



Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2012
(April 1, 2011 through December 31, 2011)
(Prepared pursuant to Japanese GAAP)

All financial information has been prepared in accord with accounting principles generally accepted in Japan. This is a partial English translation of the original Japanese-language document. All information pertains to consolidated results unless otherwise noted. Information on the basis of presentation of consolidated financial statements does not appear in this translation.

February 3, 2012

Company name: IT Holdings Corporation
 Stock exchange listings: The First Section of the Tokyo Stock Exchange
 Stock code: 3626
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Scheduled dates
 Submission of quarterly report: February 9, 2012
 Commencement of dividend payments: -
 Supplementary materials to the quarterly results: Available
 Quarterly results presentation: Available (targeted at institutional investors and analysts)

Figures in millions of yen are rounded down to the nearest million

1. Consolidated Results for the First Three Quarters of the Fiscal Year Ending March 31, 2012
(April 1, 2011 – December 31, 2011)

(1) Consolidated Financial Results Percentages indicate year-over-year changes

	Net sales		Operating income		Recurring profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
First Three Qtrs., FY2012	225,596	0.7	4,804	18.8	4,751	(21.3)	(3,729)	-
First Three Qtrs., FY2011	223,990	7.2	4,044	(31.7)	3,915	(32.7)	173	(92.6)

Note: Comprehensive income: First Three Qtrs., FY 2012: (5,025) million yen (- %) First Three Qtrs., FY 2011: (934) million yen (- %)

	Net income per share – basic	Net income per share – diluted
First Three Qtrs., FY2012	(42.50) yen	-
First Three Qtrs., FY2011	1.97 yen	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
End-of Third Quarter, FY2012	288,357	144,082	47.5
End of FY2011	301,076	151,110	47.7

For reference: Shareholders' equity: End of third quarter, FY2012: 136,992 million yen End of FY2011: 143,646 million yen.

2. Cash Dividends for Shareholders of Common Stock

Record date or period	Cash dividends per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
	yen	yen	yen	yen	yen
FY2011	-	12.00	-	20.00	32.00
FY2012	-	0.00	-	18.00	18.00
FY2012 (forecast)			-	18.00	18.00

Note: Revision from the latest release of dividends forecasts: None

3. Forecast of Consolidated Results for FY2012 (April 1, 2011 – March 31, 2012)

Percentages indicate year-over-year changes

	Net sales		Operating income		Recurring profit		Net income		Net income per share – basic
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Full FY 2012 (year ending Mar. 31, 2012)	325,000	0.6	14,000	9.2	13,500	6.9	2,000	(66.6)	22.79

Note: Revisions from the latest release of earnings forecasts: No

4. Other

(1) Material reclassifications of subsidiaries during the period: Yes

(Changes in specified subsidiaries resulting in change in scope of consolidation)

Additions: None: Exclusions: Two companies: SORUN Corporation, UFIT Co., Ltd.

(2) Accounting methods specific to quarterly consolidated financial statements: None

(3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement

1) Changes in accordance with amendments to accounting standards, etc.: None

2) Changes other than noted in 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Common stock issued

1) Issued shares as of period-end (including treasury stock):

End-Third Quarter, FY2012 (December 31, 2011): 87,789,098 shares

End-FY2011 (March 31, 2011): 87,789,098 shares

2) Treasury stock as of period-end:

End-Third Quarter, FY2012 (December 31, 2011): 16,598 shares

End-FY2011 (March 31, 2011): 15,385 shares

3) Average number of shares (during the respective nine-month period):

First three quarters, FY2012 (December 31, 2011): 87,773,322 shares

First three quarters, FY2011 (December 31, 2010): 87,771,992 shares

*Quarterly review status

These materials are not subject to the quarterly review procedure requirements of Japan's Financial Instruments and Exchange Act. As of this report's publication, a review of the quarterly consolidated financial statements in accordance with the Act had not been completed.

Caution on Forward-Looking Statements and Other Important Matters

This report contains forward-looking statements that reflect IT Holdings Corporation (ITHD)'s plans and expectations. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause ITHD's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

For the assumptions underlying the forecasts herein and other notice on the use of earnings forecasts, refer to "(2) Analysis of Consolidated Earnings Forecast" in the "1. Results of Operations" section on page 3 in the accompanying materials.

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1. Results of Operations

(1) Analysis of Consolidated Operating Results

In the first nine months of fiscal 2012 (year ending March 31, 2012), though there were signs of gradual recovery from the impact of the Great East Japan Earthquake, the external environment surrounding the Japanese economy continued to be volatile reflecting the fiscal and financial crisis in Europe, the appreciation of the yen and the floods in Thailand.

In the IT services industry, to which the IT Holdings Group belongs, the above downside economic risks may dampen client attitude towards IT investments, which was otherwise showing signs of steadily changing for the better.

The industry is currently facing a significant change in its environment, namely cloud computing, which could be termed as a paradigm shift.

Amid this business environment, the IT Holdings Group has set forth a management strategy for fiscal 2012 underpinned by four major initiatives: firm establishment of a new Group formation; strengthening of the Group management foundation and profit structure; top-line expansion and growth of the contract outsourcing business; and preparation for shift to services- and solutions-oriented business through new investments, which the Group is pursuing to establish a solid business platform.

The IT Holdings Group had the following consolidated results for the first nine months of fiscal 2012:

1) Net sales

Consolidated net sales rose 0.7% year on year to ¥225,596 million, as strong growth in orders in industrial IT services offset sales decline in financial IT services that have been affected by continued curbs on IT-related investment.

2) Operating income and recurring profit

Both operating income and recurring profit rose year on year, with operating income increasing by 18.8% to ¥4,804 million and recurring profit expanding 21.3% to ¥4,751 million, as the Group made thorough efforts to reduce costs while making up-front investment in next-generation data centers and as the structural reform implemented in the first half started yielding results.

3) Net loss

The Group posted a net loss of ¥3,729 million (down from a net income of ¥173 million in the previous year) due to the approximately ¥7,400 million extraordinary loss on one-time expenses related to structural reform and an approximately ¥1,000 million reversal of deferred tax assets in response to corporate tax reforms. The structural reform-related expenses consist of approximately ¥3,000 million for the Group's office relocation and consolidation and approximately ¥4,400 million for the special job transfer support program being carried out at TIS, Inc., a subsidiary, following the company-wide structural reforms.

The nine-month results by segment are as follows:

Beginning with the first quarter of fiscal 2012, the IT Holdings Group has reclassified its business into new segments based on the service type and by customer/market types, replacing the previous segmentation based on groupings of consolidated subsidiaries. Sales in each segment include inter-segment sales, and the previous year's figures have been reclassified into the new segments for comparison purposes.

1) IT Infrastructure Services

This business provides self-administered computer utility or system operation services through large IT facilities, including data centers. Consolidated sales amounted to around the same level as the previous year, declining 1.1% from the same period a year ago to ¥81,365 million. The next-generation data center business gradually took off in the past several years, compensating for sales declines in existing businesses.

Operating income declined 1.5% year on year to ¥5,469 million, as the Group strived to reduce costs while making up-front investment in the next-generation centers.

2) Financial IT Services

This business supports clients in their efforts to make greater use of IT in their operations and in the execution of their business activities with IT expertise and business know-how specific to the finance industry. Consolidated sales in the nine-month period declined 5.0% from the same period a year ago to ¥46,797 million, while operating income declined 57.9% million to ¥665 million, as the credit card industry, which accounts for a high portion of sales of the IT Holdings Group, continued to curb their IT-related investments while a major life insurer and a major bank both completed a round of investment.

3) Industrial IT Services

This business supports clients in their efforts to make greater use of IT in their operations and in the execution of their business activities with IT expertise and business know-how in areas other than finance, namely industrial and public sectors.

Consolidated sales increased 6.8% year on year to ¥99,680 million, on the back of robust growth fueled by the gradual recovery in IT investments in the process manufacturing industry and the public sector. Operating loss narrowed to ¥1,678 million compared with ¥2,512 million the previous year, and is on track to achieve the full-year target.

4) Other

This includes other incidental business generated from the provision of information systems. Consolidated sales in this segment declined 7.1% year on year to ¥11,435 million, and operating income increased 76.3% to ¥1,650 million.

The IT Holdings Group has been working on the following management issues to establish solid business platform based on the aforementioned management strategy for fiscal 2012.

1) Firm establishment of a new Group formation

On April 1, 2011, TIS, Inc. merged with SORUN Corporation and UFIT Co., Ltd. and INTEC Inc. merged with Nippon System Gijutsu Co., Ltd and INTEC Systems Institute, Inc. In addition, TIS, Inc. transferred its onsite service business to TIS Solution Link Inc. (formerly known as CST Inc.) on October 1, 2011 and AJS Inc. merged with AJS Software Co., Ltd. Furthermore, two system operation service providers TIS System Service Inc. and System Support Inc. will undergo a merger on April 1, 2012.

2) Strengthening of the Group management foundation and profit structure

The IT Holdings Group is making concerted efforts to reduce unprofitable projects that affected profits in the previous fiscal year, and these efforts have started bearing fruits at companies such as INTEC Inc.

The IT Holding Group is currently in the process of relocating the business bases of nine companies in the Tokyo area including IT Holdings to Shinjuku-ku, Tokyo so as to enhance co-operation between the companies and strengthen group governance. The initiative is expected to enable cost savings of approximately 900 million yen per year in rents from the next fiscal year.

The special job transfer support program at TIS, Inc. following the company-wide structural reform has been carried out based on the judgment that a comprehensive overhaul of the personnel structure and work assignment is essential for the early improvement of business performance and maximization of merger synergies, which are the company's top management priorities following the merger with SORUN Corporation and UFIT Co., Ltd. in April 2011.

3) Top-line expansion and growth of the contract outsourcing business

In the past several years, the IT Holdings Group has started operating next-generation data centers including GDC Gotenyama and INTEC Manyo Square. The Group believes that these data centers will not only add further values for customers' businesses but also contribute to society by acting as BCP centers in the event of large-scale disasters.

4) Preparation for shift to services- and solutions-oriented business through new investments

Qualica Inc. has developed and is marketing solutions such as cloud-compatible production control system AToMsQube and sales support system for the food service industry TastyQube. Besides Japan, these products have been receiving significant attention and winning many orders from China.

(2) Analysis of Consolidated Earnings Forecast

Since consolidated sales, operating income and net income are generally in line with the forecast reflecting the strong trend in orders, IT Holdings is not revising the consolidated estimates for the period at this stage, but the Group's sales and profits will be significantly affected by the situation in the fourth quarter. Therefore, in the event of any instability in the external environment or impact of tax revisions not accounted for in the original plan, the Group will revise its forecast and make an announcement immediately.

2. Other Information

(1) Changes affecting the status of significant subsidiaries during the period (scope of consolidation)

Consolidated subsidiaries SORUN Corporation and UFIT Co., Ltd. were absorbed into consolidated subsidiary TIS, Inc. through an absorption-type merger on April 1, 2011, and therefore they are no longer under the scope of consolidation.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

Items	As of Mar. 31, 2011	As of Dec. 31, 2011
	millions of yen	millions of yen
Assets		
Current assets		
Cash and deposits	36,729	31,568
Notes and accounts receivable	59,040	40,323
Lease receivables and lease investment assets	8,710	8,596
Marketable securities	301	249
Merchandise and finished goods	2,295	4,629
Work in process	6,554	14,760
Raw materials and supplies	197	201
Deferred tax assets	7,741	5,508
Other current assets	7,085	8,823
Allowance for doubtful accounts	(199)	(126)
Total current assets	128,455	114,535
Fixed assets		
Property and equipment		
Buildings and structures, net	60,230	58,693
Machinery and equipment, net	5,009	4,252
Land	22,468	22,266
Leased assets, net	2,539	3,576
Other property and equipment, net	5,209	6,179
Total property and equipment	95,457	94,968
Intangible assets		
Goodwill	5,516	3,889
Other intangible assets	13,073	13,935
Total intangible assets	18,589	17,825
Investments and other assets		
Investment securities	31,794	29,665
Deferred tax assets	8,115	11,860
Other assets	20,995	21,692
Allowance for doubtful accounts	(2,331)	(2,190)
Total investments and other assets	58,573	61,028
Total fixed assets	172,620	173,822
Total assets	301,076	288,357

Items	As of Mar. 31, 2011	As of Dec. 31, 2011
	millions of yen	millions of yen
Liabilities		
Current liabilities		
Notes and accounts payable	14,944	12,650
Short-term borrowings	14,800	22,387
Corporate bonds (redeemed within one year)	7,500	7,600
Income taxes payable	3,401	620
Accrued bonuses to directors and employees	11,041	5,679
Other allowances	464	84
Other current liabilities	20,938	25,160
Total current liabilities	73,090	74,182
Non-current liabilities		
Corporate bonds	100	—
Long-term debt	55,054	47,808
Lease obligations	3,981	4,438
Accrued retirement benefits to employees	11,509	12,224
Accrued retirement benefits to directors	244	219
Deferred tax liabilities	674	524
Deferred tax liabilities from revaluation of land	993	869
Other non-current liabilities	4,317	4,007
Total non-current liabilities	76,875	70,093
Total liabilities	149,965	144,275
Net assets		
Shareholders' equity		
Common stock	10,001	10,001
Additional paid-in capital	86,788	86,788
Retained earnings	47,298	41,808
Less treasury stock, at cost	(24)	(25)
Total shareholders' equity	144,062	138,572
Accumulated other comprehensive income		
Net unrealized gains on marketable securities	1,729	506
Revaluation of land	(1,841)	(1,718)
Foreign currency translation adjustments	(303)	(367)
Total accumulated other comprehensive income	(415)	(1,579)
Stock acquisition rights	29	38
Minority interests	7,434	7,051
Total net assets	151,110	144,082
Total liabilities and net assets	301,076	288,357

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

Items	First Three Qtrs., FY2011 (Apr. 1 – Dec. 31, 2010)	First Three Qtrs., FY2012 (Apr. 1 – Dec. 31, 2011)
	millions of yen	millions of yen
Net sales	223,990	225,596
Cost of sales	183,225	187,084
Gross profit	40,764	38,511
Selling, general and administrative expenses	36,720	33,706
Operating income	4,044	4,804
Non-operating income		
Interest income	26	24
Dividends income	531	513
Other	629	687
Total non-operating income	1,187	1,225
Non-operating expenses		
Interest expenses	754	691
Equity in losses of non-consolidated subsidiaries and affiliates	69	145
Other	492	440
Total non-operating expenses	1,315	1,278
Recurring profit	3,915	4,751
Extraordinary income		
Gain on sale of investment securities	1,397	420
Other	103	102
Total extraordinary income	1,501	523
Extraordinary loss		
Restructuring costs	—	7,377
Effect of adoption of new accounting standards for asset retirement obligations	2,199	—
Other	1,162	1,102
Total extraordinary loss	3,361	8,479
Income (loss) before income taxes and minority interests	2,055	(3,204)
Income taxes: current	1,409	1,234
Income taxes: deferred	573	(603)
Total income taxes	1,983	631
Income (loss) before minority interests	72	(3,836)
Minority interests in loss of consolidated subsidiaries	(101)	(106)
Net income (loss)	173	(3,729)

Consolidated Statements of Comprehensive Income

Items	First Three Qtrs., FY2011 (Apr. 1 – Dec. 31, 2010)	First Three Qtrs., FY2012 (Apr. 1 – Dec. 31, 2011)
	millions of yen	millions of yen
Income (loss) before minority interests	72	(3,836)
Other comprehensive income		
Net unrealized gains on other securities	(878)	(1,234)
Revaluation reserve for land	—	123
Foreign currency translation adjustments	(125)	(72)
Share of other comprehensive income of associates accounted for using the equity method	(2)	(5)
Total other comprehensive income	(1,006)	(1,189)
Comprehensive income	(934)	(5,025)
Components:		
Comprehensive income attributable to owners of the parent	(569)	(4,893)
Comprehensive income attributable to minority interests	(364)	(131)

(3) Note on the Going-concern Assumption

Not applicable

(4) Note on Significant Changes in the Amount of Shareholders' Equity

Not applicable