



IT Holdings

Information Meeting Materials for the First Quarter of the Fiscal Year ending March 31, 2012

August 3, 2011

IT Holdings Corporation

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IT Holdings Group

Fiscal 2012 First Quarter Highlights

Fiscal 2012 First-Half/Full-Year Performance Forecasts

Noteworthy Topics

Fiscal 2012 First Quarter Highlights



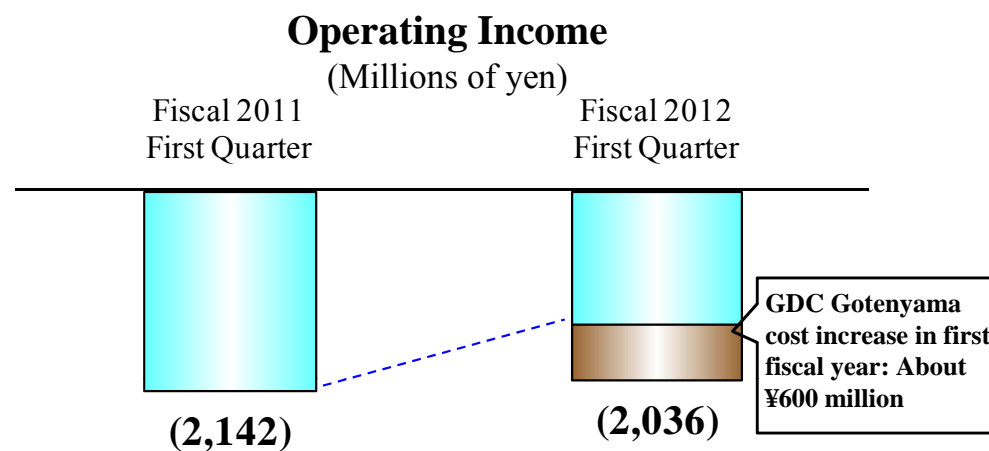
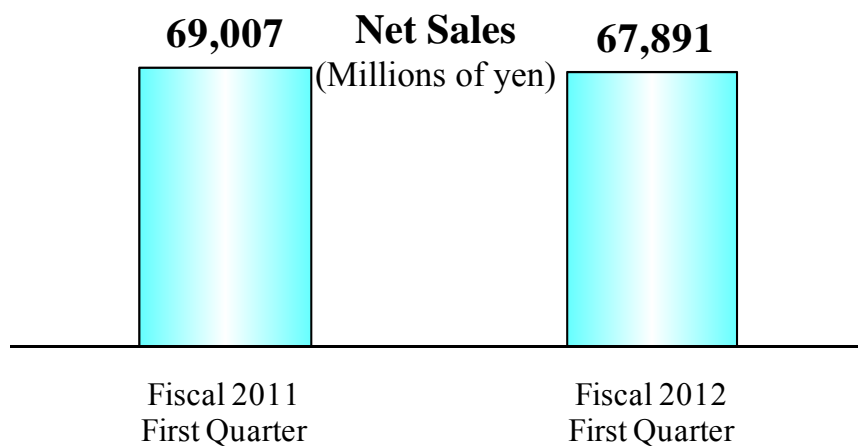
External Environment

- Business environment remains challenging, mainly due to lingering consequences from earthquake and tsunami and continued restrictions on power usage.
- On IT investment front, some companies remain cautious in spending while others are taking a proactive approach that is fostering an uptrend in order activity.

ITHD Group Status

- Concerted effort to cut costs compensated for decrease in sales and heavier burden from front-loading investment in data centers, leading to higher income.
- Eliminated effect of asset retirement obligations incurred in previous term, and achieved dramatic recovery in quarterly net income.

ITHD, Consolidated (Millions of yen)	Fiscal 2011 First Quarter	Fiscal 2012 First Quarter	YOY Change
Net sales	69,007	67,891	(1.6)% (1,116)
IT Infrastructure services	38.9% 26,846	38.4% 26,057	(2.9)% (789)
Financial IT services	20.2% 13,941	19.6% 13,279	(4.7)% (662)
Industrial IT services	38.0% 26,256	39.5% 26,829	2.2% 573
Other business	2.8% 1,964	2.5% 1,726	(12.1)% (238)
Operating loss	(3.1)% (2,142)	(3.0)% (2,036)	— 106
Recurring loss	(2.7)% (1,848)	(2.5)% (1,691)	— 157
Net loss	(4.1)% (2,817)	(2.0)% (1,360)	— 1,457



Fiscal 2012 First Quarter: Sales by Client Sector



ITHD, Consolidated (Millions of yen)	Fiscal 2011 First Quarter		Fiscal 2012 First Quarter		YOY Change	
Net sales		69,007		67,891	(1.6)%	(1,116)
Credit card	16.1%	11,078	13.4%	9,064	(18.2)%	(2,014)
Banking	8.2%	5,646	8.5%	5,743	1.7%	97
Insurance	7.7%	5,330	7.9%	5,356	0.5%	26
Other finance	5.7%	3,966	7.0%	4,749	19.7%	783
Assembly-based manufacturing	13.4%	9,224	12.4%	8,404	(8.9)%	(820)
Processing-based manufacturing	9.7%	6,682	9.7%	6,591	(1.4)%	(91)
Distribution	7.7%	5,295	8.2%	5,570	5.2%	275
Services	21.4%	14,779	21.1%	14,327	(3.1)%	(452)
Public institutions	8.0%	5,526	8.6%	5,871	6.2%	345
Others	2.1%	1,481	3.3%	2,216	49.6%	735

Fiscal 2012 First Quarter: Sales and Income by Business Segment

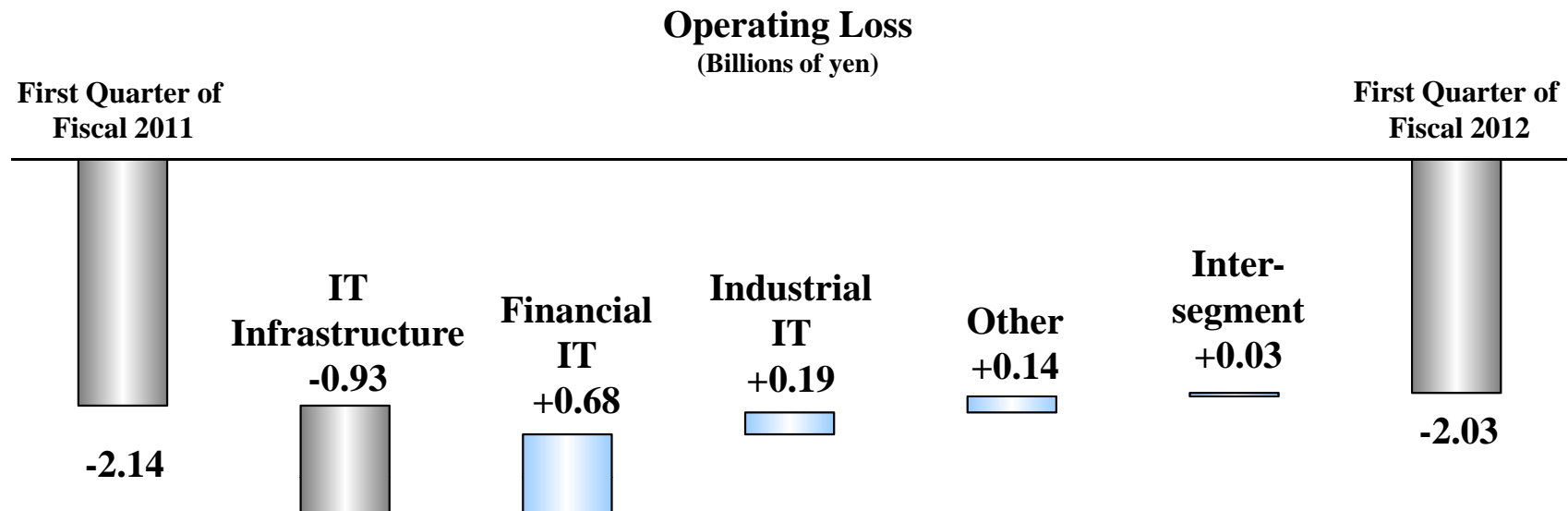
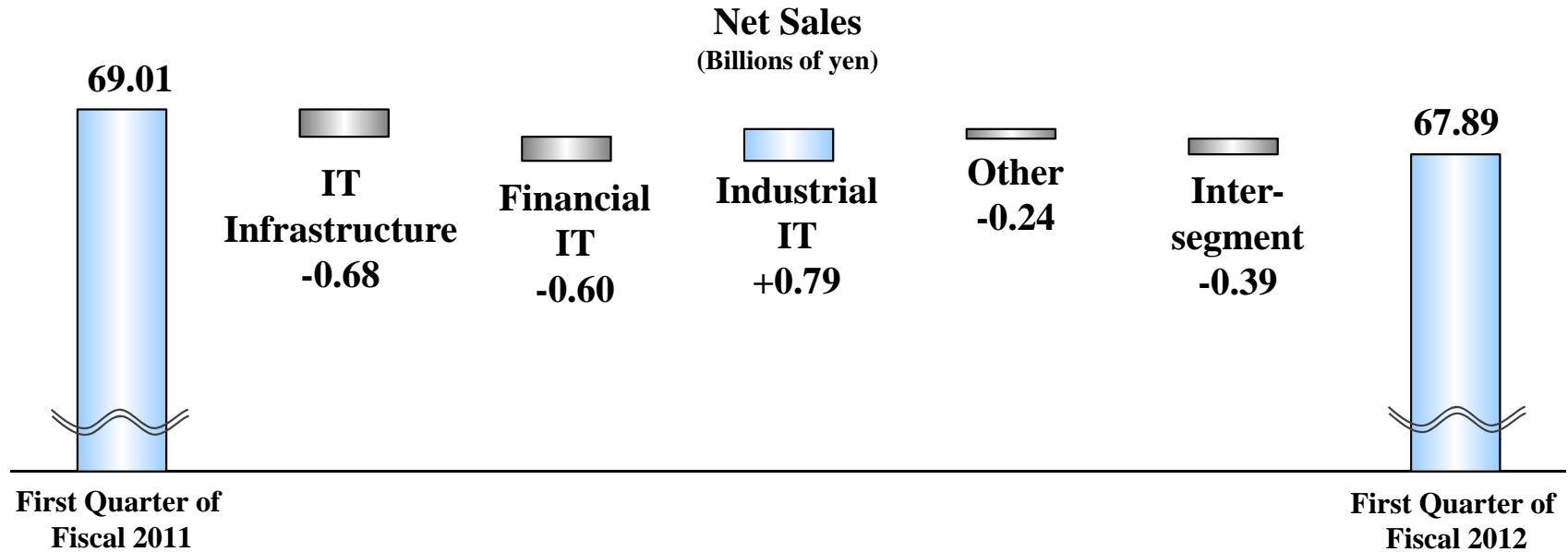


ITHD, Consolidated (Millions of yen)		Fiscal 2011 First Quarter	Fiscal 2012 First Quarter	YOY Change	
IT Infrastructure Services	Net sales	27,293 39.6%	26,611 39.2%	(2.5)%	(682)
	Operating income	1,742 -	811 -	(53.4)%	(931)
	Operating income ratio	6.4%	3.0%		
Financial IT Services	Net sales	13,958 20.2%	13,360 19.7%	(4.3)%	(598)
	Operating loss	(1,431) -	(753) -	-	678
	Operating loss ratio	(10.3)%	(5.6)%		
Industrial IT Services	Net sales	27,803 40.3%	28,597 42.1%	2.9%	794
	Operating loss	(2,382) -	(2,193) -	-	189
	Operating loss ratio	(8.6)%	(7.7)%		
Other Business	Net sales	4,260 6.2%	4,020 5.9%	(5.6)%	(240)
	Operating income	370 -	506 -	36.9%	136
	Operating income ratio	8.7%	12.6%		
Inter-segment elimination/adjustments	Net sales	(4,308)	(4,698)		(390)
	Operating loss	(440)	(408)		32

Net sales for each segment include intersegment sales.

Net Sales and Operating Income Analysis for First Quarter of Fiscal 2012

(YOY Comparison)



【Reference】 Fiscal 2012 First Quarter: TIS and INTEC

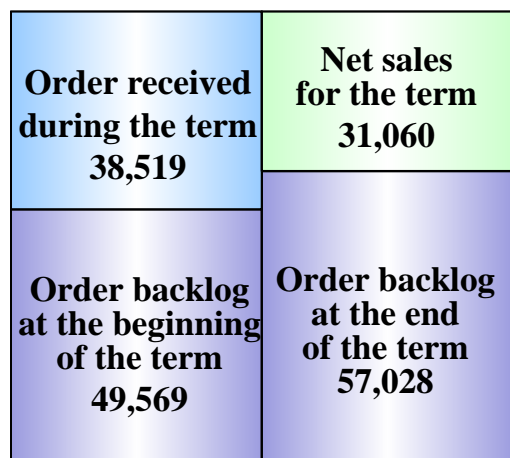
TIS, Nonconsolidated (Millions of yen)	Fiscal 2011 First Quarter		Fiscal 2012 First Quarter		YOY Change	
Net sales		30,820		29,036	(5.8)%	(1,784)
IT Infrastructure services	46.4%	14,290	46.6%	13,526	(5.3)%	(764)
Financial IT services	25.6%	7,898	24.3%	7,043	(10.8)%	(855)
Industrial IT services	28.0%	8,632	29.2%	8,467	(1.9)%	(165)
Operating loss	(8.7)%	(2,674)	(10.0)%	(2,890)	—	(216)
Recurring loss	(4.1)%	(1,249)	(7.4)%	(2,150)	—	(901)
Net loss	(5.3)%	(1,636)	(5.5)%	(1,611)	—	25

TIS, SORUN and UFIT merged on April 1, 2011. Amounts for fiscal 2011 are simple totals adding together the non-consolidated results of TIS, SORUN and UFIT.

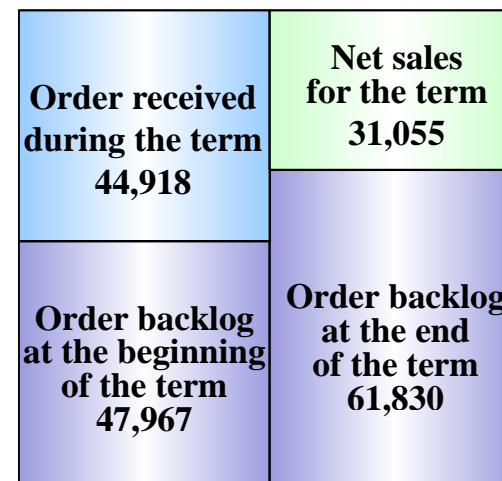
INTEC, Nonconsolidated (Millions of yen)	Fiscal 2011 First Quarter		Fiscal 2012 First Quarter		YOY Change	
Net sales		19,310		20,133	4.3%	823
IT Infrastructure services	26.3%	5,080	27.1%	5,451	7.3%	371
Financial IT services	22.0%	4,256	20.6%	4,149	(2.5)%	(107)
Industrial IT services	51.7%	9,974	52.3%	10,534	5.6%	560
Operating income	1.8%	353	0.9%	189	(46.5)%	(164)
Recurring income	1.9%	366	2.0%	404	10.4%	38
Net income	0.6%	110	0.2%	39	—	(71)

Fiscal 2012 First Quarter Order Status: Software Development

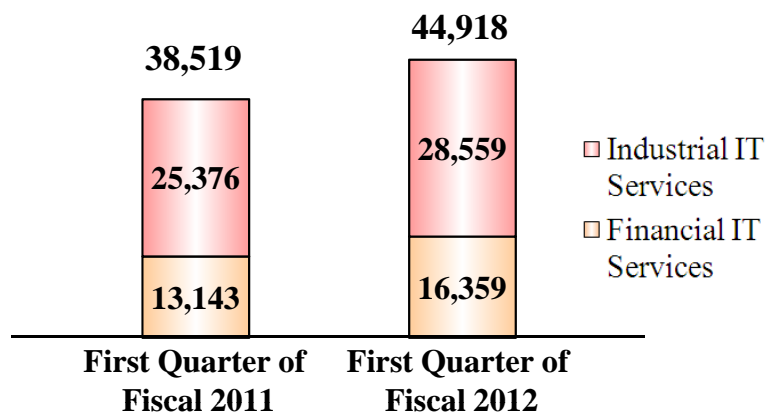
Fiscal 2011 First Quarter
(Millions of yen)



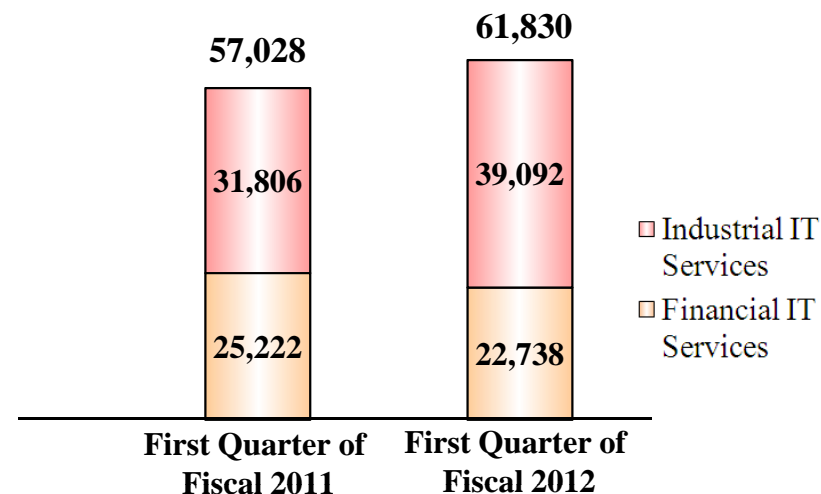
Fiscal 2012 First Quarter
(Millions of yen)



Orders received during the term
(Millions of yen)



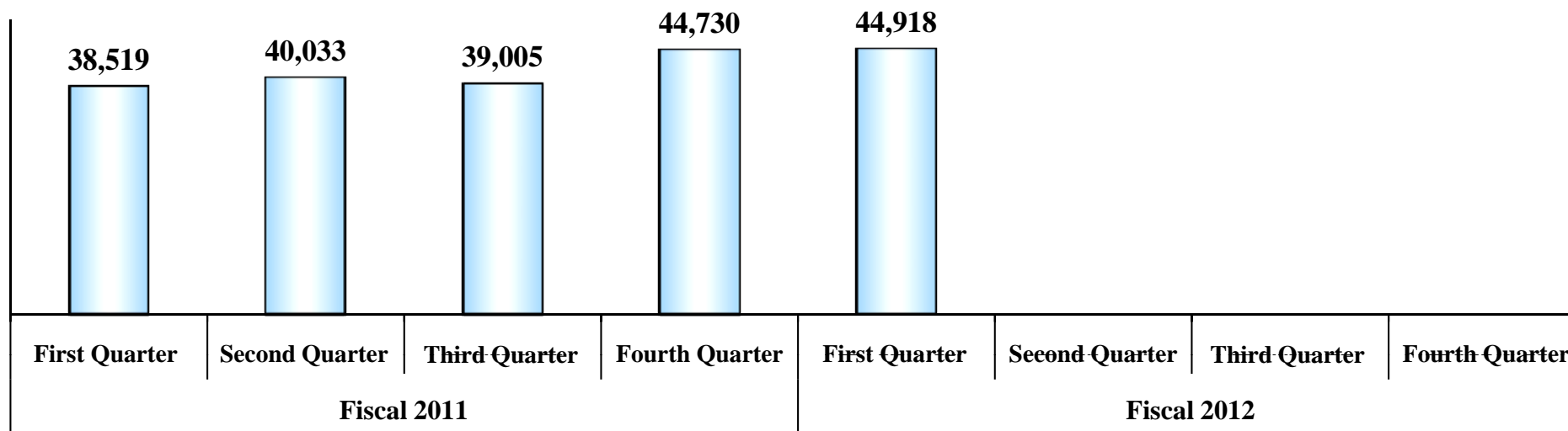
Order backlog at the end of the term
(Millions of yen)



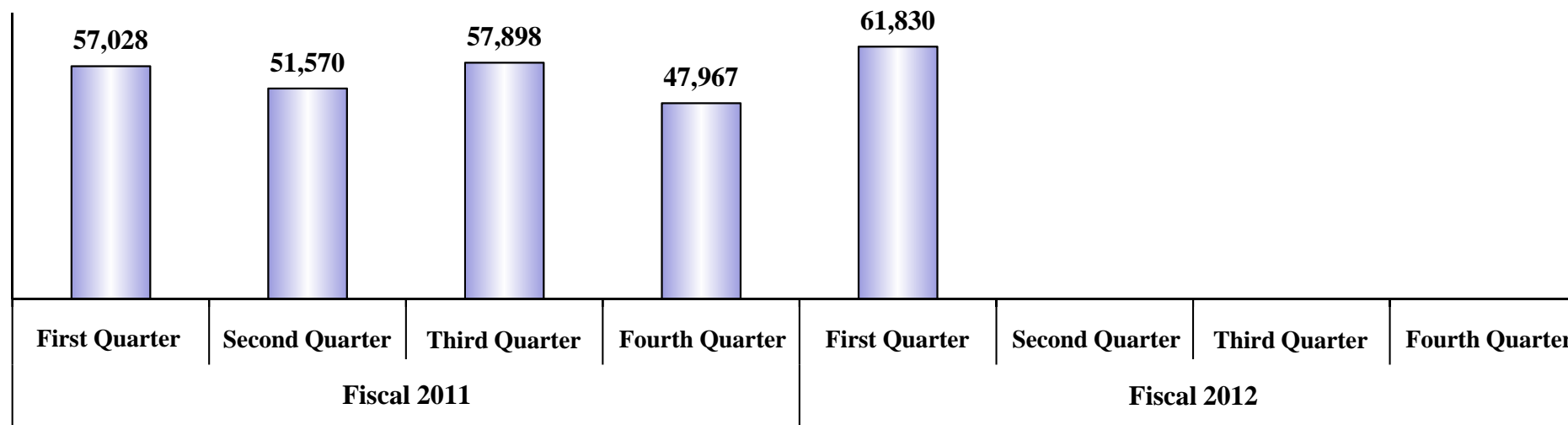
Quarterly order received, end-of-quarter order backlog and quarterly net sales apply to Software Development only.

Quarterly Order Status

Orders received during the term (Millions of yen)



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



Quarterly order volume, and end-of-quarter order balance apply to Software Development only.

Fiscal 2012 First Quarter Highlights

Fiscal 2012 First-Half/Full-Year Performance Forecasts

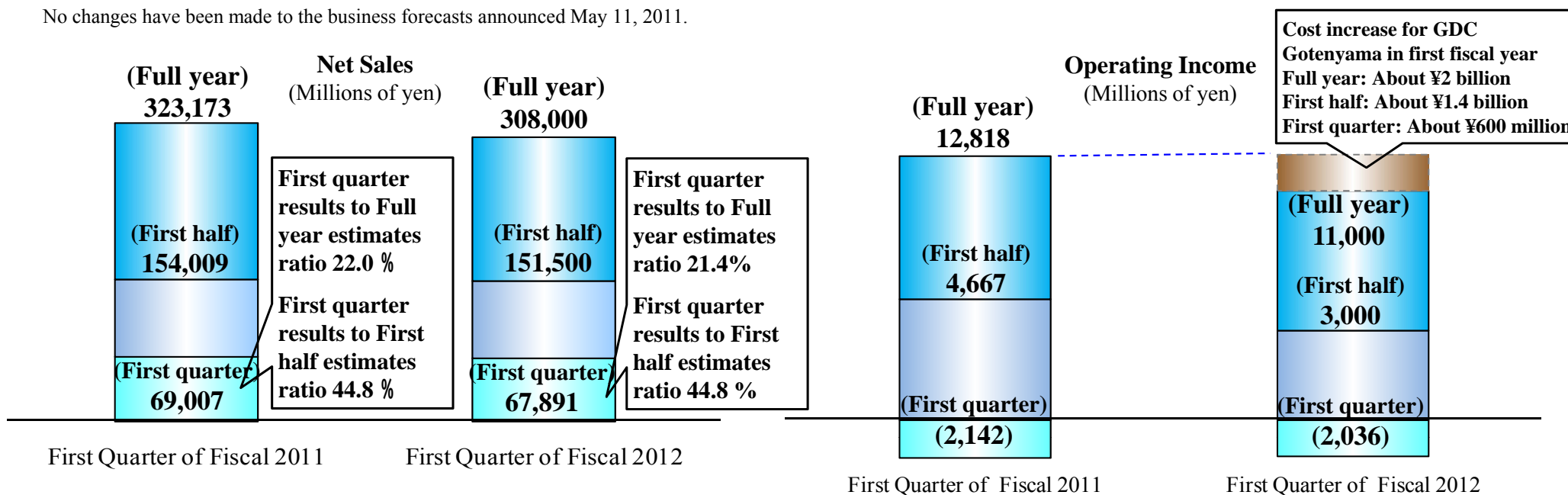
Noteworthy Topics

Fiscal 2012 First-Half/Full-Year Performance Forecasts



ITHD, Consolidated (Millions of yen)	Fiscal 2011		Fiscal 2012 [estimates]		YOY Change	
	First Half	Full Year	First Half	Full Year	First Half	Full Year
Net sales	154,009	323,173	151,500	308,000	(1.6)% (2,509)	(4.7)% (15,173)
IT Infrastructure services	35.4% 54,585	33.8% 109,099	35.5% 53,800	34.9% 107,600	(1.4)% (785)	(1.4)% (1,499)
Financial IT services	22.7% 34,904	22.5% 72,700	21.7% 32,800	21.4% 66,000	(6.0)% (2,104)	(9.2)% (6,700)
Industrial IT services	39.5% 60,778	41.5% 134,171	40.5% 61,300	41.3% 127,300	0.9% 522	(5.1)% (6,871)
Other business	2.4% 3,744	2.2% 7,203	2.4% 3,600	2.3% 7,100	(3.8)% (144)	(1.4)% (103)
Operating income	3.0% 4,667	4.0% 12,818	2.0% 3,000	3.6% 11,000	(35.7)% (1,667)	(14.2)% (1,818)
Recurring profit	3.1% 4,762	3.9% 12,625	1.8% 2,800	3.4% 10,500	(41.2)% (1,962)	(16.8)% (2,125)
Net income	0.7% 1,004	1.9% 5,985	0.7% 1,000	1.1% 3,500	(0.4)% (4)	(41.5)% (2,485)

No changes have been made to the business forecasts announced May 11, 2011.



【Reference】 Fiscal 2012 First-Half/Full-Year Performance Forecasts: TIS (nonconsolidated) and INTEC (nonconsolidated)



TIS, Nonconsolidated (Millions of yen)	Fiscal 2011		Fiscal 2012【estimates】		YOY Change	
	First Half	Full Year	First Half	Full Year	First Half	Full Year
Net sales	72,967	153,567	70,000	148,600	(4.1)% (2,967)	(3.2)% (4,967)
IT Infrastructure services	39.8% 29,067	37.8% 58,058	40.3% 28,200	38.2% 56,800	(3.0)% (867)	(2.2)% (1,258)
Financial IT services	30.7% 22,429	30.4% 46,673	29.1% 20,400	28.9% 43,000	(9.0)% (2,029)	(7.9)% (3,673)
Industrial IT services	29.4% 21,471	31.8% 48,836	30.6% 21,400	32.8% 48,800	(0.3)% (71)	(0.1)% (36)
Operating income	2.7% 1,986	3.8% 5,847	0.1% 100	3.0% 4,500	(95.0)% (1,886)	(23.0)% (1,347)
Recurring profit	4.6% 3,335	4.6% 7,133	0.6% 400	3.2% 4,700	(88.0)% (2,935)	(34.1)% (2,433)
Net income	2.0% 1,441	1.5% 2,301	0.2% 150	0.9% 1,300	(89.6)% (1,291)	(43.5)% (1,001)

SORUN and UFIT merged into TIS on April 1, 2011. Amounts for fiscal 2011 are simple totals combining the non-consolidated results of TIS, SORUN and UFIT. No changes have been made to the business forecasts announced May 11, 2011.

INTEC, Nonconsolidated (Millions of yen)	Fiscal 2011		Fiscal 2012【estimates】		YOY Change	
	First Half	Full Year	First Half	Full Year	First Half	Full Year
Net sales	41,555	89,406	41,500	87,700	(0.1)% (55)	(1.9)% (1,706)
IT Infrastructure services	25.9% 10,747	24.3% 21,751	25.8% 10,700	24.7% 21,700	(0.4)% (47)	(0.2)% (51)
Financial IT services	20.8% 8,654	20.5% 18,339	21.0% 8,700	19.4% 17,000	0.5% 46	(7.3)% (1,339)
Industrial IT services	53.3% 22,154	55.2% 49,316	53.3% 22,100	55.9% 49,000	(0.2)% (54)	(0.6)% (316)
Operating income	3.5% 1,436	3.8% 3,377	3.9% 1,600	4.3% 3,800	11.4% 164	12.5% 423
Recurring profit	3.3% 1,379	3.3% 2,963	3.6% 1,500	3.9% 3,400	8.8% 121	14.7% 437
Net income	0.7% 311	0.6% 574	0.9% 360	1.4% 1,200	15.8% 49	109.1% 626

No changes have been made to the business forecasts announced May 11, 2011.

Fiscal 2012 First Quarter Highlights

Fiscal 2012 First-Half/Full-Year Performance Forecasts

Noteworthy Topics

Major Recent Developments in the ITHD Group



The new TIS implemented measures accompanying corporate structural reforms highlighting a swift return to profitability and efforts to draw out and maximize the inherent merger effect maximize.

➤ **Special Career-Change Support Program (Announced July 4, 2011)**

Management felt that a sweeping review of the personnel structure and assignment of human resources would be indispensable for TIS to overcome the current uncertainties that characterize the operating environment and would underpin growth and sustained corporate value over the medium term. Toward this end, management opted for a special career-change support program, which is in effect a early retirement plan.

Target number	About 400 (Number of employees at July 1, 2011 was 7,926)
Eligibility	Full-time employees at least 40 years old as of September 30, 2011
Application period	July 25, 2011 through August 22, 2011
Date of retirement	September 30, 2011
Other	Personnel retiring under this program will receive a retirement allowance as well as special severance pay. In addition, TIS will engage a rehiring support company to offer support for those individuals requiring help in finding new employment.

➤ **Subsidiary to Assume Customer-based Permanent On-Site Service Business (Announced August 3, 2011)**

To reinforce the platform for customer-based permanent on-site services, mainly for system operation and oversight, TIS will transfer the associated business to CST, a subsidiary specializing in these services. In conjunction with this transfer, CST will be remained **TIS Solution Link**, effective October 1, 2011.

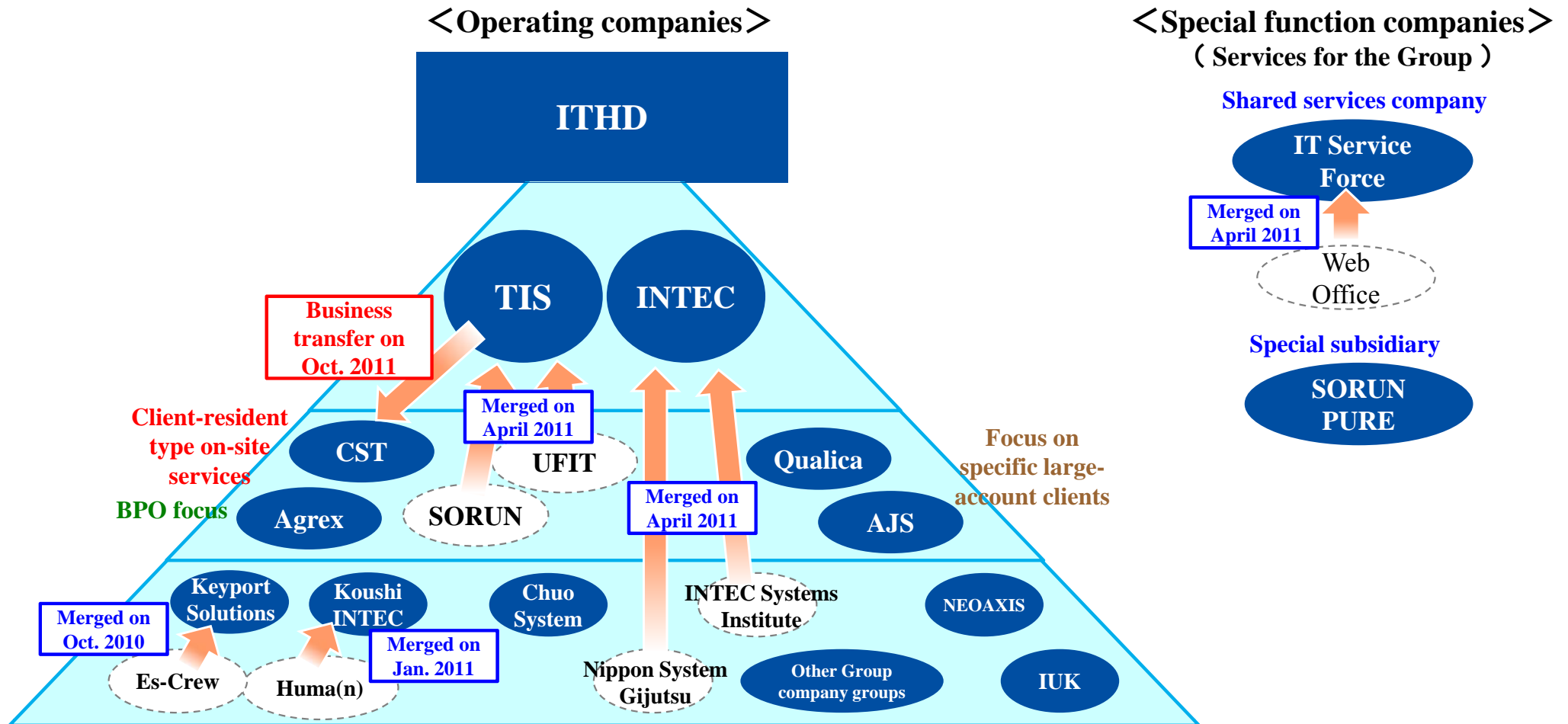
→ TIS will direct greater attention toward areas of core competence, namely, system integration and outsourcing services.

【Reference】 Realignment of Group Formation

➤ Promote streamlining, integration and realignment by function

Push ahead with integration of Group companies from a perspective of sharper competitive capabilities matched to major changes in the operating environment

Centralize common functions within the Group with an eye to enhance efficiency





IT Holdings

Cautionary Statements

- In these materials, IT Holdings is abbreviated ITHD.
- All statements described in these materials are based on information available to management regarding the ITHD Group—that is, ITHD and the subsidiaries under its umbrella—as of the presentation date and 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.