



IT Holdings

Information Meeting Materials for the First Two Quarters of the Fiscal Year ending March 31, 2011

November 4, 2010

IT Holdings Corporation

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IT Holdings Group

Fiscal 2011 Two-Quarter Highlights

Fiscal 2011 Full-Year Performance Forecast

Progress on Key Strategies for Medium-term Growth

Three-Company Merger and Stronger Group Management Structure

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Fiscal 2011 Two-Quarter Performance Summary: ITHD (Consolidated)



IT Holdings

(Millions of yen)	First Two Quarters of Fiscal 2010		First Two Quarters of Fiscal 2011		YOY Change		Original Estimates		Difference from Original Estimate	
Net sales		146,954		154,009	4.8%	7,055		165,000	(6.7)%	(10,991)
Outsourcing and network	41.9%	61,623	40.5%	62,322	1.1%	699	39.1%	64,500	(3.4)%	(2,178)
Software development	47.8%	70,308	49.7%	76,551	8.9%	6,243	51.2%	84,500	(9.4)%	(7,949)
Solution services	8.0%	11,798	7.3%	11,292	(4.3)%	(506)	7.9%	13,000	(13.1)%	(1,708)
Other business	2.2%	3,224	2.5%	3,843	19.2%	619	1.8%	3,000	28.1%	843
Operating income	4.0%	5,805	3.0%	4,667	(19.6)%	(1,138)	2.9%	4,800	(2.8)%	(133)
Recurring profit	3.9%	5,792	3.1%	4,762	(17.8)%	(1,030)	2.9%	4,800	(0.8)%	(38)
Net income	2.2%	3,207	0.7%	1,004	(68.7)%	(2,203)	0.5%	800	25.5%	204

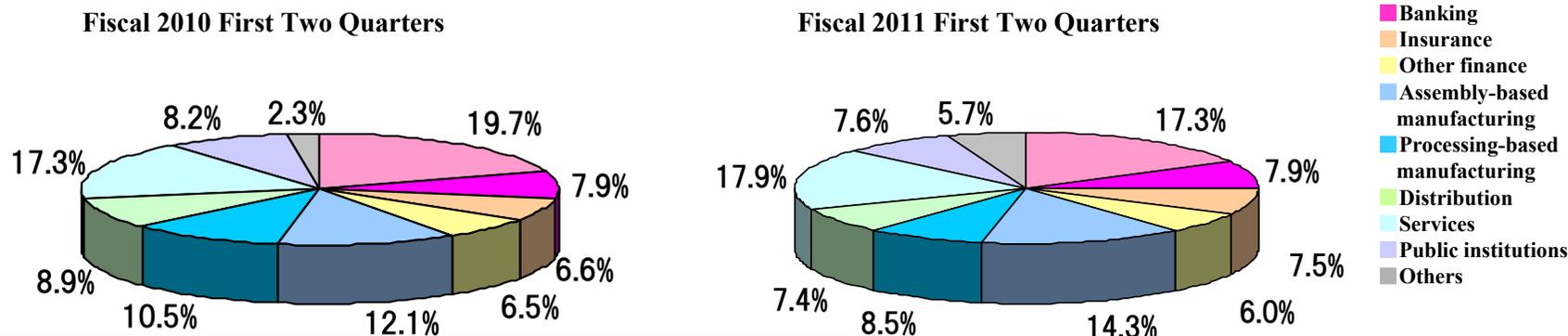
External environment Rallying exports and higher production output had prompted a feeling that business conditions were getting better, but accelerated yen appreciation and fears of a worldwide economic slowdown emerged, creating conditions that obscured the road ahead. As a result, clients maintained their cautious stance toward IT investment, with only a few exceptions.

Net sales Despite the contribution from SORUN, net sales were below target as clients increasingly tightened their IT budgets.

Operating income Efforts to reinforce the business structure, with a focus on cost-cutting, were successful, so even though net sales did not increase as planned, operating income was generally in line with expectations.

Noteworthy Developments The Company posted an extraordinary loss of ¥2.2 billion on asset retirement obligations.

Net Sales by Client Sector (contribution to total)



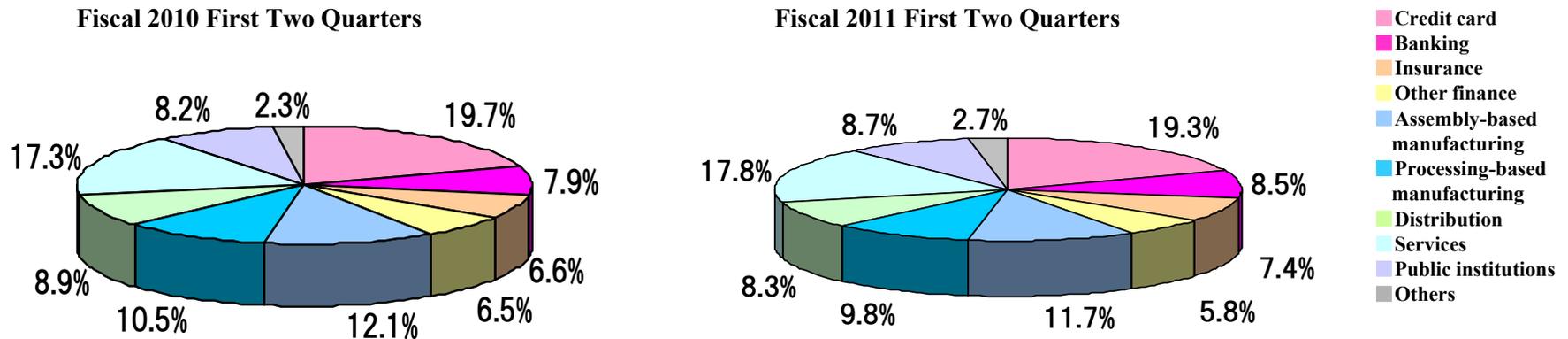
Reference: Fiscal 2011 Two-Quarter Performance Summary ITHD (Consolidated, excluding SORUN)



(Millions of yen)	First Two Quarters of Fiscal 2010		First Two Quarters of Fiscal 2011		YOY Change		Original Estimates		Difference from Original Estimate	
Net sales		146,954		132,874	(9.6)%	(14,080)		143,270	(7.3)%	(10,396)
Outsourcing and network	41.9%	61,623	43.5%	57,861	(6.1)%	(3,762)	41.7%	59,810	(3.3)%	(1,949)
Software development	47.8%	70,308	46.1%	61,266	(12.9)%	(9,042)	48.1%	68,900	(11.1)%	(7,634)
Solution services	8.0%	11,798	7.6%	10,059	(14.7)%	(1,739)	8.2%	11,810	(14.8)%	(1,751)
Other business	2.2%	3,224	2.8%	3,688	14.4%	464	1.9%	2,750	34.1%	938
Operating income	4.0%	5,805	3.8%	5,105	(12.1)%	(700)	3.7%	5,356	(4.7)%	(251)
Recurring profit	3.9%	5,792	3.9%	5,189	(10.4)%	(603)	3.7%	5,346	(2.9)%	(157)
Net income	2.2%	3,207	1.2%	1,597	(50.2)%	(1,610)	1.0%	1,416	12.8%	181

The figures above exclude SORUN's consolidated results and amortization of goodwill in SORUN.

Net Sales by Client Sector (contribution to total)



Fiscal 2011 Two-Quarter Performance Summary: TIS (Consolidated), INTEC (Consolidated)



TIS, Consolidated (Millions of yen)	Wider push to clients in the financial, manufacturing and service industries. Provides one-stop access to IT services, from development of platform systems to data center services.					
	First Two Quarters of Fiscal 2010	First Two Quarters of Fiscal 2011	YOY Change		Original Estimates	Difference from Original Estimate
Net sales	44,472	39,389	(11.4)%	(5,083)	44,000	(10.5)% (4,611)
Outsourcing and network	38.1% 16,950	39.0% 15,378	(9.3)%	(1,572)	35.7% 15,700	(2.1)% (322)
Software development	51.0% 22,692	50.2% 19,785	(12.8)%	(2,907)	53.4% 23,500	(15.8)% (3,715)
Solution services	10.9% 4,830	10.4% 4,094	(15.2)%	(736)	10.7% 4,700	(12.9)% (606)
Other business	- -	0.3% 131	-	131	0.2% 100	31.0% 31
Operating income	4.6% 2,024	3.5% 1,384	(31.6)%	(640)	3.4% 1,500	(7.7)% (116)
Recurring profit	5.1% 2,262	4.1% 1,610	(28.8)%	(652)	3.4% 1,510	6.6% 100
Net income	3.1% 1,368	0.5% 213	(84.4)%	(1,155)	0.9% 400	(46.8)% (187)

INTEC, Consolidated (Millions of yen)	Strength in several client sectors, particularly financial, manufacturing, distribution, medical and public service industries.					
	First Two Quarters of Fiscal 2010	First Two Quarters of Fiscal 2011	YOY Change		Original Estimates	Difference from Original Estimate
Net sales	51,755	48,873	(5.6)%	(2,882)	51,200	(4.5)% (2,327)
Outsourcing and network	38.1% 19,705	38.7% 18,928	(3.9)%	(777)	38.7% 19,800	(4.4)% (872)
Software development	50.2% 25,956	49.9% 24,368	(6.1)%	(1,588)	49.4% 25,300	(3.7)% (932)
Solution services	7.6% 3,949	6.4% 3,142	(20.4)%	(807)	7.4% 3,800	(17.3)% (658)
Other business	4.1% 2,143	5.0% 2,434	13.6%	291	4.5% 2,300	5.8% 134
Operating income	4.4% 2,286	3.9% 1,915	(16.2)%	(371)	4.1% 2,100	(8.8)% (185)
Recurring profit	3.5% 1,819	3.6% 1,758	(3.4)%	(61)	3.5% 1,800	(2.3)% (42)
Net income	3.8% 1,950	2.3% 1,117	(42.7)%	(833)	1.8% 900	24.1% 217

“INTEC (consolidated)” covers INTEC’s non-consolidated results and those of the company’s 12 existing subsidiaries. Chuo System Corporation and IUK Inc., which were put under the direct control of ITHD in April 2010, are not included in the scope of INTEC consolidation.

Fiscal 2011 Two-Quarter Performance Summary: SORUN (Consolidated), UFIT (Consolidated), Agrex (Consolidated)



SORUN, Consolidated (Millions of yen)	Focus on clients in financial and manufacturing industries but working to achieve good balance of business with orders from the telecommunications and public service industries. Also develops systems for aerospace industry.					
	First Two Quarters of Fiscal 2010	First Two Quarters of Fiscal 2011	YOY Change		Original Estimates	Difference from Original Estimate
Net sales	22,916	21,135	(7.8)%	(1,781)	21,730	(2.7)% (595)
Outsourcing and network	20.8% 4,757	21.1% 4,461	(6.2)%	(296)	21.6% 4,690	(4.9)% (229)
Software development	73.1% 16,748	72.3% 15,285	(8.7)%	(1,463)	71.8% 15,600	(2.0)% (315)
Solution services	5.1% 1,177	5.8% 1,233	4.8%	56	5.5% 1,190	3.6% 43
Other business	1.0% 234	0.7% 155	(33.8)%	(79)	1.2% 250	(38.0)% (95)
Operating income	2.6% 606	0.2% 48	(92.1)%	(558)	(0.3)% (70)	- 118
Recurring profit	2.6% 595	0.3% 59	(90.1)%	(536)	(0.3)% (60)	- 119
Net income	1.2% 273	(0.5)% (107)	-	(380)	(0.6)% (130)	- 23

SORUN's results for the first two quarters of fiscal 2010 were excluded from ITHD's results for that period because the company did not become a subsidiary of the Company until December 2009.

UFIT, Consolidated (Millions of yen)	ITHD holds 70.4% equity. Particularly strong in services for credit card and consumer finance companies. Focuses on outsourcing services.					
	First Two Quarters of Fiscal 2010	First Two Quarters of Fiscal 2011	YOY Change		Original Estimates	Difference from Original Estimate
Net sales	21,953	18,404	(16.2)%	(3,549)	20,000	(8.0)% (1,596)
Operating income	6.1% 1,343	5.1% 935	(30.4)%	(408)	5.8% 1,160	(19.4)% (225)
Recurring profit	6.3% 1,380	5.3% 971	(29.6)%	(409)	6.0% 1,190	(18.4)% (219)
Net income	3.4% 743	2.1% 395	(46.8)%	(348)	0.1% 10	3850.0% 385

Agrex, Consolidated (Millions of yen)	ITHD holds 50.6% equity. Leader in Japan's BPO business. Listed on Tokyo Stock Exchange First Section (securities code: 4799).					
	First Two Quarters of Fiscal 2010	First Two Quarters of Fiscal 2011	YOY Change		Original Estimates	Difference from Original Estimate
Operating income	12,950	13,494	4.2%	544	13,400	0.7% 94
Recurring profit	1.8% 236	2.1% 290	22.9%	54	1.5% 200	45.0% 90
Net income	1.8% 227	2.3% 304	33.9%	77	1.5% 200	52.0% 104
Operating income (loss)	0.3% 33	(0.6)% (87)	-	(120)	(0.9)% (120)	- 33

Performance goals in the table above are the initial targets announced prior to the revised forecast dated October 27, 2010,

Net Sales and Operating Income Analysis for First Two Quarters of Fiscal 2011

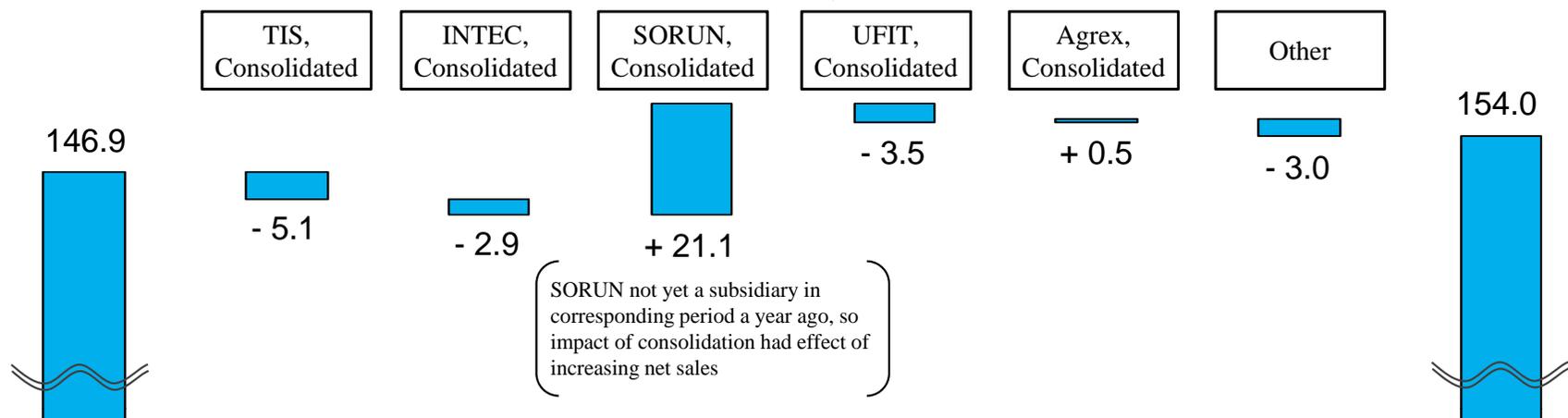
(YOY Comparison)



IT Holdings

< Net Sales >

(Billions of yen)

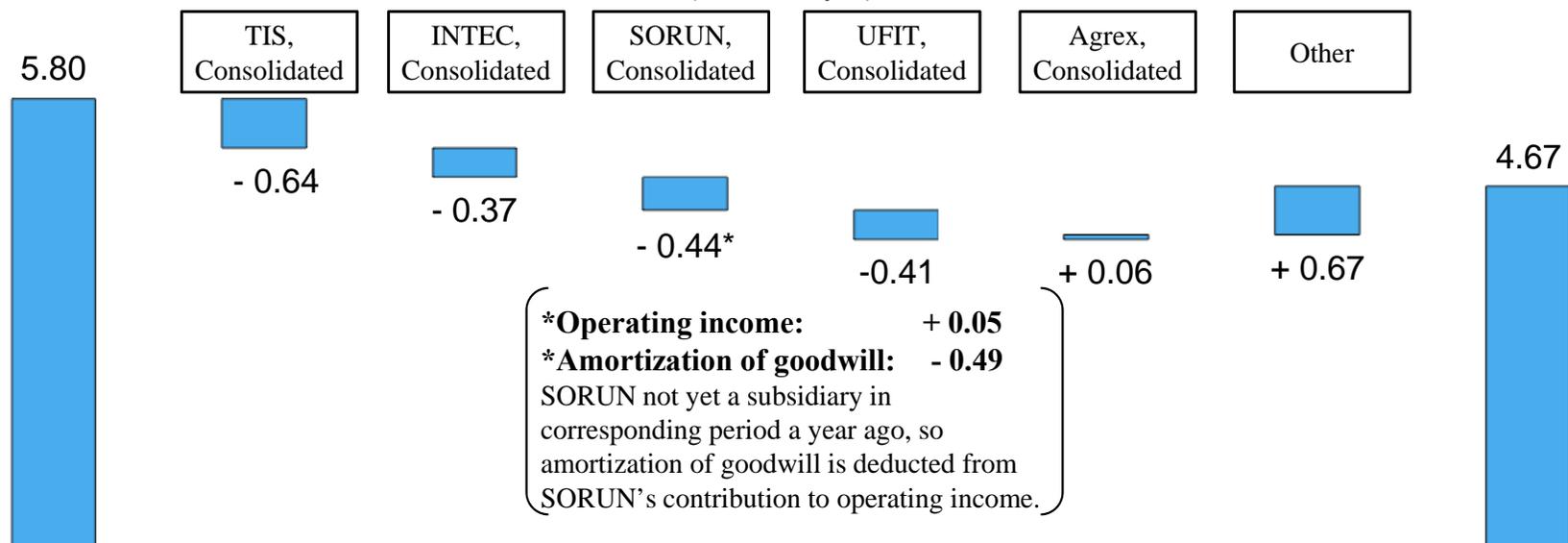


First Two Quarters of Fiscal 2010

First Two Quarters of Fiscal 2011

< Operating Income >

(Billions of yen)



First Two Quarters of Fiscal 2010

First Two Quarters of Fiscal 2011

Fiscal 2011 Two-Quarter Order Status: Software Development

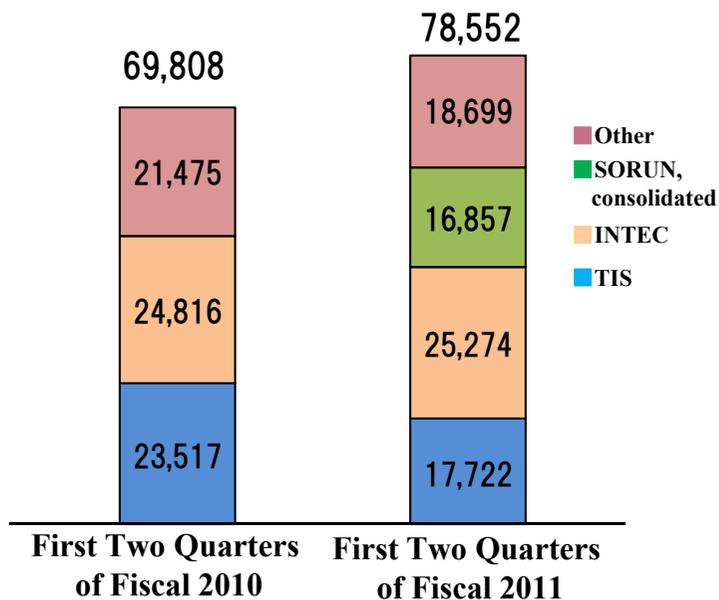
First Two Quarters of Fiscal 2010
(Millions of yen)

New order volume during the term 69,808	Net sales for the term 70,308
Order backlog at the beginning of the term 52,808	Order backlog at the end of the term 52,308

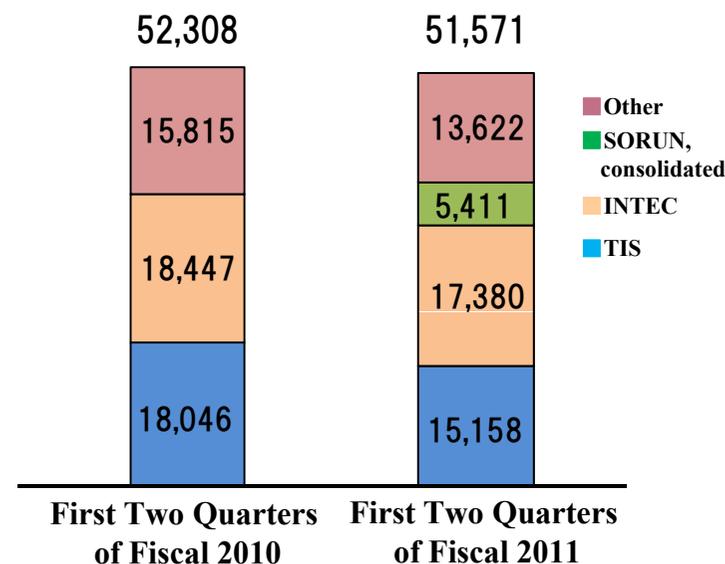
First Two Quarters of Fiscal 2011
(Millions of yen)

New order volume during the term 78,552	Net sales for the term 76,551
Order backlog at the beginning of the term 49,570	Order backlog at the end of the term 51,571

< New order volume during the term >
(Millions of yen)



< Order backlog at the end of the term >
(Millions of yen)



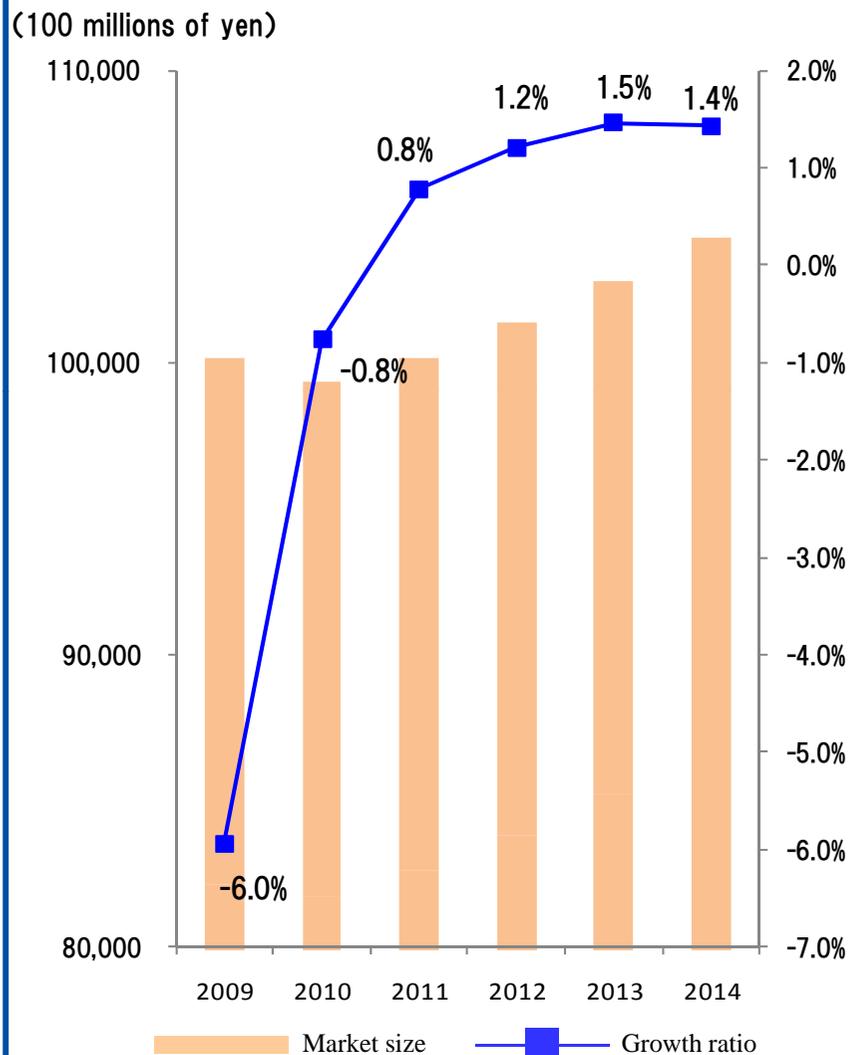
Fiscal 2011 Two-Quarter Highlights

Fiscal 2011 Full-Year Performance Forecast

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Three-Company Merger and Stronger Group Management Structure

Anticipated Scale of Japan's IT Services Market



Compiled by ITHD from Gartner's projections on Japan's IT industry by service segment, released in June 2010.

Trends by Client Segment (Business Conditions and IT Investment Plans)

Finance

• Credit card, consumer finance

Some big companies are pursuing platform system upgrades. But overall, IT investment is under fiscal pressure, squeezed primarily by the impact of revised laws and sluggish consumer spending.

• Banking

Some megabanks are investing heavily in IT, paralleling a recovery in fiscal results.

• Insurance

Corporate attitudes are beginning to divide with respect to IT investment, due to maturation of the domestic market

Manufacturing

IT investment is picking up, paralleling better business results, but companies are being more selective in their choice of IT partners and even switching to new providers, depending on the investment objective, such as a fine-tuned response to globalization.

Distribution

Investment in the home market is sluggish, owing to deflation and lackluster consumer spending, but interest in overseas expansion is boosting demand for IT services outside the home market.

Energy, Public Sector

Investment by government agencies and public corporations remains stable. In energy-related fields, investment efforts are growing, underpinned by an emphasis on accounting software.

These trends may differ from general industry trends since management's assumptions also take into consideration the status of IT investment at the Company's own clients.
(General reference from Nikkei Shimbun)

Status of Principal Clients

(Top 10 clients in terms of contribution to net sales in the first two quarters of fiscal 2011)



Client	Industry	Status of ITHD Group Response
Company A	Credit card	Focusing on maintenance and operation services for upgraded platform system, with requests for other services, geared to new laws, holding steady.
Company B	Banking	Responding to various requests, including upgrade to peripheral systems, following completion of large-scale system integration project.
Company C	Credit card, consumer finance	Upgrade to platform system that started off smaller than expected is moving ahead as planned, and a full-scale launch should happen in fiscal 2012. Demand for existing system operation services is stable, but client is increasingly reluctant to request other services, such as maintenance.
Company D	Credit card, consumer finance	Demand for software development paralleling system integration has settled down, and IT investment plans are being streamlined. Client is keen to cut costs on mainstay system operation services.
Company E	Chemicals	Client leaning toward reduced investment in existing systems but considering next platform system.
Company F	Construction equipment	Specific IT themes have drawn demand for services, but client's IT investment in Japan is on a downtrend overall. Embedded software development in new domains is still small-scale but client looking to connect within the group.
Company G	Hardware vendor	Pursuing joint activities, including business alliances in outsourcing, but cost-cutting is a pertinent factor in awarding orders.
Company H	Life insurance	Funds initially allocated to a large-scale software development project were redirected elsewhere before the project reached its peak, which will hold IT investment at the current level.
Company I	Leasing	Conditions in the leasing industry were tough overall, and while demand for development services is down, demand for system operation services is promising.
Company J	Credit card, consumer finance	Demand, especially for system operation services, is steady. But here is a possibility that demand will shrink.

Fiscal 2011: Revisions to Full-Year Forecasts: ITHD (Consolidated)



ITHD, consolidated (Millions of yen)	Original Estimate (May 11, 2010)			Revised Estimate (Nov. 2, 2010)			Differences		
	1st Half	2nd Half	Full Year	1st Half (actual)	2nd Half	Full Year	1st Half	2nd Half	Full Year
Net sales	165,000	181,000	346,000	154,009	180,991	335,000	(6.7)% (10,991)	(0.0)% (9)	(3.2)% (11,000)
Outsourcing and network	39.1% 64,500	36.7% 66,500	37.9% 131,000	40.5% 62,322	35.9% 64,978	38.0% 127,300	(3.4)% (2,178)	(2.3)% (1,522)	(2.8)% (3,700)
Software development	51.2% 84,500	52.5% 95,000	51.9% 179,500	49.7% 76,551	52.5% 95,049	51.2% 171,600	(9.4)% (7,949)	0.1% 49	(4.4)% (7,900)
Solution services	7.9% 13,000	8.8% 16,000	8.4% 29,000	7.3% 11,292	9.7% 17,508	8.6% 28,800	(13.1)% (1,708)	9.4% 1,508	(0.7)% (200)
Other business	1.8% 3,000	1.9% 3,500	1.9% 6,500	2.5% 3,843	1.9% 3,457	2.2% 7,300	28.1% 843	(1.2)% (43)	12.3% 800
Operating income	2.9% 4,800	6.5% 11,700	4.8% 16,500	3.0% 4,667	6.5% 11,833	4.9% 16,500	(2.8)% (133)	1.1% 133	-
Recurring profit	2.9% 4,800	6.2% 11,200	4.6% 16,000	3.1% 4,762	6.2% 11,238	4.8% 16,000	(0.8)% (38)	0.3% 38	-
Net income	0.5% 800	2.6% 4,700	1.6% 5,500	0.7% 1,004	2.5% 4,496	1.6% 5,500	25.5% 204	(4.3)% (204)	-

Net sales	First-half results came in below expectations, due to reduced IT investment by clients, but second-half results should be on target, thanks to positive talks with clients and invigorated inquiries on projects as well as a year-on-year improvement in order volume for the second quarter (July through September 2010).	➔	Revised full year estimate, due to actual first-half results lower than expected. No change to second-half forecast.
Operating income	First-half results were along expected lines, and second-half results should also be on track, supported by solid net sales.	➔	No change.

Reference: Revisions to Net Sales of Principal Subsidiaries

Net Sales (Millions of yen)	Original Estimate (May 12, 2010)			Revised Estimate (Nov. 2, 2010)			Differences		
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year
TIS, consolidated	44,000	47,000	91,000	39,389	47,011	86,400	(4,611)	11	(5.1)% (4,600)
INTEC, consolidated	51,200	58,400	109,600	48,873	58,427	107,300	(2,327)	27	(2.1)% (2,300)
SORUN, consolidated	21,730	25,170	46,900	21,135	25,165	46,300	(595)	(5)	(1.3)% (600)
UFIT, consolidated	20,000	19,000	39,000	18,404	18,996	37,400	(1,596)	(4)	(4.1)% (1,600)
Agrex, consolidated	13,400	14,900	28,300	13,494	14,806	28,300	94	(94)	-
Other	14,670	16,530	31,200	12,714	16,586	29,300	(1,956)	56	(6.1)% (1,900)

Fiscal 2011: Full-Year Forecast (ITHD Consolidated)



IT Holdings

(Millions of yen)	Fiscal 2010			Fiscal 2011			YOY Change					
	1st Half	2nd Half	Full Year	1st Half	2nd Half (estimate)	Full Year (estimate)	1st Half	2nd Half	Full Year			
Net sales	146,954	166,902	313,856	154,009	180,991	335,000	4.8%	7,055	8.4%	14,089	6.7%	21,144
Outsourcing and network	41.9% 61,623	38.7% 64,541	40.2% 126,164	40.5% 62,322	35.9% 64,978	38.0% 127,300	1.1%	699	0.7%	437	0.9%	1,136
Software development	47.8% 70,308	51.3% 85,668	49.7% 155,976	49.7% 76,551	52.5% 95,049	51.2% 171,600	8.9%	6,243	11.0%	9,381	10.0%	15,624
Solution services	8.0% 11,798	7.9% 13,223	8.0% 25,021	7.3% 11,292	9.7% 17,508	8.6% 28,800	(4.3)%	(506)	32.4%	4,285	15.1%	3,779
Other business	2.2% 3,224	2.1% 3,469	2.1% 6,693	2.5% 3,843	1.9% 3,457	2.2% 7,300	19.2%	619	(0.3)%	(12)	9.1%	607
Operating income	4.0% 5,805	6.1% 10,191	5.1% 15,996	3.0% 4,667	6.5% 11,833	4.9% 16,500	(19.6)%	(1,138)	16.1%	1,642	3.2%	504
Recurring profit	3.9% 5,792	5.9% 9,927	5.0% 15,719	3.1% 4,762	6.2% 11,238	4.8% 16,000	(17.8)%	(1,030)	13.2%	1,311	1.8%	281
Net income	2.2% 3,207	2.7% 4,452	2.4% 7,659	0.7% 1,004	2.5% 4,496	1.6% 5,500	(68.7)%	(2,203)	1.0%	44	(28.2)%	(2,159)

Full-year targets for fiscal 2011 are the revised performance estimates announced on November 2, 2010. Second-half targets are determined by subtracting first-half actual results from second-half estimates.

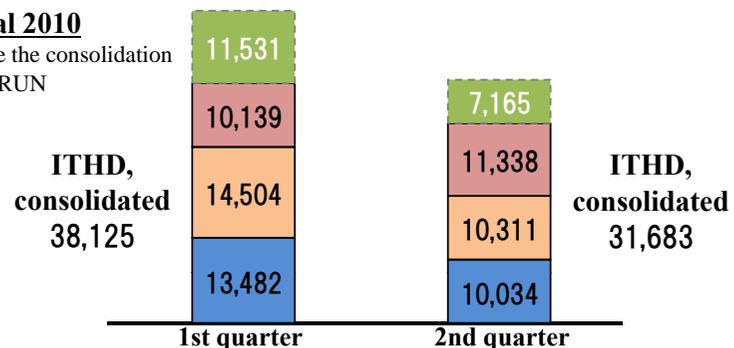
External environment	Demand conditions will probably remain difficult because clients need more time to feel that their own situations have fully recovered and that they have the freedom to resume IT investment at higher levels.
Net sales	The challenges that characterized the first half will impact the whole fiscal year, but a gradual recovery in order status and the favorable impact of SORUN's performance on consolidated results will surely boost net sales over fiscal 2010.
Operating income	Continued progress in building a stronger business structure, including efforts to trim costs, should keep the Company on track to its original goal for operating income.

References: New order volume during the term

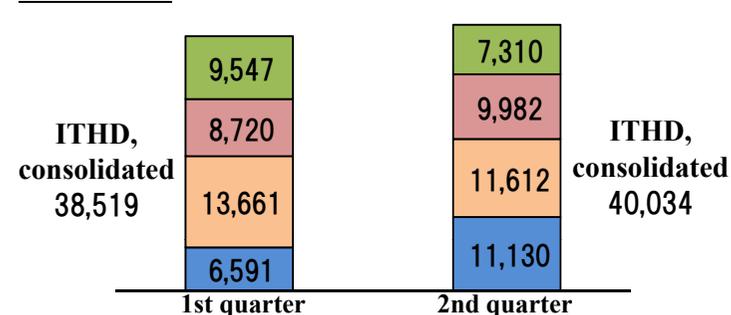
(Millions of yen)

Fiscal 2010

Before the consolidation of SORUN



Fiscal 2011



Reference: Fiscal 2011 Full-Year Forecast ITHD (Consolidated, excluding SORUN)



(Millions of yen)	Fiscal 2010			Fiscal 2011			YOY Change		
	1st Half	2nd Half	Full Year	1st Half	2nd Half (estimate)	Full Year (estimate)	1st Half	2nd Half	Full Year
Net sales	146,954	152,868	299,822	132,874	155,826	288,700	(9.6)% (14,080)	1.9% 2,958	(3.7)% (11,122)
Outsourcing and network	41.9% 61,623	40.2% 61,448	41.0% 123,071	43.5% 57,861	38.0% 59,149	40.5% 117,010	(6.1)% (3,762)	(3.7)% (2,299)	(4.9)% (6,061)
Software development	47.8% 70,308	49.5% 75,727	48.7% 146,035	46.1% 61,266	49.9% 77,774	48.2% 139,040	(12.9)% (9,042)	2.7% 2,047	(4.8)% (6,995)
Solution services	8.0% 11,798	8.1% 12,306	8.0% 24,104	7.6% 10,059	10.1% 15,711	8.9% 25,770	(14.7)% (1,739)	27.7% 3,405	6.9% 1,666
Other business	2.2% 3,224	2.2% 3,388	2.2% 6,612	2.8% 3,688	2.0% 3,192	2.4% 6,880	14.4% 464	(5.8)% (196)	4.1% 268
Operating income	4.0% 5,805	5.9% 8,954	4.9% 14,759	3.8% 5,105	6.9% 10,776	5.5% 15,881	(12.1)% (700)	20.3% 1,822	7.6% 1,122
Recurring profit	3.9% 5,792	5.7% 8,702	4.8% 14,494	3.9% 5,189	6.5% 10,132	5.3% 15,321	(10.4)% (603)	16.4% 1,430	5.7% 827
Net income	2.2% 3,207	2.5% 3,850	2.4% 7,057	1.2% 1,597	2.6% 4,034	2.0% 5,631	(50.2)% (1,610)	4.8% 184	(20.2)% (1,426)

The figures above exclude SORUN's consolidated results and amortization of goodwill in SORUN.

Fiscal 2011 Full-Year Forecasts: TIS (Consolidated), INTEC (Consolidated)



IT Holdings

TIS, consolidated (Millions of yen)	Fiscal 2010			Fiscal 2011			YOY Change		
	1st Half	2nd Half	Full Year	1st Half	2nd Half (estimate)	Full Year (estimate)	1st Half	2nd Half	Full Year
Net sales	44,472	46,511	90,983	39,389	47,011	86,400	(11.4)% (5,083)	1.1% 500	(5.0)% (4,583)
Outsourcing and network	38.1% 16,950	36.9% 17,143	37.5% 34,093	39.0% 15,378	32.8% 15,422	35.6% 30,800	(9.3)% (1,572)	(10.0)% (1,721)	(9.7)% (3,293)
Software development	51.0% 22,692	52.3% 24,335	51.7% 47,027	50.2% 19,785	51.5% 24,215	50.9% 44,000	(12.8)% (2,907)	(0.5)% (120)	(6.4)% (3,027)
Solution services	10.9% 4,830	10.8% 5,031	10.8% 9,861	10.4% 4,094	15.3% 7,206	13.1% 11,300	(15.2)% (736)	43.2% 2,175	14.6% 1,439
Other business	-	-	-	0.3% 131	0.4% 169	0.3% 300	- 131	- 169	- 300
Operating income	4.6% 2,024	6.5% 3,004	5.5% 5,028	3.5% 1,384	7.9% 3,716	5.9% 5,100	(31.6)% (640)	23.7% 712	1.4% 72
Recurring profit	5.1% 2,262	6.7% 3,114	5.9% 5,376	4.1% 1,610	7.4% 3,500	5.9% 5,110	(28.8)% (652)	12.4% 386	(4.9)% (266)
Net income	3.1% 1,368	4.2% 1,932	3.6% 3,300	0.5% 213	3.9% 1,827	2.4% 2,040	(84.4)% (1,155)	(3.3)% (105)	(38.2)% (1,260)

INTEC, consolidated (Millions of yen)	Fiscal 2010			Fiscal 2011			YOY Change		
	1st Half	2nd Half	Full Year	1st Half	2nd Half (estimate)	Full Year (estimate)	1st Half	2nd Half	Full Year
Net sales	51,755	57,725	109,480	48,873	58,427	107,300	(5.6)% (2,882)	1.2% 702	(2.0)% (2,180)
Outsourcing and network	38.1% 19,705	34.6% 19,997	36.3% 39,702	38.7% 18,928	35.2% 20,572	36.8% 39,500	(3.9)% (777)	2.9% 575	(0.5)% (202)
Software development	50.2% 25,956	53.8% 31,028	52.0% 56,984	49.9% 24,368	53.1% 31,032	51.6% 55,400	(6.1)% (1,588)	0.0% 4	(2.8)% (1,584)
Solution services	7.6% 3,949	7.0% 4,054	7.3% 8,003	6.4% 3,142	7.3% 4,258	6.9% 7,400	(20.4)% (807)	5.0% 204	(7.5)% (603)
Other business	4.1% 2,143	4.6% 2,646	4.4% 4,789	5.0% 2,434	4.4% 2,566	4.7% 5,000	13.6% 291	(3.0)% (80)	4.4% 211
Operating income	4.4% 2,286	7.6% 4,376	6.1% 6,662	3.9% 1,915	8.2% 4,785	6.2% 6,700	(16.2)% (371)	9.3% 409	0.6% 38
Recurring profit	3.5% 1,819	7.0% 4,065	5.4% 5,884	3.6% 1,758	7.3% 4,242	5.6% 6,000	(3.4)% (61)	4.4% 177	2.0% 116
Net income	3.8% 1,950	2.9% 1,666	3.3% 3,616	2.3% 1,117	3.4% 1,983	2.9% 3,100	(42.7)% (833)	19.0% 317	(14.3)% (516)

“INTEC (consolidated)” covers INTEC’s non-consolidated results and those of the company’s 12 existing subsidiaries. Chuo System Corporation and IUK Inc., which were put under the direct control of ITHD in April 2010, are not included in the scope of INTEC consolidation.

Fiscal 2011 Full-Year Forecasts: SORUN (Consolidated), UFIT (Consolidated), Agrex (Consolidated)



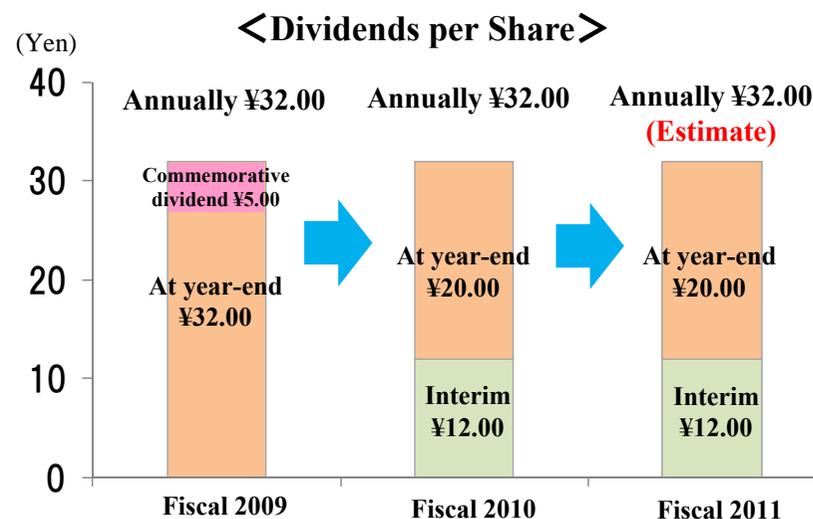
SORUN (Millions of yen)	Fiscal 2010			Fiscal 2011			YOY Change		
	1st Half	2nd Half	Full Year	1st Half	2nd Half (estimate)	Full Year (estimate)	1st Half	2nd Half	Full Year
Net sales	22,916	24,069	46,985	21,135	25,165	46,300	(7.8%) (1,781)	4.6% 1,096	(1.5%) (685)
Outsourcing and network	20.8% 4,757	22.7% 5,452	21.7% 10,209	21.1% 4,461	23.2% 5,829	22.2% 10,290	(6.2%) (296)	6.9% 377	0.8% 81
Software development	73.1% 16,748	70.7% 17,017	71.9% 33,765	72.3% 15,285	68.6% 17,275	70.3% 32,560	(8.7%) (1,463)	1.5% 258	(3.6%) (1,205)
Solution services	5.1% 1,177	5.9% 1,413	5.5% 2,590	5.8% 1,233	7.1% 1,797	6.5% 3,030	4.8% 56	27.2% 384	17.0% 440
Other business	1.0% 234	0.8% 187	0.9% 421	0.7% 155	1.1% 265	0.9% 420	(33.8%) (79)	41.7% 78	(0.2%) (1)
Operating income	2.6% 606	3.9% 937	3.3% 1,543	0.2% 48	6.0% 1,502	3.3% 1,550	(92.1%) (558)	60.3% 565	0.5% 7
Recurring profit	2.6% 595	3.3% 783	2.9% 1,378	0.3% 59	6.2% 1,551	3.5% 1,610	(90.1%) (536)	98.1% 768	16.8% 232
Net profit	1.2% 273	1.4% 330	1.3% 603	(0.5%) (107)	3.6% 907	1.7% 800	- (380)	174.8% 577	32.7% 197

UFIT, consolidated (Millions of yen)	Fiscal 2010			Fiscal 2011			YOY Change		
	1st Half	2nd Half	Full Year	1st Half	2nd Half (estimate)	Full Year (estimate)	1st Half	2nd Half	Full Year
Net sales	21,953	20,753	42,706	18,404	18,996	37,400	(16.2%) (3,549)	(8.5%) (1,757)	(12.4%) (5,306)
Operating income	6.1% 1,343	2.7% 561	4.5% 1,904	5.1% 935	5.2% 985	5.1% 1,920	(30.4%) (408)	75.6% 424	0.8% 16
Recurring profit	6.3% 1,380	2.9% 597	4.6% 1,977	5.3% 971	5.3% 1,009	5.3% 1,980	(29.6%) (409)	69.0% 412	0.2% 3
Net income	3.4% 743	6.2% 1,284	4.7% 2,027	2.1% 395	0.9% 165	1.5% 560	(46.8%) (348)	(87.1%) (1,119)	(72.4%) (1,467)

Agrex, Consolidated (Millions of yen)	Fiscal 2010			Fiscal 2011			YOY Change		
	1st Half	2nd Half	Full Year	1st Half	2nd Half (estimate)	Full Year (estimate)	1st Half	2nd Half	Full Year
Net sales	12,950	13,640	26,590	13,494	14,806	28,300	4.2% 544	8.5% 1,166	6.4% 1,710
Operating income	1.8% 236	3.1% 420	2.5% 656	2.1% 290	4.1% 610	3.2% 900	22.9% 54	45.2% 190	37.2% 244
Recurring profit	1.8% 227	3.1% 418	2.4% 645	2.3% 304	4.0% 596	3.2% 900	33.9% 77	42.6% 178	39.5% 255
Net income	0.3% 33	0.4% 58	0.3% 91	(0.6%) (87)	2.1% 307	0.8% 220	- (120)	429.3% 249	141.8% 129

Basic Policy

- ITHD has made the long-term, comprehensive return of profits to shareholders a top management priority.
- The Company seeks to maintain stable dividends while taking into account performance trends, financial status, and the need to enrich retained earnings to support business growth.
- Normally, the Company distributes dividends twice a year: an interim dividend, at the end of September, and a year-end dividend, at the end of March.



No interim dividend was distributed in fiscal 2009—the Company’s first fiscal year—because the books for this inaugural term had not yet closed. However, a year-end dividend was distributed to shareholders of record.

Reference: Balance Sheet Status

(Millions of yen)	At Mar. 2010	At Sept. 2010	YOY changes	Main Items for Changes
Current assets	141,967	126,685	(15,282)	Cash and deposits(7,973), Notes and accounts receivables (12,815), Inventories +4,333
Fixed assets	171,109	168,621	(2,488)	Investment securities (5,267), Buildings and structures(net) +3,105
Total assets	313,077	295,307	(17,770)	
Current liabilities	86,255	65,666	(20,589)	Short-term borrowings (14,415), Corporate bonds(4,000)
Fixed liabilities	71,746	77,325	5,579	Long-term borrowings +3,037
Total liabilities	158,001	142,991	(15,010)	
Net assets	155,075	152,315	(2,760)	Capital reserve +1,581, Legal reserve (718) Minority interests(2,274), Net unrealized gains (losses) on available-for-sale securities(1,357)

Fiscal 2011 Two-Quarter Highlights

Fiscal 2011 Full-Year Performance Forecast

Progress on Key Strategies for Medium-term Growth

Three-Company Merger and Stronger Group Management Structure

Progress on Key Strategies (1/2)



			Fiscal 2009	Fiscal 2010	Fiscal 2011 (Planned)	Executed in First Two Quarters of Fiscal 2011	Fiscal 2012 and Beyond	
			Plan Preparation	First Medium-term Management Plan				
Business Development	Existing Businesses	Expand activities through synergy fusion	Flagship account strategy	Investigation	Pursuit (3 companies)	Expansion (9 companies)	9 companies	
			Review meetings for cooperative approach by client and solution theme	Manufacturing	Finance			
			Solution Forum	Preliminary discussion (35 projects)	Announcement of results	Preliminary discussion (38 projects)	Preliminary discussion, joint seminars, six exhibitions held. Unofficial OK and orders on six projects.	
		(Joint order results)	(29 projects/ ¥2.4 billion)	(121 projects/ ¥5.4 billion)		(97 projects / ¥9.3 billion) ⇒P.21 for details		
		Build and expand next-generation data centers (DC)	Shinsaibashi gDC		Tianjin DC Takaoka DC	Opened Tianjin DC. Opened Takaoka DC. ⇒P.22 for details	GDC Gotenyama Power and IT Company	
	Overseas Businesses	Expand business presence, especially in the rest of Asia			Opened representative office in Vietnam	Dominant position strategy in China, specifically, Tianjin and Beijing, through SORUN connection	80% of Tianjin DC first stage construction(400 m ²) has been reserved. ⇒P.22 for details	
	Support clients in their globalization efforts			Business alliance with BT	IT support for clients' overseas bases	Suggested Europe VDC to principal clients		
New Businesses	Solution business			Combine the know-how and technologies of TIS and INTEC into marketable solutions	<ul style="list-style-type: none"> Utilize BT alliance to cultivate cloud telephony business Add to service menu with solutions aimed at such targets as the environment business Establish department to address IFRS 	Promoted cloud telephony solution services <ul style="list-style-type: none"> Call Note (July) Call Crayon (September) ⇒P.23 in details		
	Create business platform business			Real Cloud Solution (IUK/INTEC Systems Institute)	Business platform business (cloud business) ⇒Start with three layers of services: SaaS, PaaS, IaaS			

Progress on Key Strategies (2/2)



IT Holdings

		Fiscal 2009	Fiscal 2010	Fiscal 2011 (Planned)	Executed in First Two Quarters of Fiscal 2011	Fiscal 2012 and Beyond
		Plan Preparation	First Medium-term Management Plan			
Management Efficiency	Visualization of management system	Group presidents committee, executive committee and information exchange committee	Introduced hierarchical management method	Introduce Cash Management System (CMS)	<ul style="list-style-type: none"> • CMS: 4 companies →11 companies • Management cockpit system • Management approach ⇒P.25 for details	Establish groupwide information system
	Concentration of Group's headquarter operations		Established IT Service Force Inc. (ITSF), shared company			Considering ITSF and WEB OFFICE merger (planned)
	(Number of companies and business activities targeted)		(10 companies/35 operations)	(15 companies/60 operations)	Results: 10 companies/38 operations Under presentation: 1 company/15 operations	
	Cost reduction through centralized purchasing		Implemented Group purchasing for indirect materials	Expand scope of products under Group purchasing structure as well as the number of companies involved	Targeted products: 8 Targeted companies: 13	
	(Reduction)		(¥20 million)	(¥60 million)	(¥18 million)	
	Effective use of capital			Introduce CMS	Made progress toward reduced interest-bearing debt through CMS use. ⇒P.24 for details	
	(Number of companies targeted)			4	11	18
	Set up employee health and welfare benefits program		Made preparations for groupwide health insurance plan	Establish groupwide health insurance plan	Established groupwide health insurance plan	Consider integrating SORUN health insurance plan into Group plan (planned)
Personnel, Corporate Culture	Enhance Group communication platform		Introduced groupwide social networking system Number of registered users: 2,300		Registered users: 3,600	
Group Formation	Promote optimization to create a leading corporate group in the IT industry.	<ul style="list-style-type: none"> • NEXWAY joins the Group • Restructured old TIS Group 	<ul style="list-style-type: none"> • Established ITSF • Established NEOAXIS • INTEC Holdings merged into INTEC • SORUN joins Group 		<ul style="list-style-type: none"> • Reassignments: IUK, Chuo System, TIS Total Service, Oartech. • Mergers: Keyport Solutions and es Crew, AC MEDICAL and CRONOVA, and KOUSHI INTEC and Huma(n) (planned) ⇒P.27 for details	<ul style="list-style-type: none"> • Mergers Planned merger of TIS, SORUN and UFIT. Planned merger of ITSF and WEB OFFICE.

Key Strategy Topics: Business Cooperation among Group Companies

Status of Joint Orders

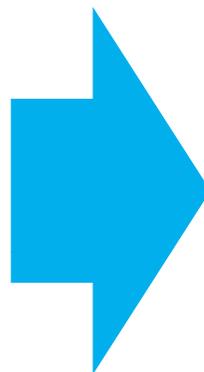
First Two Quarters of Fiscal 2010

Number of orders: 39 (Q1: 10, Q2: 29)

Order value: ¥2.3 billion (Q1: ¥1.4 billion, Q2: ¥900 million)

No.	Support						Total
	TIS	INT	UFT	AG	Other		
Lead	TIS	3	1	2	6	12	
	INT	2	1	7	8	18	
	UFT	1	3			4	
	AG					0	
	Other	1	1		3	5	
	Total	4	7	2	9	17	39

INT: INTEC, UFT: UFIT, AG: Agrex, SRN: SORUN



First Two Quarters of Fiscal 2011

Number of orders: 97 (Q1: 53, Q2: 44)

Order value: ¥9.3 billion (Q1: ¥6.4 billion, Q2: ¥2.9 billion)

No.	Support							Total
	TIS	INT	SRN	UFT	AG	Other		
Lead	TIS	3	8	1	3	9	24	
	INT	12		2	8	17	39	
	SRN	2		1	1	6	10	
	UFT	2	5			2	9	
	AG					1	1	
	Other	7	1	1		1	4	14
	Total	23	9	9	4	13	39	97

Joint Order Expansion Strategies

- SORUN's inclusion in the Group broadened composition of project participation. Aggressively encouraged reciprocal client introductions.
- Promoted mutual understanding of service know-how and solutions under each Group company's scope of expertise through preliminary discussions and joint seminars.*
- Expanded Group's flagship account targets from company focus to include industry and region as well. Significantly increased joint order results from flagship accounts, from ¥800 million in fiscal 2010 to ¥5.8 billion in first half of fiscal 2011.

The suggestion that preliminary discussions improve synergy was written up in the Nikkei Sangyo Shimbum on July 30, 2010.

Key Strategy Topics: Build and Expand Next-Generation Data Centers

Tianjin Binhai Hi-tech Internet Data Center (Tianjin TIS Hi-tech Information System Service Co., Ltd. (Tianjin TIS))

(Features)

- Capable of providing high-security, high-quality services on a par with those in Japan.
- Facility exceeds Tier 3 of global standard in secure facility status.
- Tianjin TIS cooperating with SORUN offices in China to implement system operation services.
- Facility opened in April 2010 and 80% of first-stage construction—400m²—has already been taken up by members of China’s financial industry, European manufacturers and Japanese corporations.
- Second-stage construction (500 m²) is moving along as planned



INTEC Manyo Square (INTEC)

(Features)

- Next to under-construction Shin-Takaoka Station (temporary name) on the Hokuriku Shinkansen bullet train line.
- Realized concepts of “sturdy, highly reliable data center,” “environment-friendly office building,” and “surroundings-matched structure.”
- Opened in July 2010, with 75% of anticipated capacity for fiscal 2011 (160m²) already allocated to clients.



GDC Gotenyama (TIS)

(Features)

- Tokyo city-center location within the Yamanote loop line offers excellent accessibility.
- Design based on three concepts: “ecology and society,” “on-demand service” and “high-performance.”
- Realized configuration as core of cloud-related services in conjunction with urban-format green data center Shinsaibashi gDC.
- Opening planned for April 2011. With a considerable client base to tap, TIS has already received its first unofficial OK from a potential user of services at GDC Gotenyama.
- Acquire top rank under CASBEE (Comprehensive Assessment System for Built Environment Efficiency) in Japan.



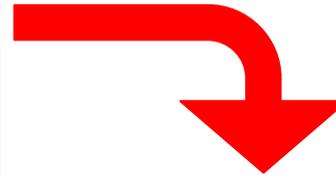
Illustration

ITHD Group Cloud Services

Level	Service
SaaS	SKIPaaS
	i-TRe
	Quefit ZeeM
	⋮
PaaS	Cloud Telephony
IaaS	TIS Enterprise Ondemand Service
	Real Cloud Solutions
	⋮

Launched Services in Cloud Telephony Business

High-level voice communication combining telephone equipment/network voice and the Internet as a cloud service.



Part 1: July 26, 2010

Visualize response to advertising by tracking incoming calls.
Call Notes, a SaaS-style incoming call management service, was applied to Hot Pepper FooMoo by Recruit.

Expand target segment to include companies that offer services online and over the phone as well as companies, such as call centers, that deal with clients over the phone.

Net sales should reach ¥1 billion in three years.

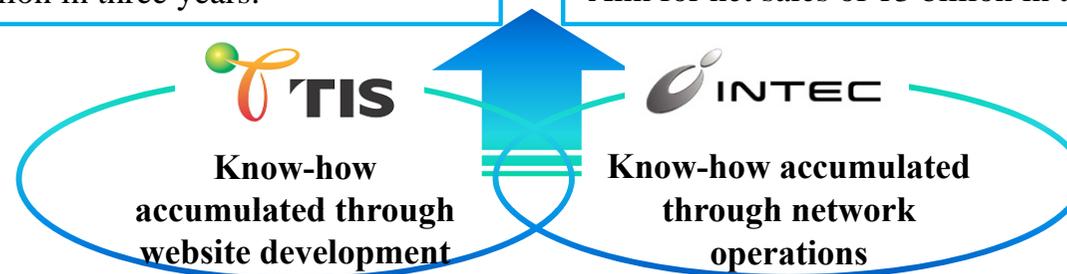


Part 2: September 29, 2010

Call Crayons, a new Internet- and phone-linked communication service facilitated by PhoneCookie technology (patent pending), enhances corporate connection to clients. Four companies have signed up on a trial basis.

Sales directed mainly toward companies that extend services to clients over the Internet. (Also considering tieups with CRM-related vendors, CTI vendors, contact center/BPO providers.)

Aim for net sales of ¥3 billion in three years.



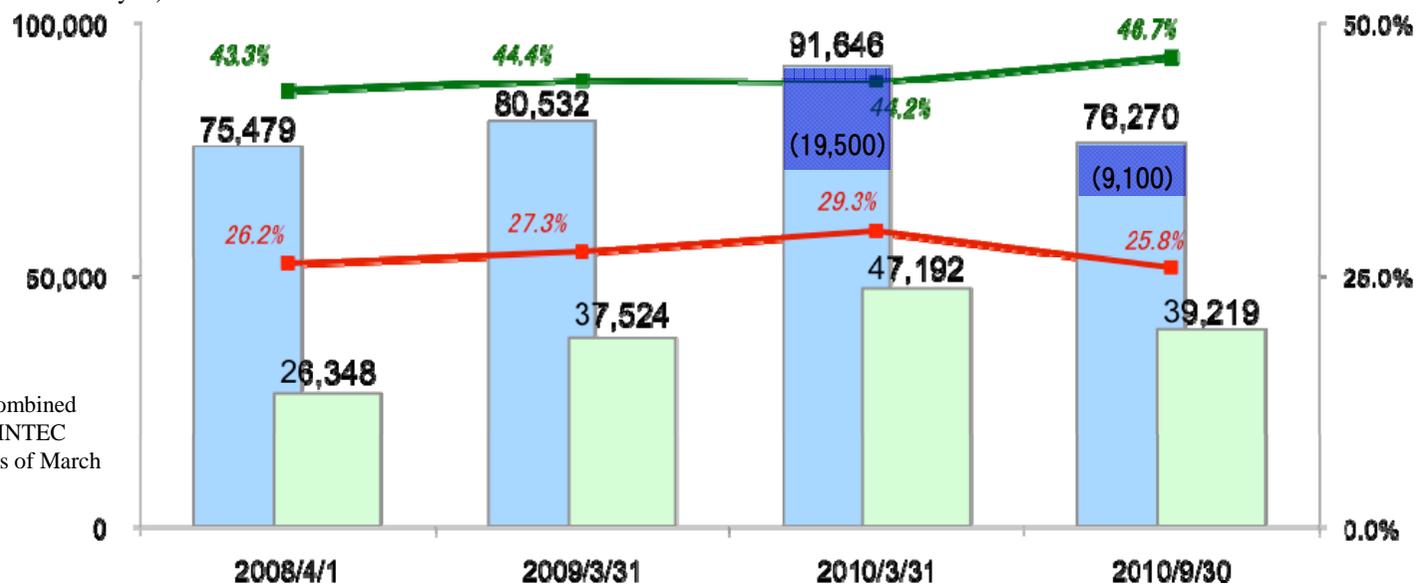
Began expanding groupwide cash management system in April 2010, raising coverage from four companies to 11, as of September 30, 2010, and accelerated reduction of interest-bearing debt through enhanced groupwide capital efficiency.

Interest-bearing debt at the end of September 2010 was ¥15.4 billion less than it was at the end of March 2010. Short-term loans, following the tender offer for SORUN stock, hit ¥19.5 billion, but decreased ¥10.4 billion, to ¥9.1 billion.

→ Sustained from December 2010 through long-term loans of three-to-five year duration.

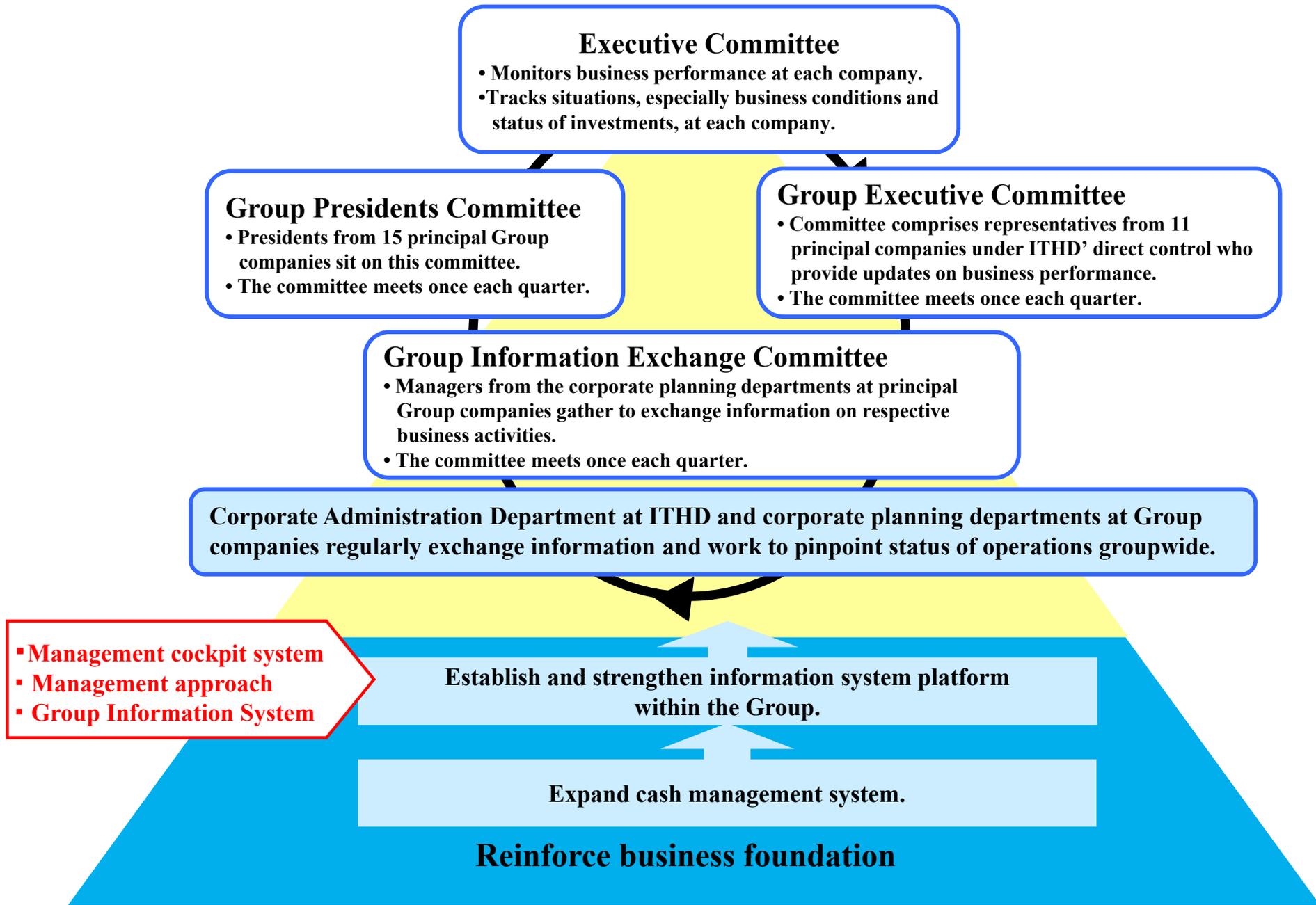
Reference: ITHD' Consolidated Interest-Bearing Debt

(Millions of yen)



Figures for April 1, 2008, are a combined total using TIS consolidated and INTEC Holdings consolidated amounts as of March 31, 2008.

■ Interest-bearing debt
 ■ Cash and deposits
 — Interest-bearing debt ratio
 — Equity ratio
 Numbers in parentheses are tender offer portions
 Interest-bearing debt= Loans + Corporate bonds



Fiscal 2011 Two-Quarter Highlights

Fiscal 2011 Full-Year Performance Forecast

Progress on Key Strategies for Medium-term Growth

Three-Company Merger and Stronger Group Management Structure

From the left:
Masaki Chitose, President, SORUN CORPORATION; Susumu Okamoto, President, IT Holdings Corporation; Hiroaki Fujimiya, President, TIS Inc.; Takahide Nishino, President, UFIT Co., Ltd.



Three-Company Merger and Stronger Group Management Structure



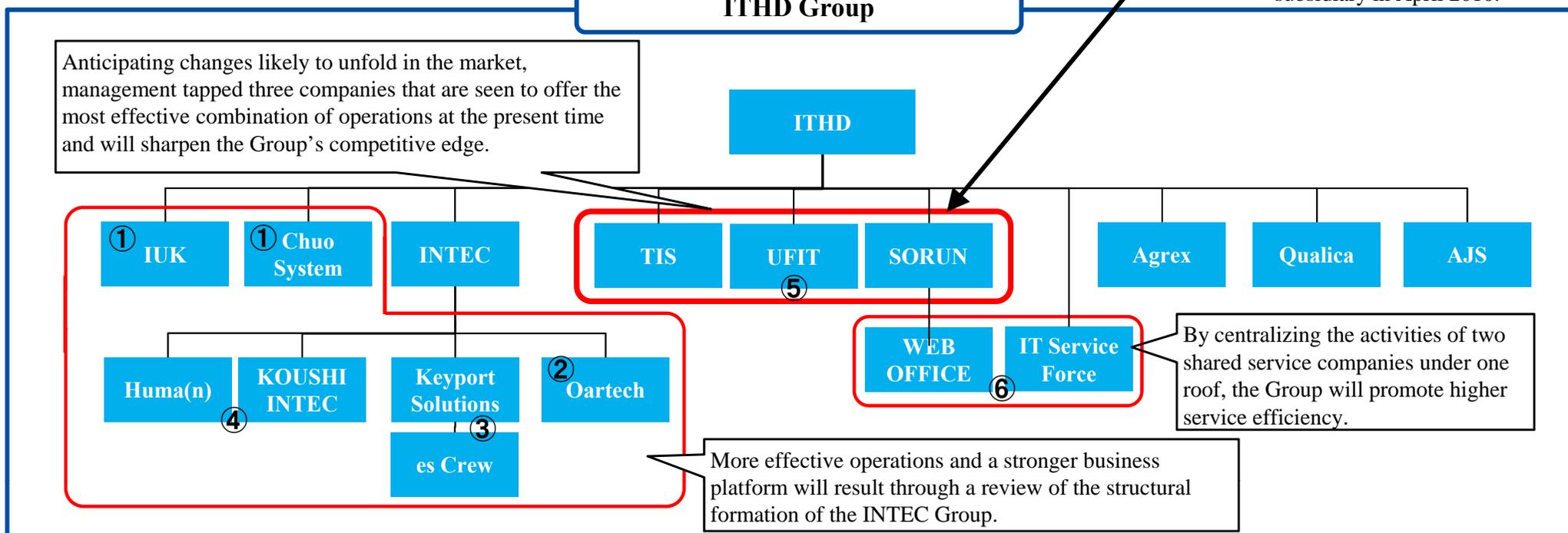
IT Holdings

Redefining and Enhancing Group Formation (Significant Developments Realized or Expected in Fiscal 2011)

April 2010	SORUN, which joined the Group in December 2009, became a wholly owned subsidiary. IUK and Chuo System moved out from under the INTEC umbrella and became subsidiaries under the direct control of ITHD. [①] Status of TIS Total Service changed from subsidiary under ITHD' direct control to subsidiary of TIS.
May 2010	Agrex established AC MEDICAL.
July 2010	Agrex made CRONOVA a wholly owned subsidiary.
August 2010	Status of Oartech changed from subsidiary of Keyport Solutions to subsidiary of INTEC. [②]
October 2010	Keyport Solutions and es Crew merged. [③] AC MEDICAL and CRONOVA merged.
January 2011	KOUSHI INTEC and Huma(n) will merge. [④]
April 2011	TIS, SORUN and UFIT will merge. [⑤] IT Service Force and WEB OFFICE will merge. [⑥]

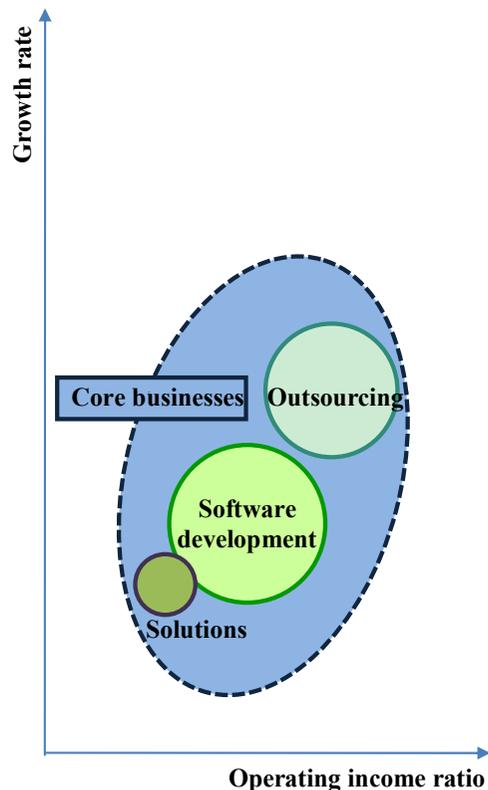
Principal companies and key Group companies involved in efforts, either already executed or to be executed in fiscal 2011, to redefine and enhance Group formation are listed below.

SORUN Joined the Group in December 2009. Became wholly owned subsidiary in April 2010.

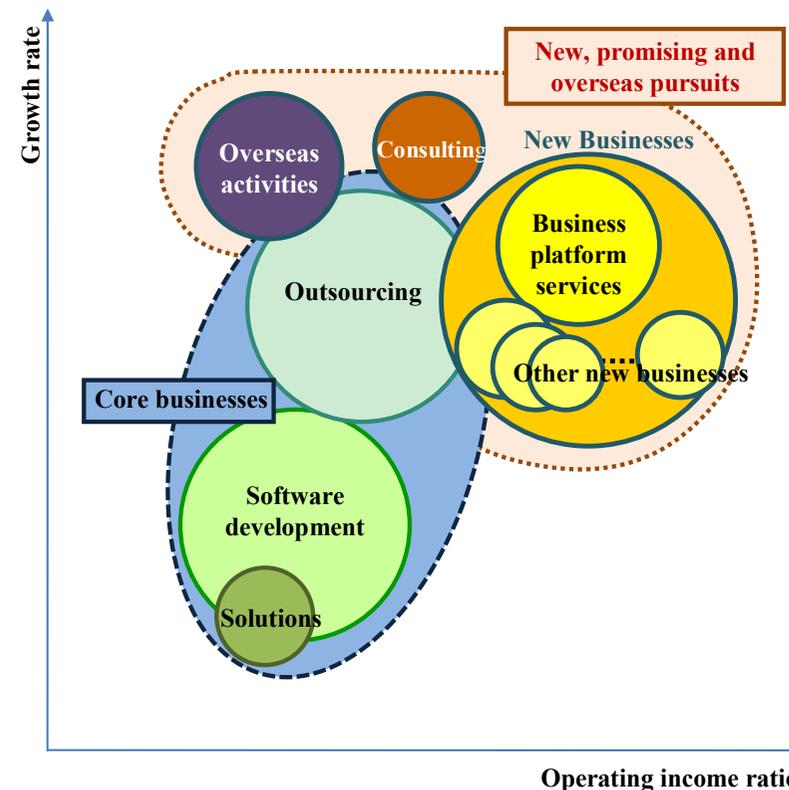


Desired Business Portfolio for the ITHD Group

[FY2009]



[FY2016]



The basic strategy behind the merger of TIS, SORUN and UFIT is to constantly implement measures, with flexibility and adaptable approaches in mind, to redefine and further strengthen Group formation and thereby establish the Group as a leading corporate entity.

Anticipating changes likely to unfold in the market, management tapped for merger the three companies with the most potential to underpin the desire growth-oriented Group structure.

Corporate Outline

Surviving company	TIS Inc.
Name	TIS Inc.
Representative	Toru Kuwano, President (currently, Executive Vice President, TIS)
Head office address	14-5, Kaigan 1-chome, Minato-ku, Tokyo

Board of Directors (Effective April 1, 2011) (plan)

New Title	Name	Current Title
▽ Chairman	Hiroaki Fujimiya	President, TIS Inc.
▽ Vice Chairman	Yoshihiko Takeda	Chairman, UFIT Co., Ltd.
▽ President	Toru Kuwano	Executive Vice President, TIS Inc.
▽ Vice President	Masaki Chitose	President, SORUN CORPORATION
▽ Vice President	Takahide Nishino	President, UFIT Co., Ltd.
▽ Advisor	Susumu Okamoto	Chairman, TIS Inc.
▽ Advisor	Junji Kitagawa	Chairman, SORUN CORPORATION

Main Purpose of Merger

- ① Reinforce forte system configuration and operation services for clients in the finance industry.
- ② Promote outsourcing business, maximizing combined three-company data center area exceeding 100,000 m²
- ③ Turn evolving demand for cloud computing—essentially, outsourcing services—into broader business content by accelerating the transformation of the service expertise acquired by Group companies into solutions and services.
- ④ Expand business activities in China, with a focus on one-stop IT services in Beijing and Tianjin.
- ⑤ Expand scope of engineering activities.
- ⑥ Strengthen the financial structure of the Group.

Effect of Merger

- Net sales: Seek growth rate surpassing industry average.
- Operating income: Anticipate higher income in three years' time, hitting at least ¥5.0 billion on an annual basis.

Steps for Expanding Scale of Net Sales

- ◆ Use data centers to underpin higher sales.
- ◆ Create new services and solutions.
- ◆ Utilize cross-selling to support higher sales.
- ◆ Secure mobilization capabilities for large projects.
- ◆ Strengthen one-stop business content.

Steps for Boosting Profitability

- ◆ Trim investment requirements through reciprocal use of data centers.
- ◆ Improve software production efficiency.
- ◆ Consolidate duplicated, peripheral services.
- ◆ Improve capital efficiency.
- ◆ Pursue economies of scale, underpinned by centralized purchasing.



IT Holdings

Cautionary Statements

- In these materials, ITHD is abbreviated IT Holdings.
- 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 reflect somewhat objective assumptions deemed reasonable at this time. Various factors may cause future results to be substantially different from the assumptions presented in these materials.
- Full-year targets reflect revised performance estimates announced on November 2, 2010, with the exception of consolidated results for Agrex presented on pages 12 and 16.
- Second-half targets have been determined by subtracting first-half actual results from full-year estimates.
- The consolidated figures of each subsidiary group may differ from figures determined on a management approach basis.