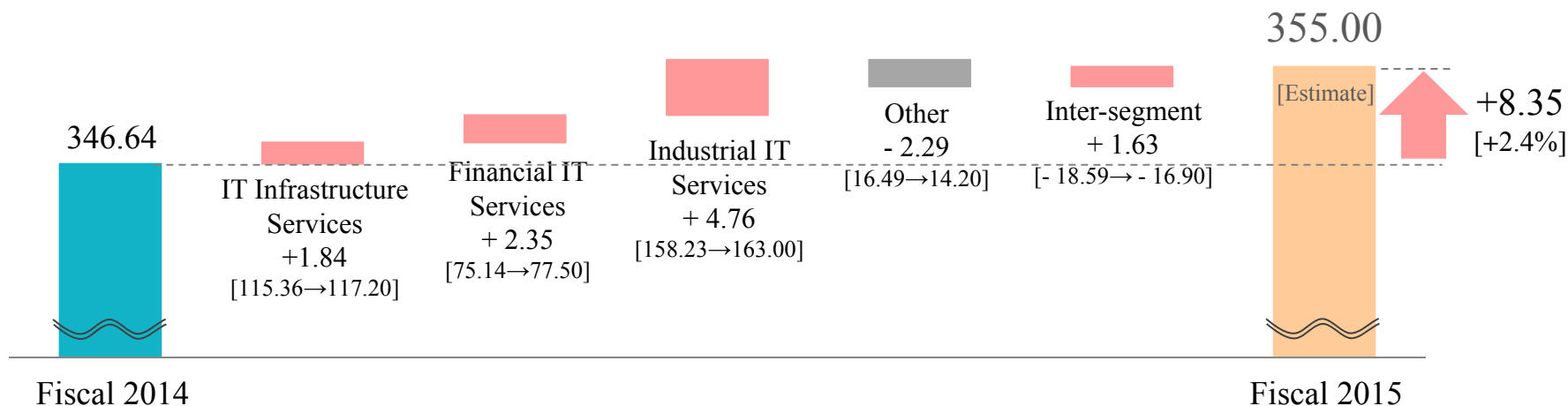
Higher operating income and lower extraordinary expenses will be key to an anticipated year-on-year increase in net income.

Fiscal 2015:

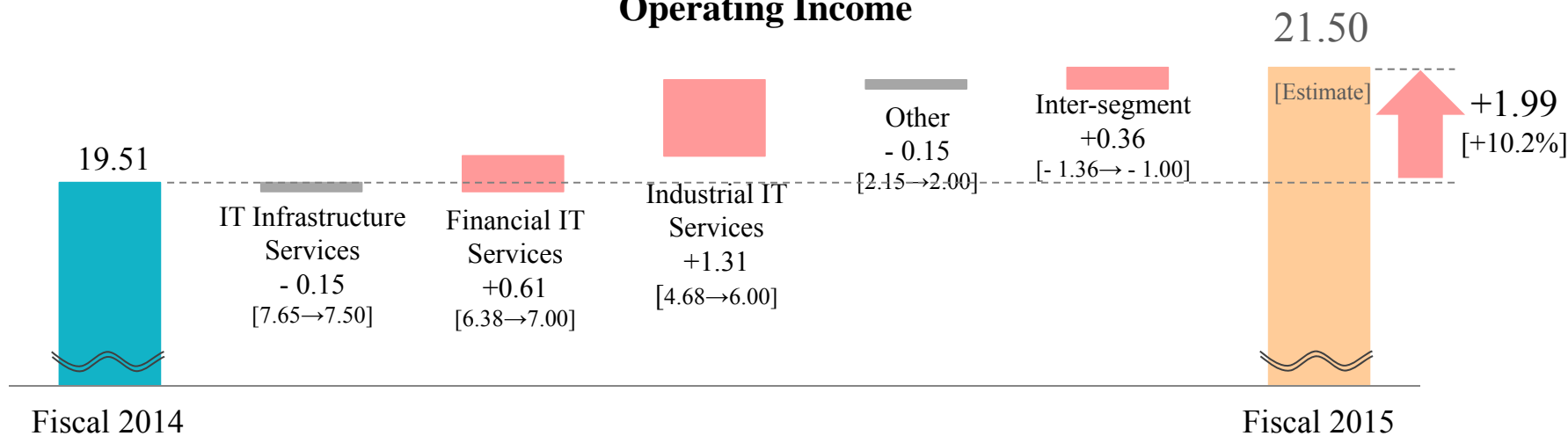
Net Sales and Operating Income Analysis [Forecast]

(Billions of yen)

Net Sales



Operating Income

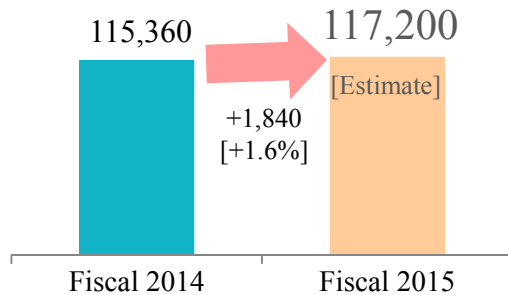


(Millions of yen)

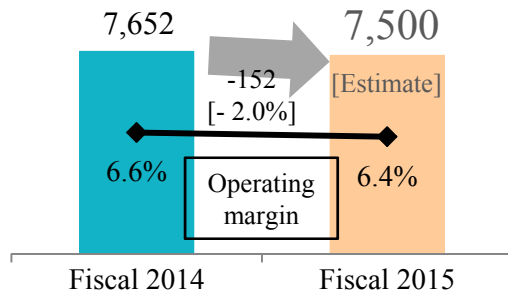
Fiscal 2015: Key Business Segment Performances [Forecast]

IT Infrastructure Services

Net Sales ¥117,200 million
YOY change: +¥1,840 million [+1.6%]



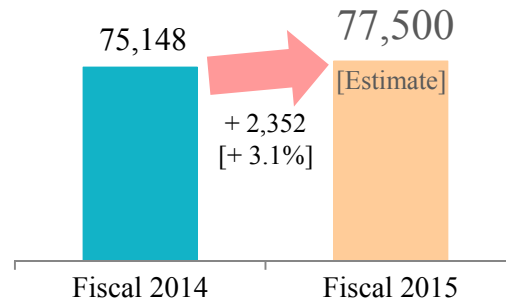
Operating Income ¥7,500 million
YOY change: -¥152 million [-2.0%]



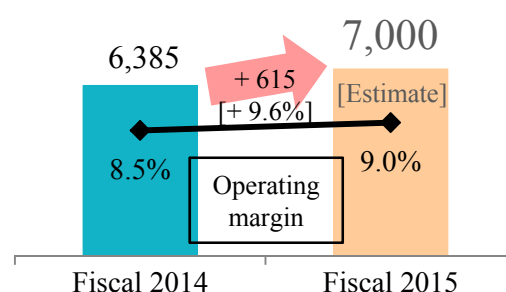
Stable demand for data center services and BPO services should push net sales above the fiscal 2013 level. But pressure, such as a higher facilities expense burden, could cause operating income to drop.

Financial IT Services

Net Sales ¥77,500 million
YOY change: +¥2,352 million [+3.1%]



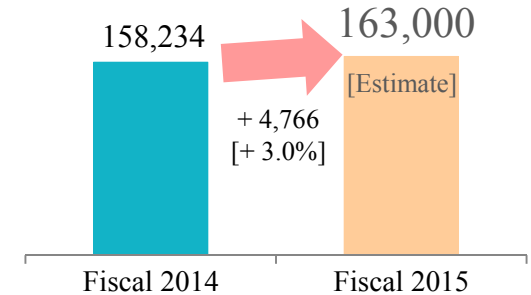
Operating Income ¥7,000 million
YOY change: +¥615 million [+9.6%]



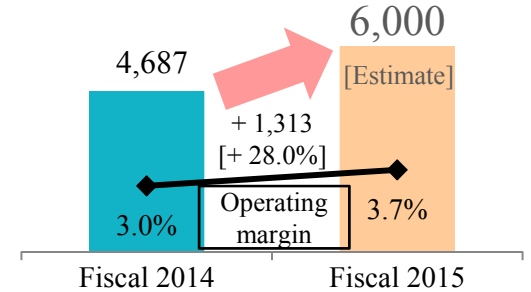
Greater IT investment to meet new demand throughout the financial sector, particularly among credit card companies, is sure to support higher segment sales and income in fiscal 2015.

Industrial IT Services

Net Sales ¥163,000 million
YOY change: +¥4,766 million [+3.0%]



Operating Income ¥6,000 million
YOY change: +¥1,313 million [+28.0%]



Efforts to expand business activities paralleling overall increase in clients' IT investment as well as measures to enhance productivity and prevent the occurrence of unprofitable projects should underpin higher segment sales and income.

*Segment sales include intersegment sales.

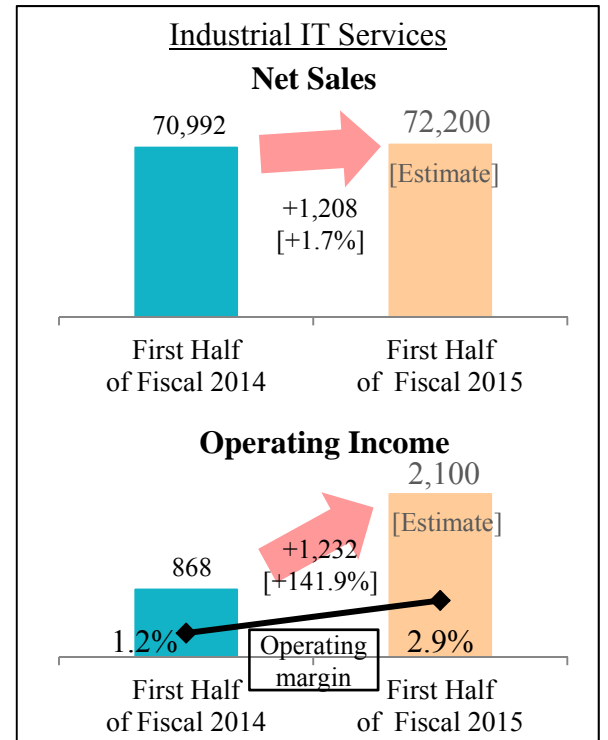
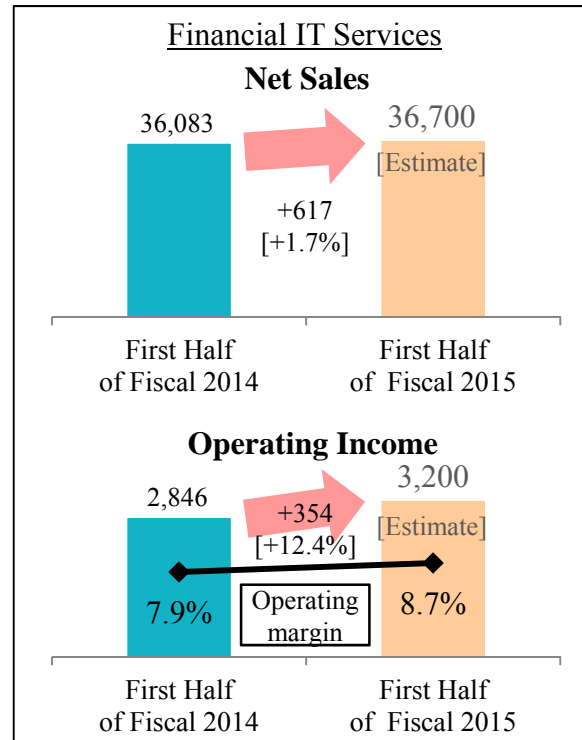
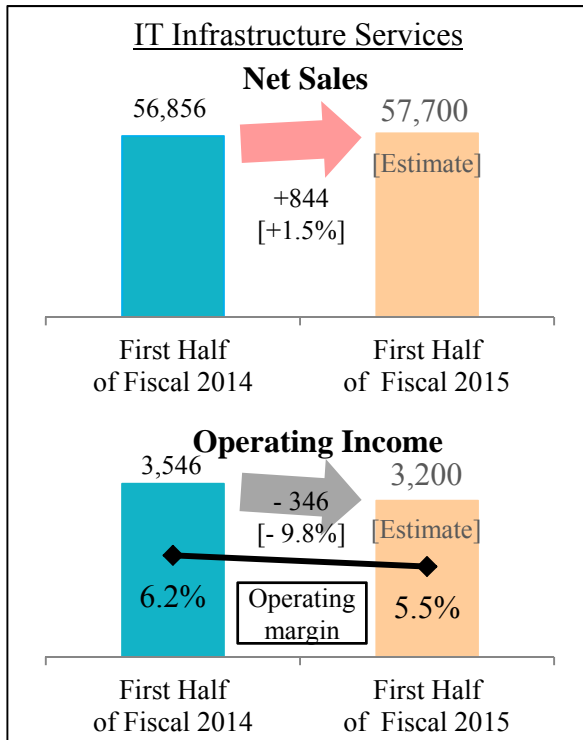
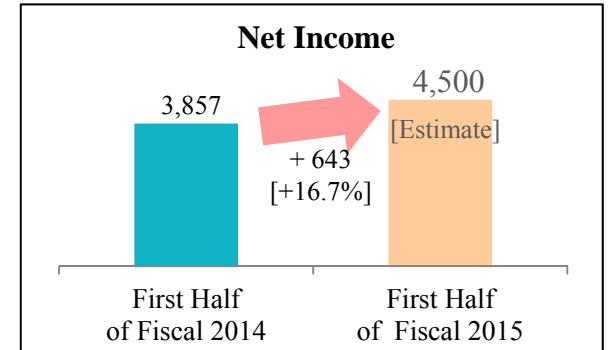
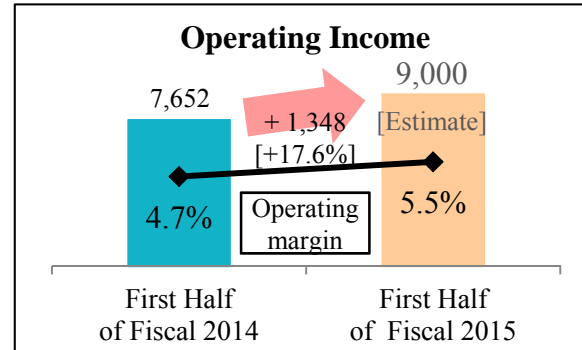
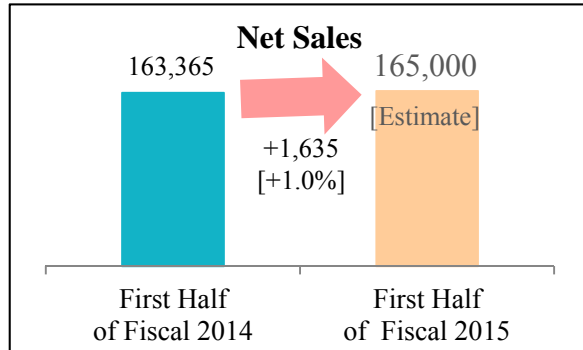
Fiscal 2015 First Quarter: Financial Highlights

Fiscal 2015 Performance Forecast

Reference Materials

(Millions of yen)

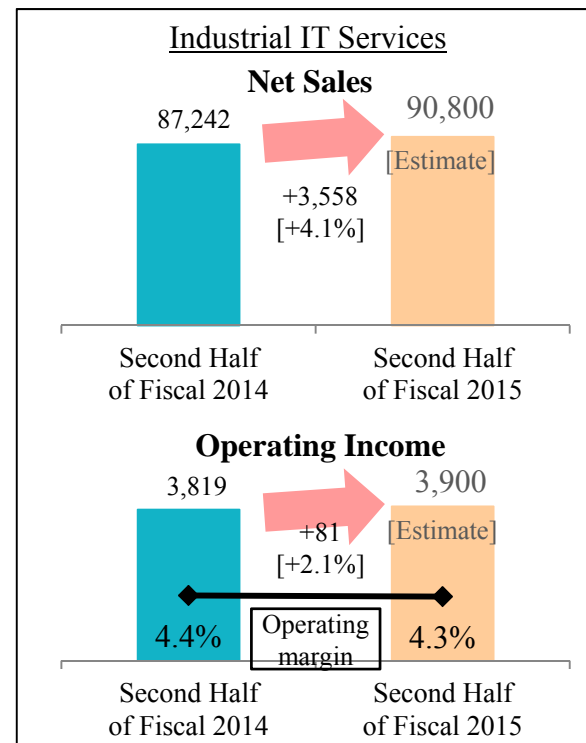
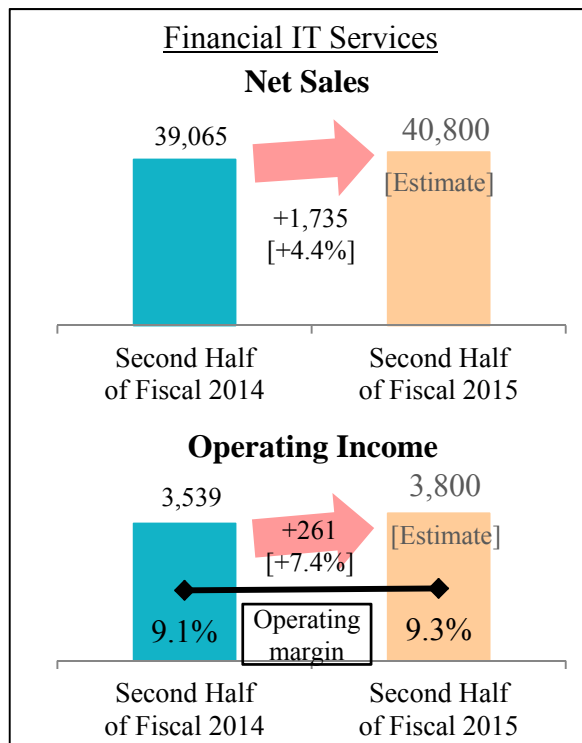
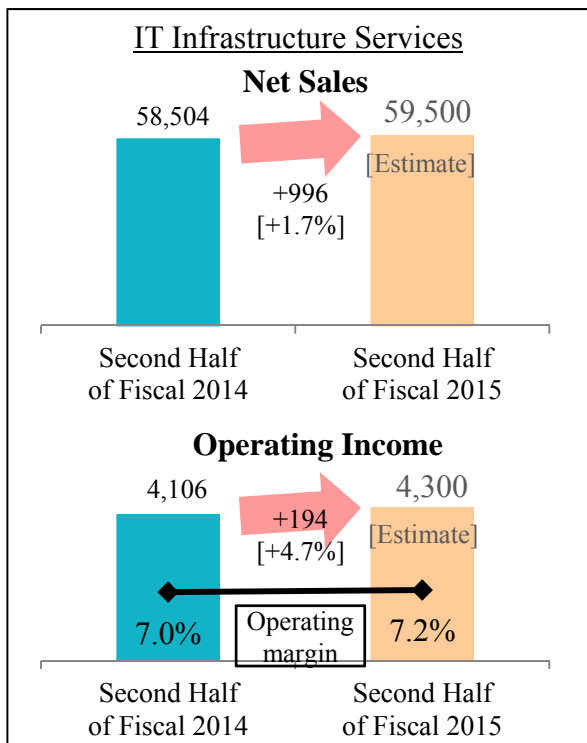
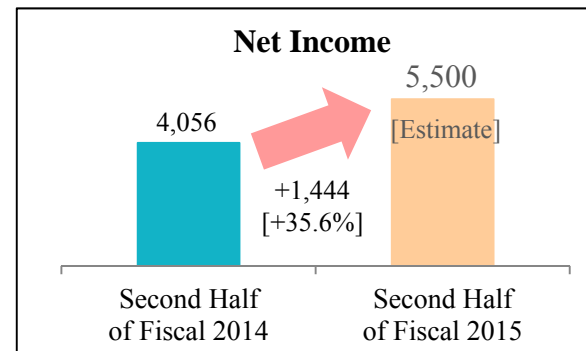
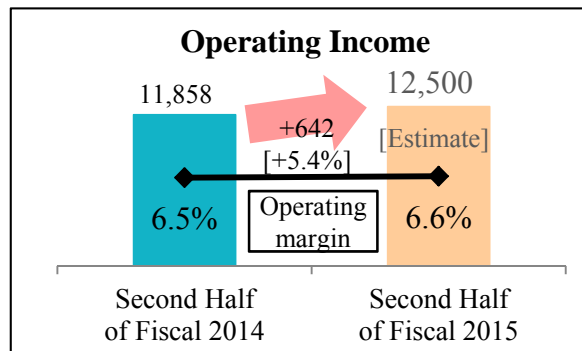
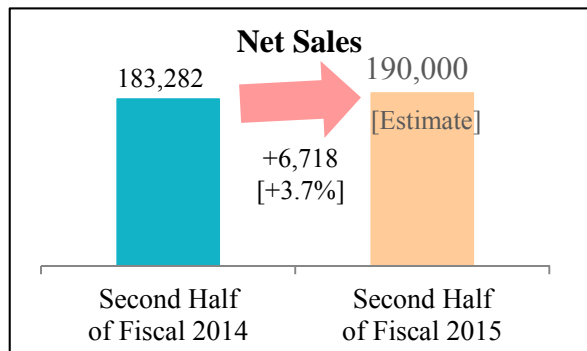
Fiscal 2015 First Quarter: Key Business Segment Performances [Forecast]



*Segment sales include intersegment sales.

Fiscal 2015 Second Quarter: Key Business Segment Performances [Forecast]

(Millions of yen)



*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.