IT Holdings

Information Meeting Materials for the First Two Quarters of the Fiscal Year ending March 31, 2010

- Two-quarter performance summary
- Full-year forecasts
- Update on business activities

IT Holdings Corporation

November 11, 2009

Two-Quarter Performance Summary

IT Holdings

Consolidated Operating Results

(Millions of yen)

IT Holdings	First Two Quarters of Fiscal 2010	YOY change		Comparison: Actual Results to Fiscal 2010 estimate	
Net sales	146,954	(16,472)	(10.1)%	(2,046)	(1.4)%
Operating income	5,805	(3,595)	(38.2)%	805	16.1%
Recurring profit	5,792	(3,687)	(38.9)%	992	20.7%
Net income	3,207	(1,284)	(28.6)%	707	28.3%

- **Net sales** : **With no rally in business sentiment, the Group encountered a difficult operating environment, highlighted by intense competition, which paralleled sluggish demand for IT services and a growing trend among existing and potential clients to be more selective in executing investment plans. These conditions led to a year-on-year drop in net sales.**

- **Operating income** : **Operating income fell year-on-year, not only because of the lower net sales starting point but also because of higher business-related expenses, reflecting tighter personnel availability and wider efforts to reinforce proposal activities. However, measures to control operating costs and get the most out of outsourcing budgets were successful, pushing operating income above the revised estimate announced on August 11, 2009.**

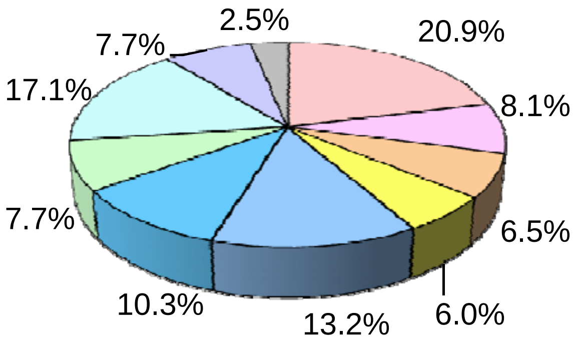
Two-Quarter Performance Summary: IT Holdings (Consolidated)

(Millions of yen)

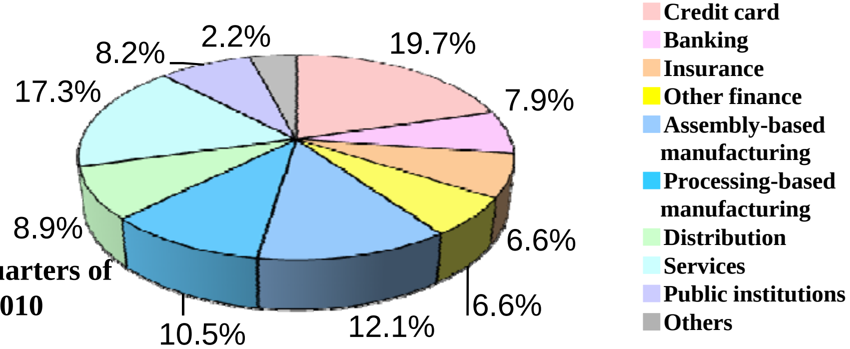
IT Holdings	First Two Quarters of Fiscal 2009	First Two Quarters of Fiscal 2010	YOY change	Fiscal 2009 estimate (announced on August 11, 2009)	Difference from Fiscal 2010 estimate
Net sales	163,426	146,954	(10.1)% (16,472)	149,000	(1.4)% (2,046)
Outsourcing and network	37.2% 60,794	41.9% 61,623	1.4% 829	40.9% 61,000	1.0% 623
Software development	50.2% 82,000	47.9% 70,308	(14.3)% (11,692)	48.3% 72,000	(2.4)% (1,692)
Solution services	9.1% 14,914	8.0% 11,798	(20.9)% (3,116)	8.4% 12,500	(5.6)% (702)
Other business	3.5% 5,717	2.2% 3,224	(43.6)% (2,493)	2.3% 3,500	(7.9)% (276)
Operating income	5.8% 9,400	4.0% 5,805	(38.2)% (3,595)	3.4% 5,000	16.1% 805
Recurring profit	5.8% 9,479	3.9% 5,792	(38.9)% (3,687)	3.2% 4,800	20.7% 992
Net income	2.7% 4,491	2.2% 3,207	(28.6)% (1,284)	1.7% 2,500	28.3% 707

Note: Revenues from leasing operations are included under other business. The amount for the six months ended September 30, 2008, was booked according to old accounting standards for leasing operations, wherein leasing transactions with transferred ownership is written off on a gross basis, while the amount for the six months ended September 30, 2009, was booked according to new accounting standards.

Net Sales by Business Segment (%)



First Two Quarters of Fiscal 2009



First Two Quarters of Fiscal 2010

• Outsourcing and network	:	Sales were up year-on-year, boosted by stable results from well-established operations and inclusion of sales from new Group member Nexway.
• Software development	:	Sales were down year-on-year, mainly because large-scale projects wrapped up in the previous fiscal year and pressure on clients to restrict investments limited the number of new orders placed with companies under the IT Holdings umbrella.
• Solution services	:	Sales were down year-on-year, as the recession trimmed demand for hardware.

Two-Quarter Performance Summary: TIS (Consolidated)

IT Holdings

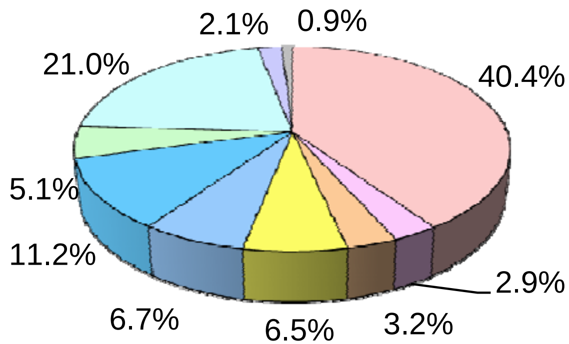
(Millions of yen)

TIS (Consolidated)	First Two Quarters of Fiscal 2009	First Two Quarters of Fiscal 2010	YOY change	Fiscal 2009 estimate (announced on August 11, 2009)	Difference from Fiscal 2010 estimate
Net sales	55,659	44,472	(20.1)% (11,187)	45,700	(2.7)% (1,228)
Outsourcing and network	32.0% 17,819	38.1% 16,950	(4.9)% (869)	37.2% 17,000	(0.3)% (50)
Software development	57.5% 31,989	51.0% 22,692	(29.1)% (9,297)	50.8% 23,200	(2.2)% (508)
Solution services	10.5% 5,850	10.9% 4,830	(17.4)% (1,020)	12.0% 5,500	(12.2)% (670)
Operating income	3.9% 2,180	4.6% 2,024	(7.2)% (156)	3.0% 1,350	49.9% 674
Recurring profit	5.5% 3,063	5.1% 2,262	(26.2)% (801)	3.0% 1,350	67.6% 912
Net income	3.8% 2,105	3.1% 1,368	(35.0)% (737)	2.2% 1,010	35.4% 358

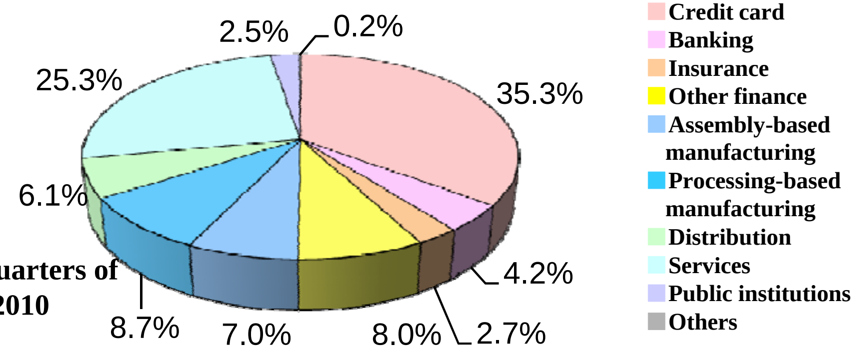
Note: Following the October 2008 realignment of the Group, TIS' scope of consolidation changed to include the results of the parent and four subsidiaries (TIS System Service, TIS R&D Center, TISI (Shanghai), and Tianjin TIS Hi-tech Information System Service). All the figures in the table above are post-realignment consolidated amounts.

Net Sales by Business Segment (%)

Parent-only calculation



First Two Quarters of Fiscal 2009



First Two Quarters of Fiscal 2010

TIS recorded a year-on-year decrease in net sales for the first two quarters of fiscal 2010, largely because large-scale projects wrapped up in the previous fiscal year and shrinking IT investment made it more difficult to win orders for new software development projects.
On the profit front, efforts to curb expenses and thereby offset the impact of lower net sales and rising business-related costs were good enough to hold operating income close to the level posted in the corresponding period a year ago. All profit categories exceeded the revised forecasts announced on August 11, 2009.

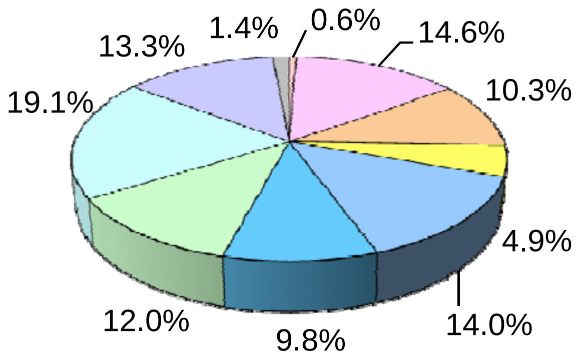
Two-Quarter Performance Summary: INTEC

IT Holdings

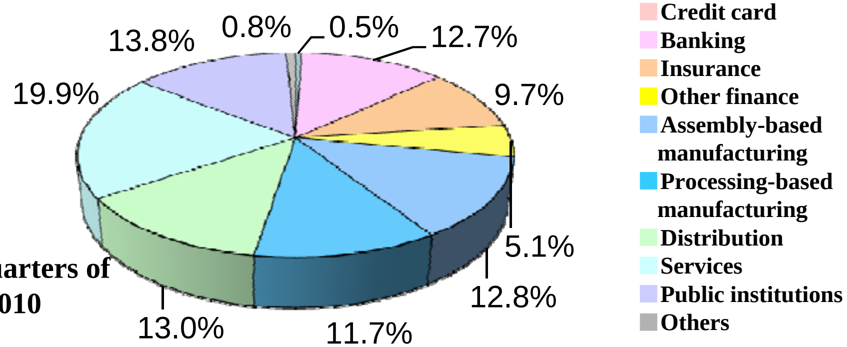
(Millions of yen)

INTEC		First Two Quarters of Fiscal 2009	First Two Quarters of Fiscal 2010	YOY change	Fiscal 2009 estimate (announced on August 11, 2009)	Difference from Fiscal 2010 estimate
Net sales		45,034	43,169	(4.1)% (1,865)	43,000	0.4% 169
	Outsourcing and network	34.4% 15,497	33.6% 14,501	(6.4)% (996)	34.4% 14,800	(2.0)% (299)
	Software development	56.5% 25,441	55.7% 24,044	(5.5)% (1,397)	56.3% 24,200	(0.6)% (156)
	Solution services	9.1% 4,095	10.7% 4,623	12.9% 528	9.3% 4,000	15.6% 623
Operating income		5.6% 2,544	4.1% 1,769	(30.5)% (775)	4.0% 1,700	4.1% 69
Recurring profit		4.8% 2,176	3.2% 1,393	(36.0)% (783)	3.0% 1,300	7.2% 93
Net income		1.9% 859	1.7% 736	(14.3)% (123)	2.0% 840	(12.4)% (104)

Net Sales by Business Segment (%)



First Two Quarters of Fiscal 2009



First Two Quarters of Fiscal 2010

INTEC showed a year-on-year decrease in net sales, mainly because software development projects for large corporate clients wrapped up and tighter investment budgets trimmed the scale of new projects secured by the company.
Profit levels were eroded by the lower net sales starting point and higher business-related costs, but efforts to reduce expenses, helped keep profits in line with revised forecasts announced on August 11, 2009.

Two-Quarter Performance Summary: UFIT, Agrex, Qualica, AJS

UFIT Co., Ltd.

IT Holdings holds 70.4% equity. Particularly strong in services for credit card and consumer finance companies. Focuses on outsourcing services.

■ Fiscal 2010 Two-Quarter Results

- Slight increase in net sales, reflecting integration projects for credit card companies, which offset a decrease in system operation and maintenance services, following the completion of system integration for clients in the banking sector.
- Profits fell, year-on-year, squeezed by requests from clients for lower business process outsourcing (BPO) prices and system engineering costs as well as higher expenses caused by solution investment with an eye to future business expansion.

Consolidated (Millions of yen)	First Two Quarters of Fiscal 2009	First Two Quarters of Fiscal 2010	YOY change
Net sales	21,485	21,953	468
Operating income	2,671	1,343	(1,328)
Recurring profit	2,724	1,380	(1,344)
Net income	1,582	743	(839)

Agrex Inc.

IT Holdings holds 50.6% equity. Leader in Japan's BPO business. Listed on Tokyo Stock Exchange First Section (securities code: 4799)

■ Fiscal 2010 Two-Quarter Results

- System development for financial institutions, particularly banks and securities firms, was poor, as was demand for engineers on loan to the manufacturing sector. However, this negative turn was offset by the BPO business, which enjoyed brisk demand for marketing support services, especially from insurance companies, and benefited from the inclusion of sales by Cronova Co., Ltd., which provides clinical trial support and came under consolidation in the second half of fiscal 2009.
- Profits suffered, due to lower prices on Agrex services and higher selling, general and administrative expenses.

Consolidated (Millions of yen)	First Two Quarters of Fiscal 2009	First Two Quarters of Fiscal 2010	YOY change
Net sales	12,893	12,950	57
Operating income	367	236	(131)
Recurring profit	329	227	(102)
Net income	31	33	2

Qualica Inc.

IT Holdings holds 80% equity and Komatsu Ltd., 20%. Maintains a high profile with services for the manufacturing, distribution and service industries.

■ Fiscal 2010 Two-Quarter Results

- Net sales tumbled year-on-year due to lackluster demand from big manufacturers of construction equipment.
- Profits decreased, as ardent requests from clients for price cuts whittled away even more from the lower net sales starting point.

Non-Consolidated (Millions of yen)	First Two Quarters of Fiscal 2009	First Two Quarters of Fiscal 2010	YOY change
Net sales	10,155	7,473	(2,682)
Operating income	869	174	(695)
Recurring profit	878	177	(701)
Net income	432	80	(352)

AJS Inc.

IT Holdings holds 51% equity and Asahi Kasei Corp., 49%. Focuses on systems for the manufacturing and medical services industries.

■ Fiscal 2010 Two-Quarter Results

- Profits were down, owing to a lower net sales starting point and higher selling, general and administrative expenses.

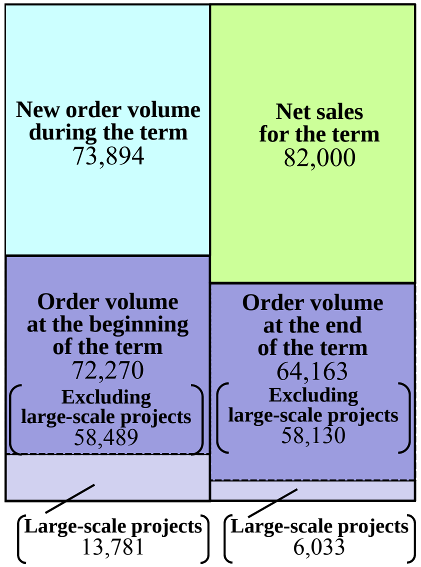
Non-Consolidated (Millions of yen)	First Two Quarters of Fiscal 2009	First Two Quarters of Fiscal 2010	YOY change
Net sales	4,965	4,828	(137)
Operating income	275	207	(68)
Recurring profit	272	197	(75)
Net income	237	131	(106)

Two-Quarter Performance Summary:
IT Holdings (Consolidated), TIS (Consolidated), INTEC (Non-Consolidated)

First Two Quarters of Fiscal 2009

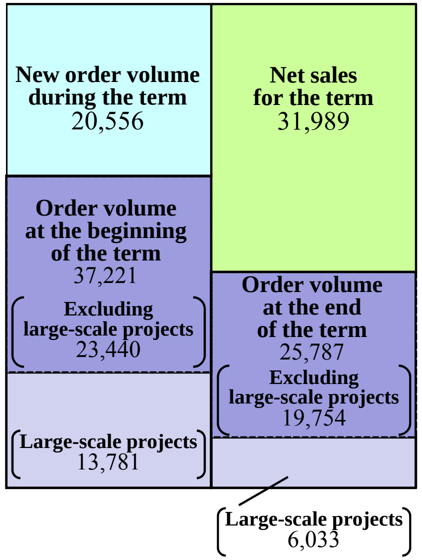
IT Holdings (Consolidated)

(Millions of yen)



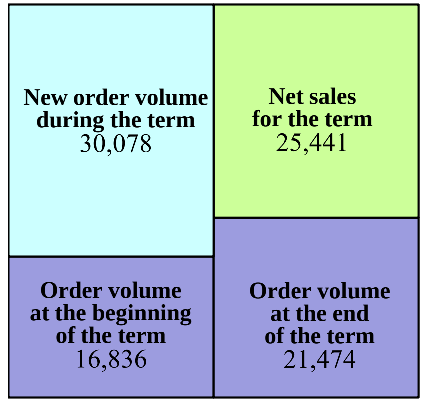
TIS (Consolidated)

(Millions of yen)



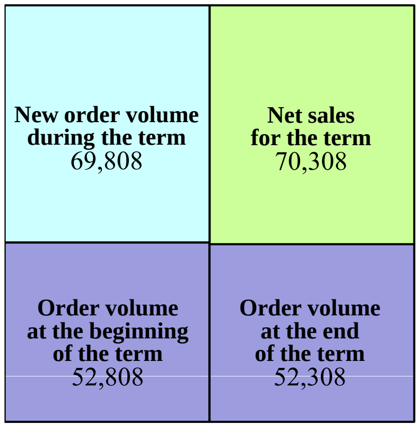
INTEC

(Millions of yen)

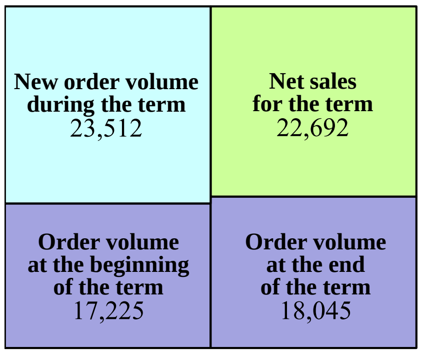


First Two Quarters of Fiscal 2010

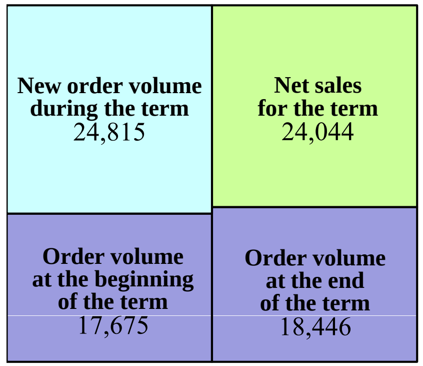
IT Holdings (Consolidated)



TIS (Consolidated)



INTEC



Full-Year Forecasts

Operating Environment Highlights

IT Holdings

Status of Japan's IT Services Industry

Finance Industry
Compared with the situation in the first half of 2009, the operating environment appears to be recovering. Yet, the positive signs have done nothing to relax the cautious attitude companies have toward IT investment. In software development, the drop in demand has been steep, and the trend to carefully select projects for execution will become more clear-cut from 2010 onward, while cost-cutting remains a key requirement to any investment plan. These factors make it difficult to anticipate a rapid recovery in IT spending. In outsourcing services, greater use of shared-service facilities will support market growth and probably boost interest in next-generation data centers.

Manufacturing Industry
Corporate performances began to improve in the second half of 2009, but manufacturers still face unsettling issues, such as lackluster domestic demand and firmly entrenched yen appreciation, which obscure the path ahead. The trend toward streamlined IT budgets is likely to persist in 2010, restricting funds for IT services. Corporate results are expected to rally in 2011, ushering in higher demand for services to meet global corporate responses.

Service Industry
Unable to escape the impact of the worsening economic and financial climate, the service industry will have to curtail IT investment. But systems are essential to business, so an immediate freeze on IT spending is unlikely, and demand, while reduced to the absolute minimum, will continue.

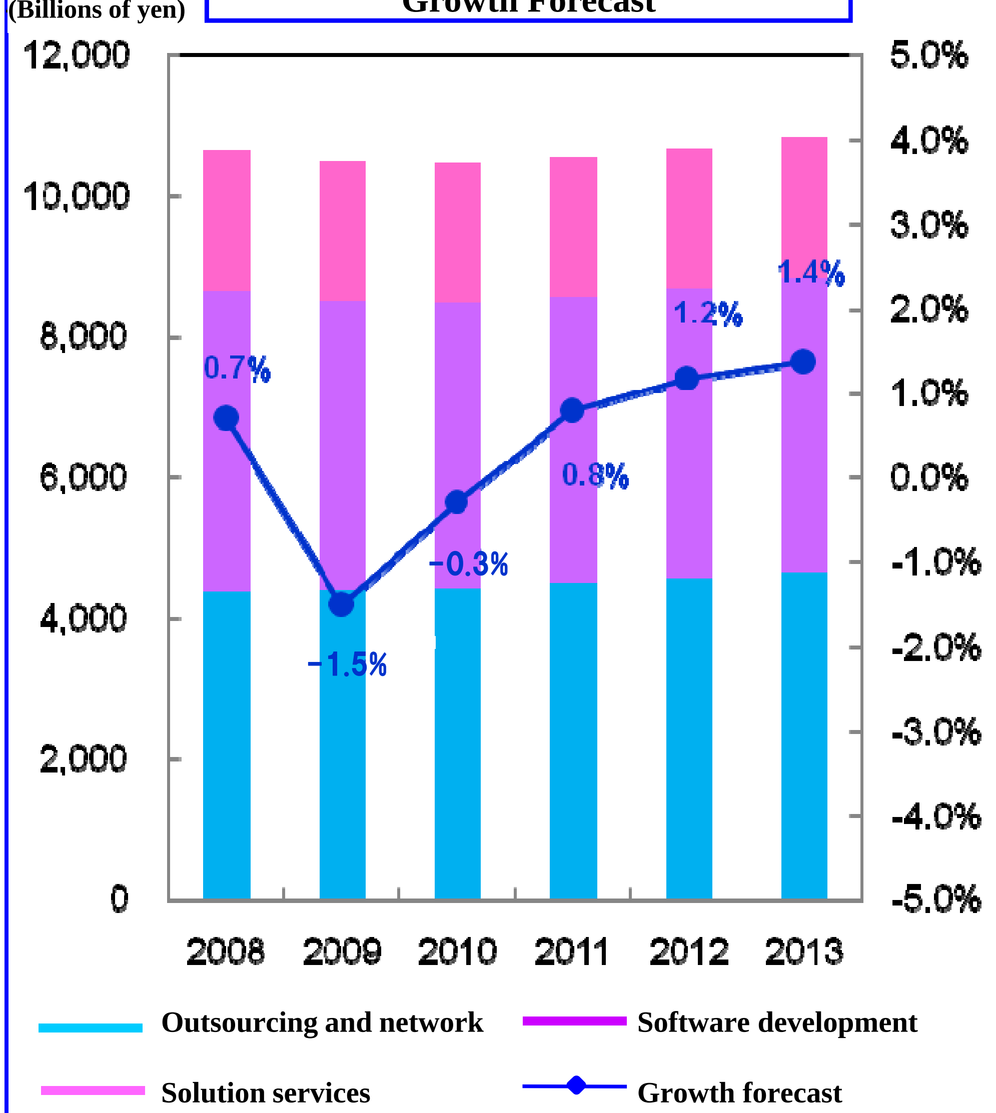
IT Holdings' View

Although export activity and production levels are charting an upward path, corporate earnings continue to retreat and capital investment continues to shrink, largely because of fallout from the global financial crisis and lingering concerns over the impact of the economic downturn.

The September 2009 survey by the Bank of Japan revealed that software investment in the current fiscal year could be 9.2% less than the amount allocated in the previous fiscal year. While on a par with the previous estimate, the lack of growth epitomizes the reluctance and possible inability to pursue IT investment.

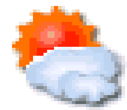
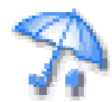
Clients remain quite wary about the direction of the economy, a sentiment that will continue to restrict corporate investment plans. Consequently, the business climate for Japan's IT services industry is likely to remain stormy.

Japan's IT Services Industry Growth Forecast



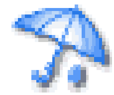
Note: Compiled by IT Holdings from Gartner's "September 2009 IT service industry projections for Japan".

Client Trends by Industry: Part 1

Sector	General Industry Trends	Impact on IT Holdings Group	
Banking	• Large-scale projects, especially for megabank integration, have ended, and growth in demand is sluggish, due to the difficult operating environment caused by financial crisis and fallout from recession. • Financial system changes and the need for peripheral systems require new investment, but a cautious attitude toward IT investment persists, which will probably limit banks' investment activity overall.	• Investment by major clients to upgrade platform systems had been high but is dropping now that the projects have wrapped up. We expect demand for development of peripheral systems. • Demand for small and medium-sized projects is relatively strong, buoyed by a need for systems, particularly shared-center systems, to enhance operating efficiency at regional banks. But whether or not demand turns into orders is uncertain.	
Credit Card	• Revision of the Money-Lending Law has heightened the need to address changes in the operating environment, but reduced profitability is prompting more companies to tighten their IT investment budgets. • Next-generation system upgrades matched to new services and system integration, following industry realignment, remain an urgent priority, and integration projects for large companies are getting started.	• Projects to upgrade the platform systems of major credit card companies wrapped up in fiscal 2009, and the new emphasis is on maintenance as the systems steadily go into operation. • Across the industry, the need for IT investment remains high, particularly for system responses to revised laws. Upgrade work has also started on platform systems for existing clients. These factors should keep engineers very busy.	
Insurance	• Demand is up for new system configuration, paralleling implementation of government guidance and tougher rules, along with greater interest for BPO and system configuration to deal with problem of unpaid premiums. Industry realignment activity should spur demand, especially for system integration services. • However, there is growing concern that the tougher operating environment caused by the financial crisis and the impact of a deteriorating economy will limit allocation of funds to IT projects.	• We launched development activities on a large-scale project for a big client, but pressure, particularly fallout from the financial crisis, prompted the client to redirect investment before the project peaked. As a result, IT investment may stay on a par rather than expand. • We see a growing trend, especially among foreign-owned and mid-sized insurers, to postpone or scale back new projects because poor business results have eroded available funds for IT investment.	
Leasing	• Leasing volume continues to plummet, as corporate clients restrict capital spending. The rising trend in credit costs, caused by corporate bankruptcies, appeared to have plateaued, but the operating environment remains challenging, mainly because the risk of credit losses is still high. • Change in accounting standards for leasing, effective from fiscal year ending March 2009, a major negative factor eroding interest in leasing.	• No major shift is expected in the investment trends of principal clients, but some companies may curb IT investment due to the prevailing business climate.	
Securities	• Downward trend in securities market activity caused by the financial crisis appears to have bottomed out, but the operating environment continues to present challenges, which will prevent a rally in IT investment.	• The securities market appears ready for an upswing, but clients are likely to maintain a cautious stance on IT investment. Nevertheless, systems and software to enhance information security is high.	

Notes: 1. The information in this slide applies to the IT investment trends of our clients, grouped by industry sector, and may differ from general conditions.
2. References: *Nihon Keizai Shimbun* and Gartner.

Client Trends by Industry: Part 2

Sector	General Industry Trends	Impact on IT Holdings Group	
Assembly-based Manufacturing (Construction equipment)	• Considerable drop in sales volume, owing to global recession, but companies are making progress in their rationalization efforts, primarily production and inventory adjustments. • Demand in Japan, North America and Europe remains sluggish, while demand in newly emerging markets, particularly China, is expanding.	• Lackluster conditions in Japan, North America and Europe have prompted big clients to cut back on new IT investment and reduce fixed costs. But newly emerging markets, including China, are thriving and demand for IT services is expanding. • We anticipate new demand trends, including wider interest in imbedded software.	
Assembly-based Manufacturing (Electric appliances)	• Short-term business results are on an upswing, thanks to the positive impact of the eco-points program for electric appliances and rationalization efforts, particularly progress on inventory adjustments. But overall, consumer spending is sluggish, price wars are intense, and yen appreciation adds another dimension to fears of another slump in sales. Manufacturers will therefore maintain limits on IT investment.	• Amid uncertain prospects, companies will be forced to prioritize a full-scale return to profitability over IT investment, which will restrict spending. Cost-cutting is another client priority that will put pressure on the Group's performance.	
Processing-based Manufacturing (Chemicals, beverages)	• Demand, dampened by the economic downturn, is showing signs of recovery, thanks to favorable exports to China. • Despite promising economic signs, concerns remain, including the impact of higher oil prices on material costs. Companies will continue to restrict IT investment.	• Given deteriorating business conditions, big clients will continue to limit IT investment. Requests for cost reductions are sure to increase, squeezing revenue opportunities for the Group. • For some clients, the decision to pursue management integration has interrupted the start of new projects.	
Commerce, Distribution (Retailing)	• Given the uncertain direction of the economy and predicted bonus cuts, consumers will continue to restrict their spending and favor low prices, thereby preventing a rally in sales of high-priced items and clothing. • Food items, which had been selling well, are no longer immune to the reduced-spending trend, as consumers increasingly go for low-prices and hold off on non-essential purchases. These factors epitomize the difficult business environment for retailers.	• Alliances among the strong are increasing, as retailers strive to counter the reach of behemoth manufacturers. The resulting need for shared infrastructures and shared operations should spur demand for IT products and services. • We anticipate more opportunities to provide cost-cutting solutions.	
Public Corporations	• Central government agencies face overall budget-tightening. The change in administration has also had repercussions, including partial suspension of budget reviews and a drop in project bid announcements. • At the local level, municipalities face shrinking budgets as well as less tax collected, due to the economic downturn. Price competition on projects open for bidding is fierce.	• Competition will intensify not only because reduced IT investment by the private sector forces more IT specialists into bidding on projects in the public sector but also because new entries are establishing a presence in this market. We anticipate IT investment from municipal corporations and government groups dealing with national health insurance to continue and will shift our focus to this client segment.	

Notes: 1. The information in this slide applies to the IT investment trends of our clients, grouped by industry sector, and may differ from general conditions.
2. References: *Nihon Keizai Shimbun* and Gartner.

IT Holdings' Major Client Status
(Top 10 clients in terms of contribution to net sales in the first two quarters of fiscal 2010)

Client	Industry	Status of Responses
Company A	Credit card	Completed upgrade of platform system in fiscal 2009. Responding to requests for software development, paralleling revision of laws, as well as maintenance of the upgraded system through system operation.
Company B	Banking	Large-scale system integration project wrapped up in 2008. Plan to address upgrade demand for peripheral systems.
Company C	Credit card, consumer finance	Scale of system operation and software development is expanding, in response to increased size of integration project, but client pushing hard for cost reduction.
Company D	Credit card, consumer finance	Plan to commence upgrades to platform system in the second half of fiscal 2010.
Company E	Construction equipment	Client had emphasized efforts to limit new IT investment and lower fixed costs, but now appears interested in spending on such products as imbedded software.
Company F	Chemicals	Deteriorating business conditions have had a negative effect on the client's performance but business diversification is essential to growth so the company will probably maintain its IT investment strategy but apply funds more selectively. Requests for system operation should be stable.
Company G	Life insurance	A large-scale development project was already in progress when various factors, primarily fallout from the financial crisis, caused the client to redirect investment before the project reached its peak. Consequently, IT investment will probably stay on a par rather than increase.
Company H	Hardware vendor	Pursuing joint activities, based on business alliance relationship in the outsourcing business. Demand for services is stable.
Company I	Leasing	Overall conditions in the leasing industry are challenging, but demand for IT services is relatively stable, especially for system operation.
Company J	Credit card	Demand for IT services is stable, especially for system operation.

Fiscal 2010 Full-Year Forecast: IT Holdings (Consolidated)

(Millions of yen)

IT Holdings	Fiscal 2009 (a)			Fiscal 2010 (b)			Change (b-a)		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Net sales	163,426	174,876	338,302	146,954	175,046	322,000	(10.1)% (16,472)	0.1% 170	(4.8)% (16,302)
Outsourcing and network	37.2% 60,794	37.1% 64,927	37.2% 125,721	41.9% 61,623	36.2% 63,377	38.8% 125,000	1.4% 829	(2.4)% (1,550)	(0.6)% (721)
Software development	50.2% 82,000	53.7% 93,847	51.9% 175,847	47.8% 70,308	51.8% 90,692	50.0% 161,000	(14.3)% (11,692)	(3.4)% (3,155)	(8.4)% (14,847)
Solution services	9.1% 14,914	8.3% 14,495	8.7% 29,409	8.0% 11,798	9.8% 17,202	9.0% 29,000	(20.9)% (3,116)	18.7% 2,707	(1.4)% (409)
Other business	3.5% 5,717	0.9% 1,608	2.2% 7,325	2.2% 3,224	2.2% 3,776	2.2% 7,000	(43.6)% (2,493)	134.8% 2,168	(4.4)% (325)
Operating income	5.8% 9,400	8.2% 14,387	7.0% 23,787	4.0% 5,805	8.1% 14,195	6.2% 20,000	(38.2)% (3,595)	(1.3)% (192)	(15.9)% (3,787)
Recurring profit	5.8% 9,479	8.1% 14,125	7.0% 23,604	3.9% 5,792	7.8% 13,708	6.1% 19,500	(38.9)% (3,687)	(3.0)% (417)	(17.4)% (4,104)
Net income	2.7% 4,491	2.8% 4,915	2.8% 9,406	2.2% 3,207	3.3% 5,793	2.8% 9,000	(28.6)% (1,284)	17.9% 878	(4.3)% (406)

Notes:
1. The fiscal 2010 full-year forecast is unchanged from the announcement made on August 11, 2009. Second-half figures have been calculated by subtracting actual first-half results from full-year forecasts.
2. Revenues from leasing operations, which are included under other business in fiscal 2009, were booked according to new accounting standards for leasing operations, wherein leasing transactions with transferred ownership are written off on a net basis. The Company amended the full-year portion at year-end, with the amounts for the second half causing a decrease of ¥2,614 million in net sales and an increase of ¥4 million in operating income.

The operating environment for the IT Holdings Group remains challenging, clouded by uncertainty over the direction that the economy will take and the resulting impact on business conditions. Nevertheless, by undertaking activities to attract new orders and by diligently working to cut costs throughout the Group, management expects the Group to achieve stated targets for the fiscal year ending March 31, 2010.

Fiscal 2010 Full-Year Forecasts: TIS (Consolidated), INTEC

IT Holdings

(Millions of yen)

TIS (Consolidated)	Fiscal 2009 (a)			Fiscal 2010 (b)			Change (b-a)		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Net sales	55,659	58,027	113,686	44,472	54,028	98,500	(20.1)% (11,187)	(6.9)% (3,999)	(13.4)% (15,186)
Outsourcing and network	32.0% 17,819	30.8% 17,880	31.4% 35,699	38.1% 16,950	31.6% 17,050	34.5% 34,000	(4.9)% (869)	(4.6)% (830)	(4.8)% (1,699)
Software development	57.5% 31,989	59.0% 34,233	58.2% 66,222	51.0% 22,692	54.4% 29,408	52.9% 52,100	(29.1)% (9,297)	(14.1)% (4,825)	(21.3)% (14,122)
Solution services	10.5% 5,850	10.2% 5,915	10.3% 11,765	10.9% 4,830	14.0% 7,570	12.6% 12,400	(17.4)% (1,020)	28.0% 1,655	5.4% 635
Operating income	3.9% 2,180	9.1% 5,298	6.6% 7,478	4.6% 2,024	9.2% 4,976	7.1% 7,000	(7.2)% (156)	(6.1)% (322)	(6.4)% (478)
Recurring profit	5.5% 3,063	8.4% 4,849	7.0% 7,912	5.1% 2,262	8.8% 4,738	7.1% 7,000	(26.2)% (801)	(2.3)% (111)	(11.5)% (912)
Net income	3.8% 2,106	0.7% 401	2.2% 2,507	3.1% 1,368	5.4% 2,892	4.3% 4,260	(35.0)% (738)	621.2% 2,491	69.9% 1,753

INTEC	Fiscal 2009 (a)			Fiscal 2010 (b)			Change (b-a)		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Net sales	45,034	51,584	96,618	43,169	48,331	91,500	(4.1)% (1,865)	(6.3)% (3,253)	(5.3)% (5,118)
Outsourcing and network	34.4% 15,497	29.6% 15,288	31.9% 30,785	33.6% 14,501	31.4% 15,199	32.5% 29,700	(6.4)% (996)	(0.6)% (89)	(3.5)% (1,085)
Software development	56.5% 25,441	61.8% 31,847	59.3% 57,288	55.7% 24,044	61.6% 29,756	58.8% 53,800	(5.5)% (1,397)	(6.6)% (2,091)	(6.1)% (3,488)
Solution services	9.1% 4,095	8.6% 4,450	8.8% 8,545	10.7% 4,623	7.0% 3,377	8.7% 8,000	12.9% 528	(24.1)% (1,073)	(6.4)% (545)
Operating income	5.6% 2,544	7.0% 3,614	6.4% 6,158	4.1% 1,769	8.1% 3,931	6.2% 5,700	(30.5)% (775)	8.8% 317	(7.4)% (458)
Recurring profit	4.8% 2,176	6.6% 3,415	5.8% 5,591	3.2% 1,393	7.5% 3,607	5.5% 5,000	(36.0)% (783)	5.6% 192	(10.6)% (591)
Net income	1.9% 859	4.4% 2,267	3.2% 3,126	1.7% 736	4.4% 2,104	3.1% 2,840	(14.3)% (123)	(7.2)% (163)	(9.1)% (286)

Notes:
1. Full-year forecasts for TIS (consolidated) and INTEC are unchanged from the announcement made on August 11, 2009. Second-half figures have been calculated by subtracting actual first-half results from full-year forecasts.
2. Following the October 2008 realignment of the Group, TIS' scope of consolidation changed to include the results of the parent and four subsidiaries (TIS System Service, TIS R&D Center, TISI (Shanghai), and Tianjin TIS Hi-tech Information System Service). All the figures in the table above are post-realignment consolidated amounts.

Fiscal 2010 Full-Year Forecasts: UFIT, Agrex, Qualica, AJS

IT Holdings

UFIT Co., Ltd.

IT Holdings holds 70.4% equity. Particularly strong in services for credit card and consumer finance companies. Focuses on outsourcing services.

■ Fiscal 2010 Forecast

Consolidated (Millions of yen)	Fiscal 2009 (actual)	Fiscal 2010 (estimate)	YOY change
Net sales	45,244	44,000	(1,244)
Operating income	4,967	3,000	(1,967)
Recurring profit	5,055	3,080	(1,975)
Net income	2,726	1,850	(876)

Agrex Inc.

IT Holdings holds 50.6% equity. Leader in Japan's BPO business. Listed on Tokyo Stock Exchange First Section (stock code: 4799)

■ Fiscal 2010 Forecast

Consolidated (Millions of yen)	Fiscal 2009 (actual)	Fiscal 2010 (estimate)	YOY change
Net sales	26,748	27,600	852
Operating income	1,041	900	(141)
Recurring profit	1,023	900	(123)
Net income	344	360	16

Qualica Inc.

IT Holdings holds 80% equity and Komatsu Ltd., 20%. Maintains a high profile with services for the manufacturing, distribution and service industries.

■ Fiscal 2010 Forecast

Non-Consolidated (Millions of yen)	Fiscal 2009 (actual)	Fiscal 2010 (estimate)	YOY change
Net sales	19,363	16,700	(2,663)
Operating income	1,728	600	(1,128)
Recurring profit	1,746	590	(1,156)
Net income	971	430	(541)

AJS Inc.

IT Holdings holds 51% equity and Asahi Kasei Corp., 49%. Focuses on systems for the manufacturing and medical services industries.

■ Fiscal 2010 Forecast

Non-Consolidated (Millions of yen)	Fiscal 2009 (actual)	Fiscal 2010 (estimate)	YOY change
Net sales	10,565	10,300	(265)
Operating income	715	400	(315)
Recurring profit	706	385	(321)
Net income	619	330	(289)

Notes:
1. The full-year forecast for Agrex was revised again on October 30, 2009.
2. The full-year forecasts for UFIT, Qualica and AJS are unchanged from the announcement made on August 11, 2009.

Update on Business Promotion Activities

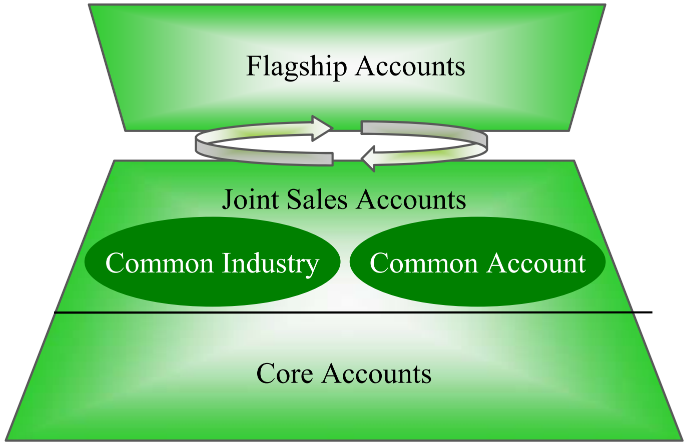
Promoting Business Synergies within the Group

Flagship Accounts

Promote flagship account strategy as a pillar supporting expansion of existing businesses.

■ Flagship account strategy
Utilize groupwide capabilities to attract more business from clients that present the potential for wider use of the Group's products and services.
→ Become a partner in value creation.

Basic Strategy for Fiscal 2010
Broaden the scope of the flagship account strategy, promote measures targeting three client categories



Flagship Accounts
Consider additional candidates for flagship account status.

Joint Sales Accounts
Expand No. 1 business domain by industry sector.

Core Accounts
Pursue cross-selling opportunities by reinforcing solution services.

Fiscal 2010 First Half Results

■ Key developments
- Joint order for large-scale project to develop a business system for an accounting company.
- Joint proposal for large-scale project to develop a marketing support system for an insurance company.
- Continual sales approach to top management of clients

■ Flagship account activity
- Considered flagship account candidates.

Fiscal 2010 Second Half Plans

■ Expand flagship account activity
- Identify clients for flagship account status.
- Create joint account plans for fiscal 2011.

Promoting Business Synergies within the Group

IT Holdings

Cross-Selling, New Solutions

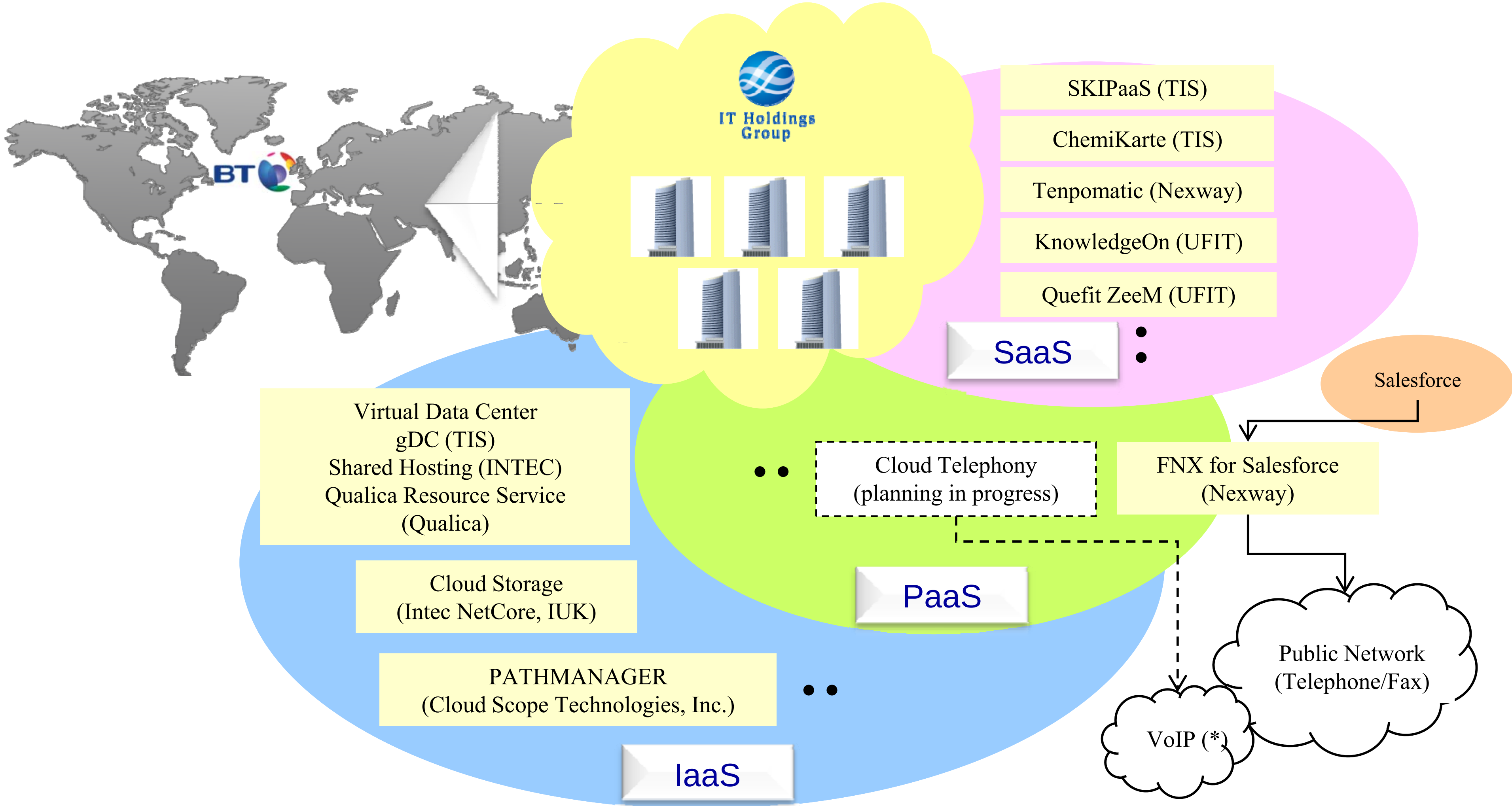
Realized in Fiscal 2010 First Half	Planned for Fiscal 2010 Second Half
■ **Cross-selling** • Order synergies First quarter: 10 projects worth a total of ¥1.4 billion Second quarter: 29 projects worth a total of ¥900 million First-half total: 39 projects worth a total of ¥2.3 billion Note: As a reference point, the Group secured 29 projects worth a total of ¥2.4 billion in fiscal 2009 through cross-selling.	■ **Cross-selling** • Utilize Group's information-sharing platform through implementation of SNS • Always promote synergy-generating support programs Note: As a reference point, the Group secured 10 projects in fiscal 2009 and seven in the first half of fiscal 2010. • Joint participation at exhibitions - TIS, INTEC, Agrex and UFIT shared a booth at FIT 2009 (exhibition highlighting IT solutions for financial institutions), held October 15-16 - INTEC, UFIT and Qualica shared a booth at SCM & ERP Conference 2009, held November 5. - Planned participation at RetailTech 2010
■ **New solutions** • Global business: Formed business alliance with U.K.-based BT Group plc on June 25, 2009. • Comprehensive chemical substance control solution • Business platform project Cloud storage announcement • Next-generation data centers: Gotenyama Green Data Center, Takaoka Data Center and joint establishment of data center with Hokuriku Electric	■ **New solutions** • Provide solutions through business alliance with BT - Globally strategic data center solutions - Transition consulting service appropriate to virtualized environments - Inventory service for IT assets

New-Business Strategy

IT Holdings

Promoting Cloud Services

Cloud services will be developed as a business platform comprising three layers: Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS) and Infrastructure-as-a-Service (IaaS). Currently, we are connecting layer-specific services offered by several companies and promoting the resulting solutions as cloud services under the Group banner. Through the alliance with BT, we will expand these solutions into BT's own global data center services.



(*) VoIP: Voice over IP

Note: The company and product names shown in the illustration are either registered trademarks or trademarks.

Overseas Business Strategies, New-Business Strategies

Business Alliance with BT on Next-Generation IT Services

■ Activities Promoted Jointly with BT(British Telecommunications plc)

Offer support for worldwide development of platform systems for global corporations

Previously, the IT Holdings Group had difficulty ensuring that Japanese companies operating abroad received the same level of service quality as clients in Japan. Through the alliance with BT, the Group has access to the worldwide resources and know-how of BT, which underpins an equitable level of service quality to support clients in their overseas pursuits.

Pursue joint R&D on leading-edge technologies and cultivate new demand segments in Japan

The IT Holdings Group and BT will take advantage of the latest trends, such as cloud computing and virtualized environments, to jointly develop new IT services and solutions in various fields, based on the leading-edge technologies and know-how acquired by both organizations, and bring these services and solutions to market.

Cautionary Note

All content described in these materials is based on information available to management regarding the IT Holdings Group—that is, IT Holdings and the subsidiaries under its umbrella—as of the presentation date and reflect somewhat objective assumptions deemed reasonable at this time. Please be advised that various factors may cause future results to be substantially different from expectations.