



IT Holdings

Information Meeting Materials for the Fiscal Year Ended March 31, 2014

May 9, 2014

IT Holdings Corporation

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IT Holdings Group



Fiscal 2014 Performance Highlights

Fiscal 2015 Performance Forecast

Fiscal 2015 Management Direction and Key Strategies

Reference Materials

Fiscal 2014: Financial Highlights

(Millions of yen)



IT Holdings

- Consumer spending, production and other key measurements of economic output improved, thanks to aggressive fiscal and monetary policies implemented by the government, and the trend toward gradual recovery in business conditions became more pronounced. This positive situation prompted renewed interest in IT investment, which fueled wider demand for IT-related products and services.
- Consolidated sales and income were up year-on-year. But while net sales exceeded expectations, operating income failed to reach the stated estimate, mainly due to the impact of unprofitable projects.

Net Sales ¥346,647 million

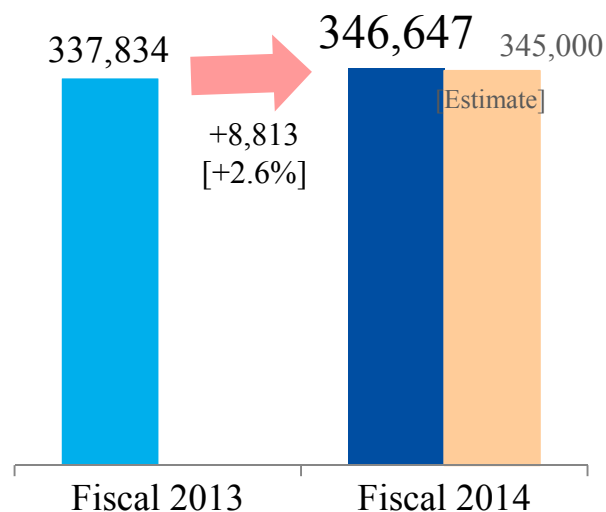
YOY change: +¥8,813million [+2.6%]
Compared with estimate: +¥1,647 million [+0.5%]

Operating Income ¥19,510 million

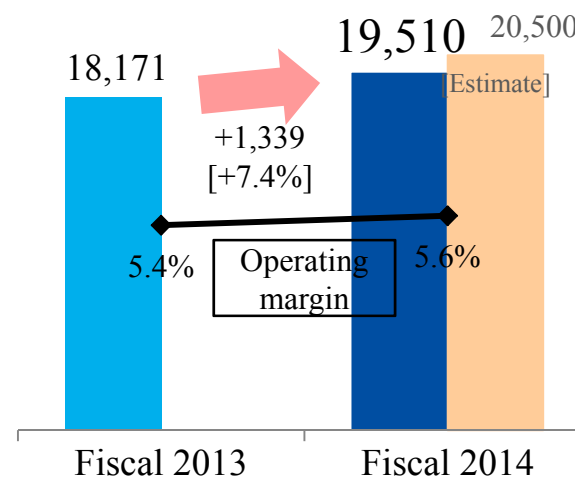
YOY change: +¥1,339 million [+7.4%]
Compared with estimate: -¥990 million [-4.8%]

Net Income ¥7,913million

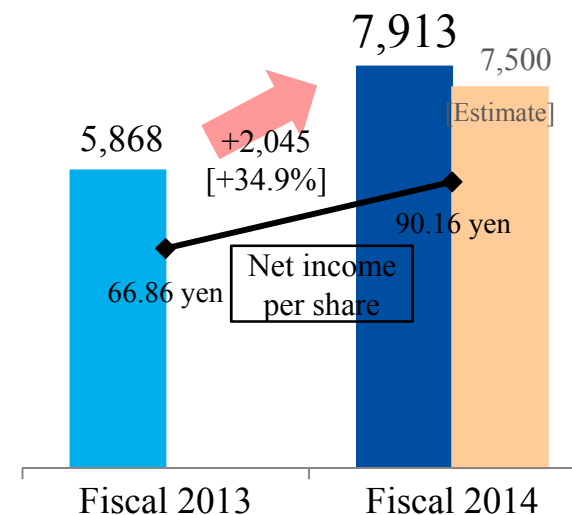
YOY change: +¥2,045 million [+34.9%]
Compared with estimate: +¥413million [+5.5%]



Net sales shifted in a favorable direction overall and in fact rose year-on-year, as accurate identification of clients' IT investment needs translated into higher sales in all three business segments.



The higher net sales starting point and successful efforts to cut costs helped offset negative factors, such as elevated cost of sales and the impact of unprofitable projects. This led to a year-on-year improvement in operating income.



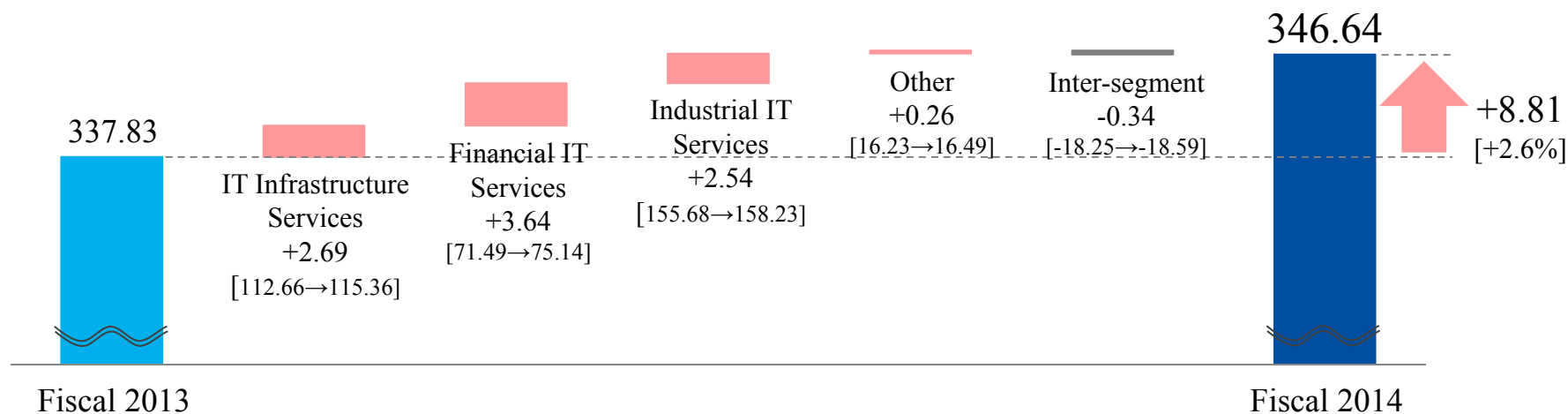
Net income was up over the previous fiscal year, mainly due to higher operating income and a decrease in extraordinary expenses.

Fiscal 2014: Net Sales and Operating Income Analysis

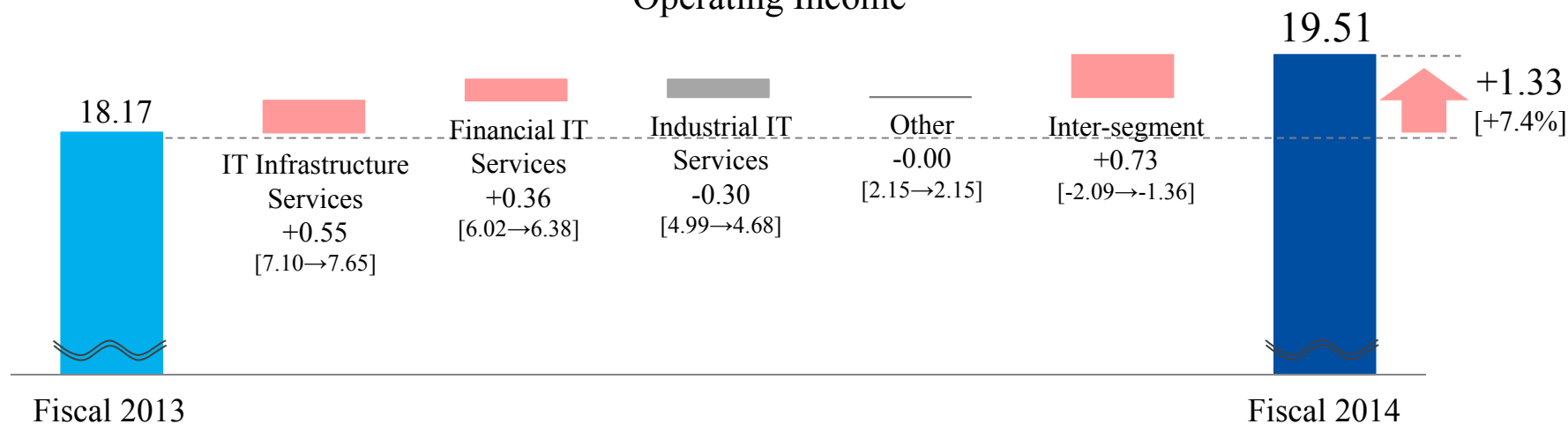
(Billions of yen)



Net Sales



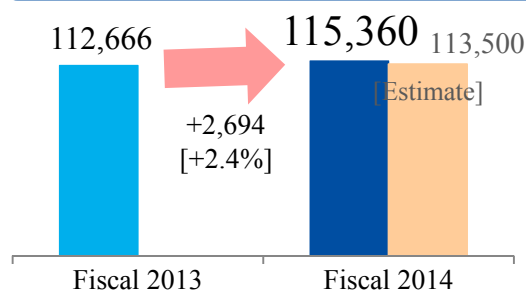
Operating Income



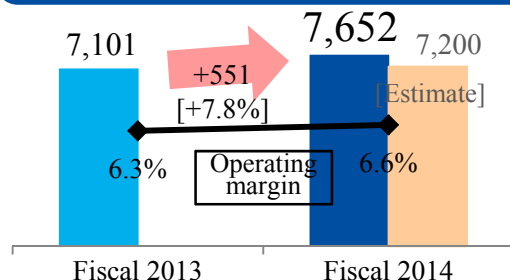
Fiscal 2014: Sales and Income for Key Business Segments

IT infrastructure Services

Net Sales ¥115,360 million
 YOY change: +¥2,694 million [+2.4%]
 Compared with estimate: +¥1,860 million [+1.6%]



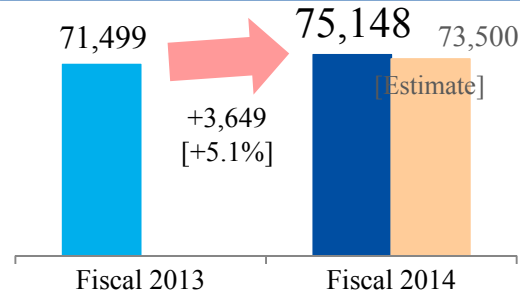
Operating Income ¥7,652 million
 YOY change: +¥551 million [+7.8%]
 Compared with estimate: +¥452 million [+6.3%]



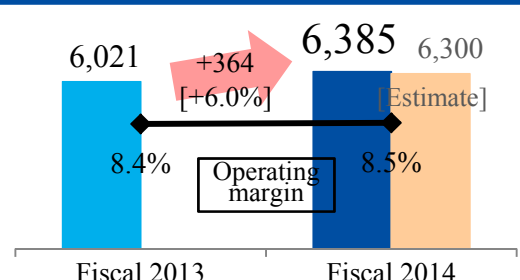
Higher net sales and operating income reflect greater use of data centers and a favorable shift in demand for business process outsourcing (BPO), fueled by responses related to Japan's new tax-free investment scheme (Nippon Individual Savings Account system).

Financial IT Services

Net Sales ¥75,148 million
 YOY change: +¥3,649 million [+5.1%]
 Compared with estimate: +¥1,648 million [+2.2%]



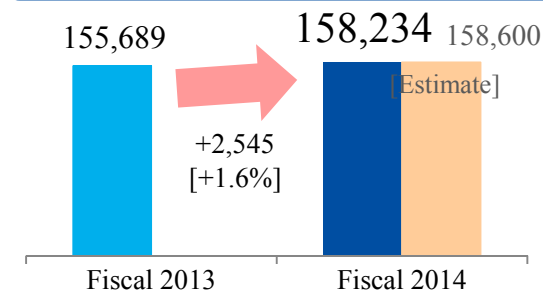
Operating Income ¥6,385 million
 YOY change: +¥364 million [+6.0%]
 Compared with estimate: +¥85 million [+1.3%]



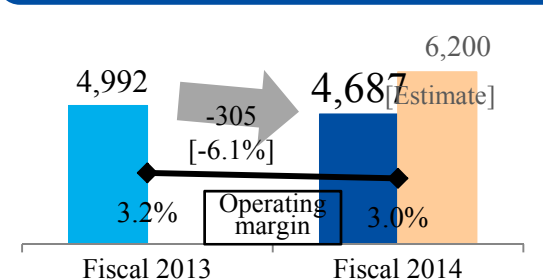
Gradual upturn in IT investment by clients in the credit card, banking and insurance sectors underpinned higher sales and income.

Industrial IT Services

Net Sales ¥158,234 million
 YOY change: +¥2,545 million [+1.6%]
 Compared with estimate: -¥366 million [-0.2%]



Operating Income ¥4,687 million
 YOY change: -¥305 million [-6.1%]
 Compared with estimate: -¥1,513 million [-24.4%]

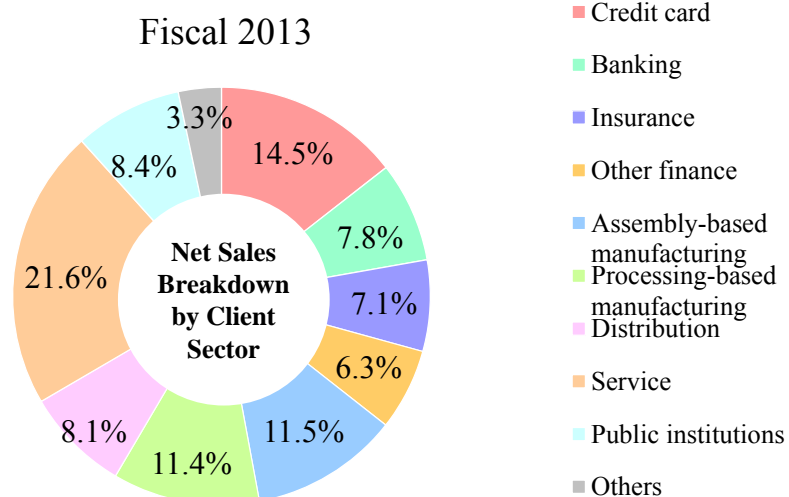
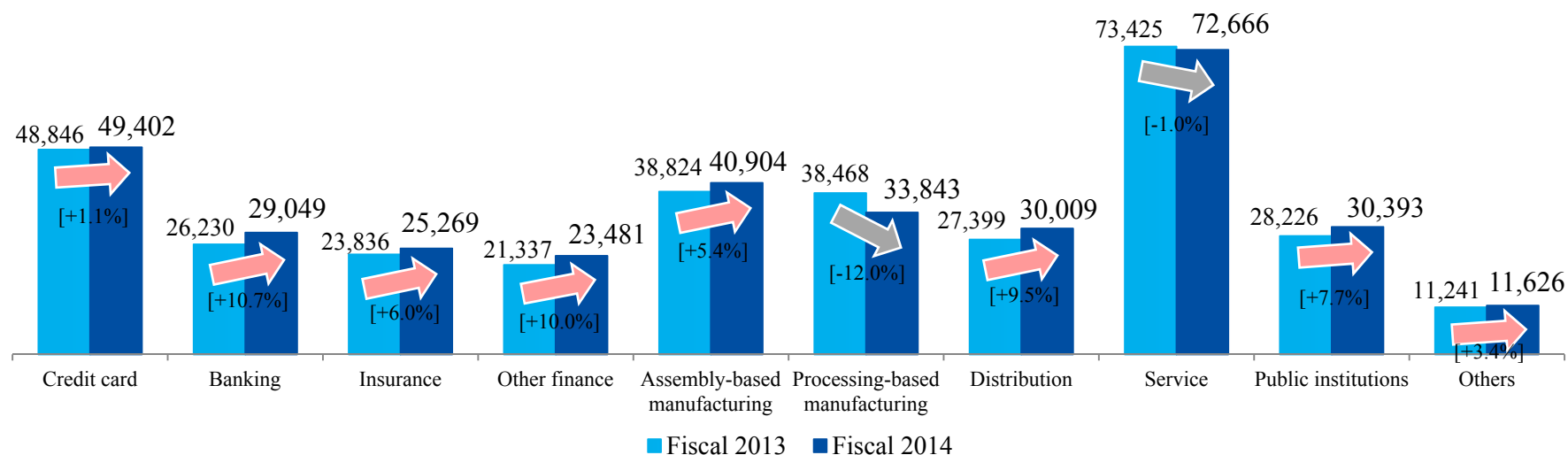


Segment sales were up, as higher demand for industrial IT services offset impact of reactionary decrease in large development projects. Income declined, mainly because of unprofitable projects and also because measures to strengthen the sales structure pushed up cost of sales.

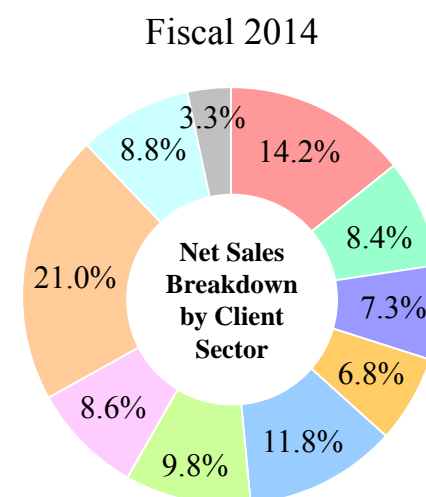
Segment sales include intersegment sales.

[Reference] Fiscal 2014: Sales by Client Sector

(Millions of yen)



Financial sector: 35.7% Industrial sector: 52.6%
Public sector: 8.4% Other sectors: 3.3%



Financial sector: 36.7% Industrial sector: 51.2%
Public sector: 8.8% Other sectors: 3.3%

Fiscal 2014: Order Status

(Millions of yen)



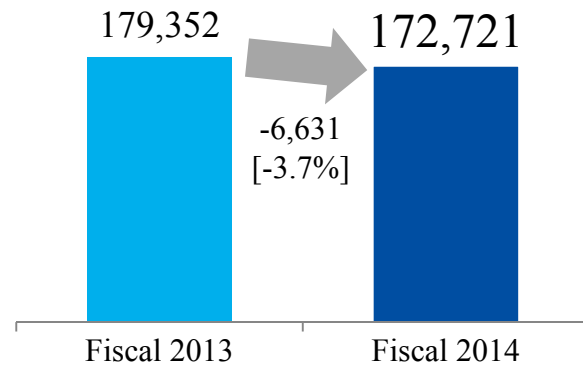
Orders received during fiscal year:

In the first half, as usual, orders were impacted by project changeover and declined year-on-year. The situation improved in the second half but not enough to push the overall value of orders received above the level achieved in fiscal 2013.

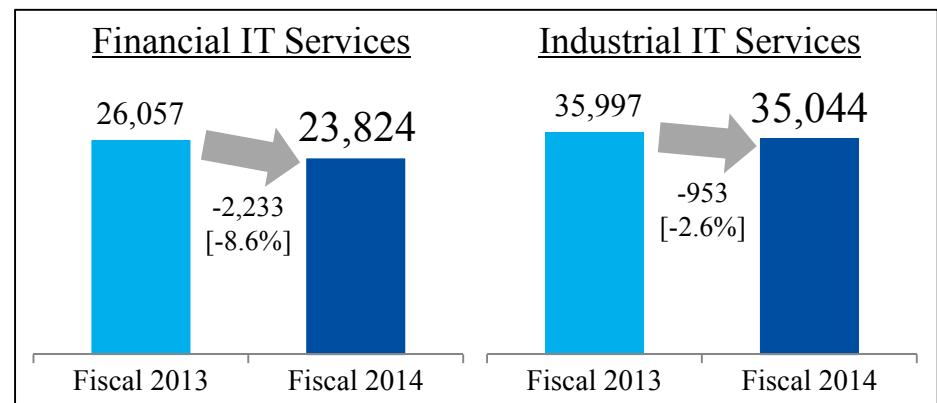
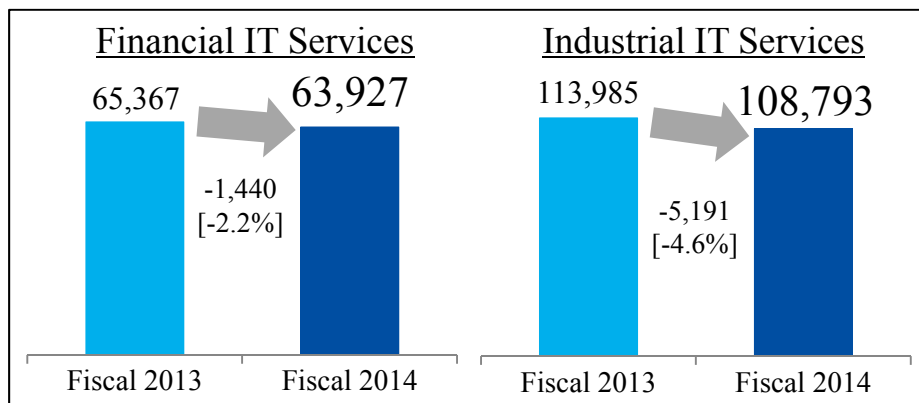
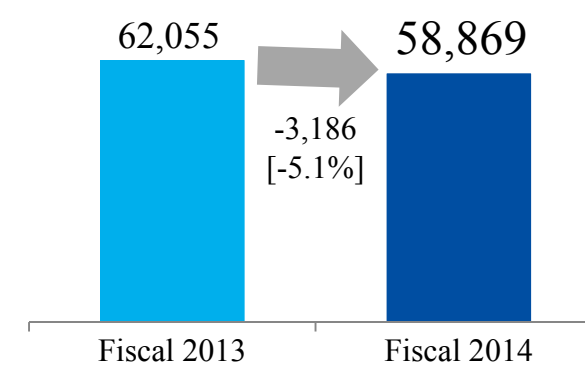
Order backlog at year-end:

Year-on-year decrease reflects drop in orders received during the year and elimination as orders transferred to the books as completed sales.

Orders received during fiscal year
 ¥172,721 million
 YOY change: -¥6,631 million [-3.7%]

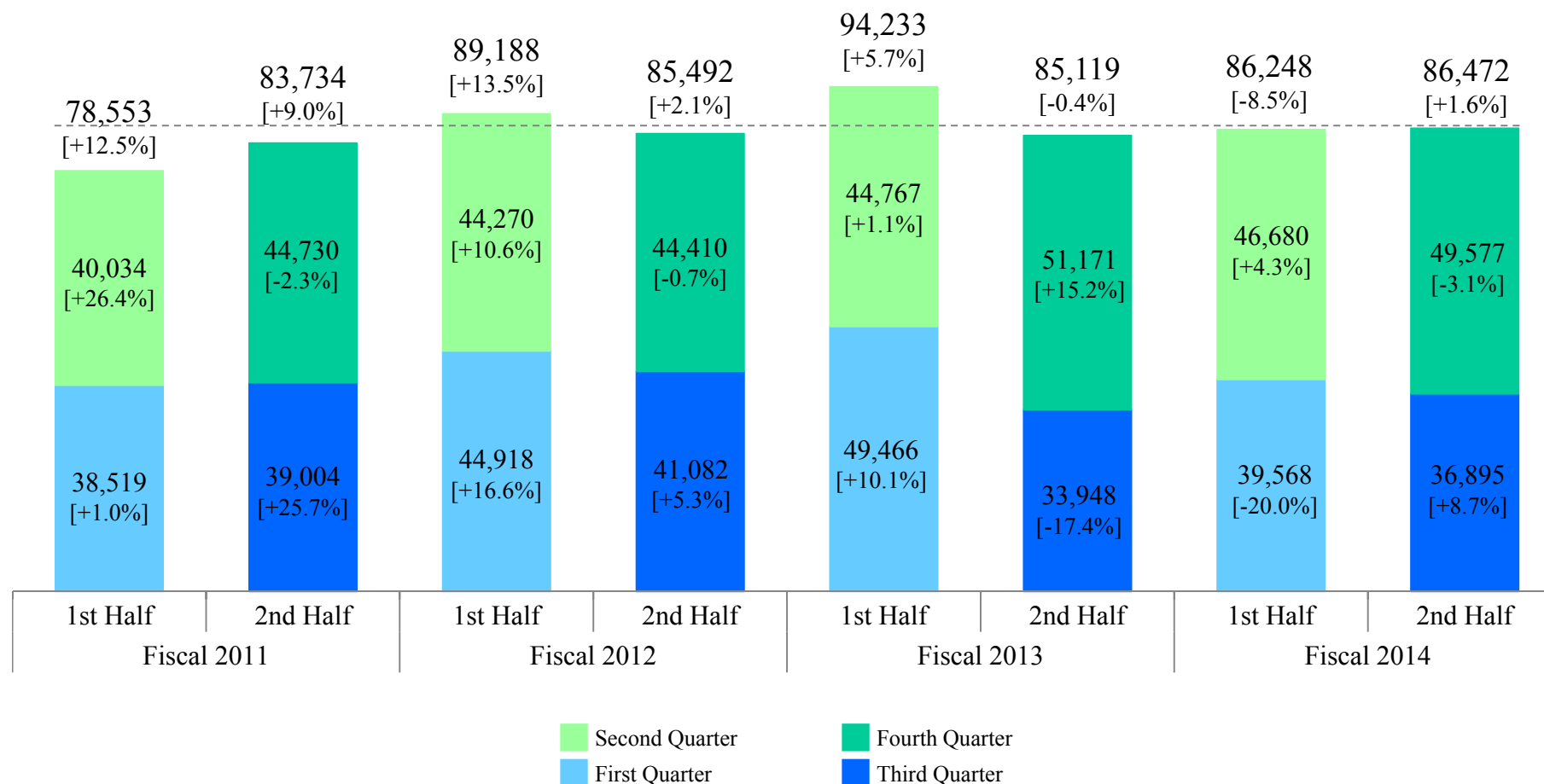


Order backlog at year-end
 ¥58,869 million
 YOY change: -¥3,186 million [-5.1%]



Order volume and backlog at term-end and net sales apply to Software Development only.

Changes in Orders Received



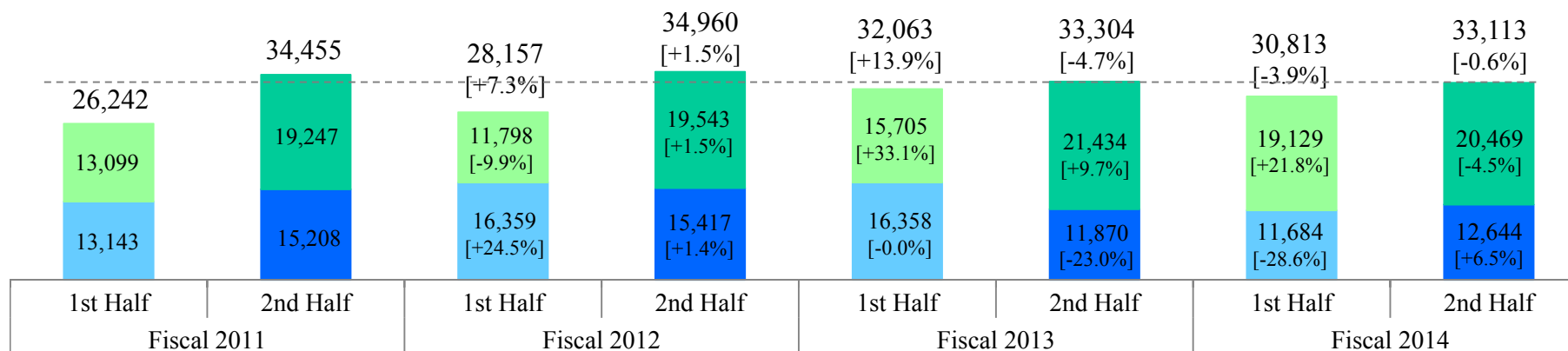
Orders received during the fiscal year, year-end backlog and net sales apply to Software Development only.
 Percentage figures in columns indicate increase or decrease from the previous fiscal year.

Changes in Orders Received

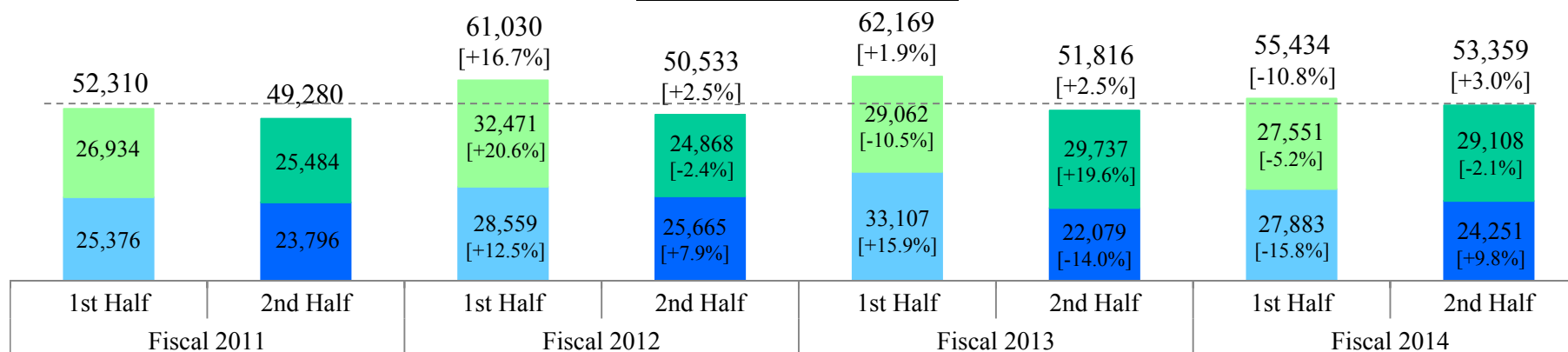
(Millions of yen)



Financial IT Services



Industrial IT Services



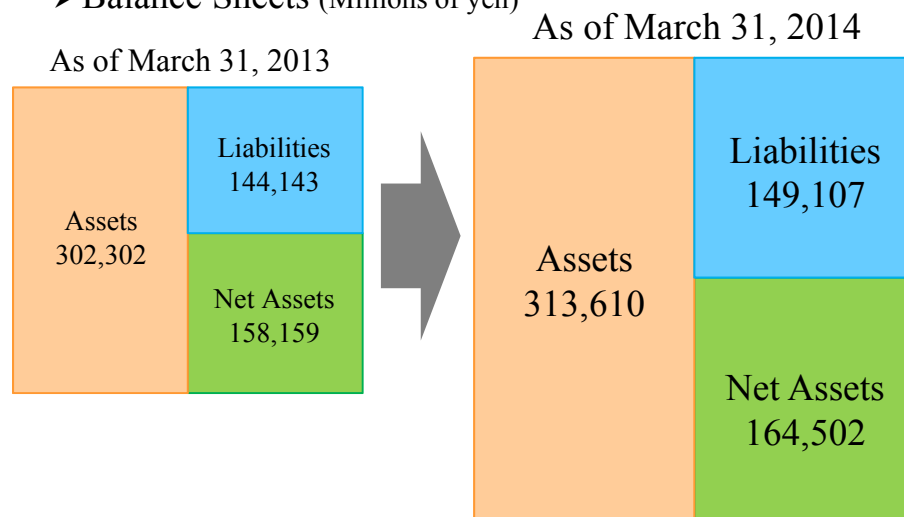
Orders received during the fiscal year, year-end backlog and net sales apply to Software Development only. Percentage figures in columns indicate increase or decrease from the previous fiscal year. However, order volume by segment is disclosed from fiscal 2011, so no percentage change is available for fiscal 2011.

Fiscal 2014: Balance Sheets and Cash Flows



IT Holdings

➤ Balance Sheets (Millions of yen)



➤ Assets: +¥ 11,308 million

- Current assets: +¥5,300 million
[Includes cash and deposits (+¥14,615 million) and marketable securities (-¥5,175 million)]
- Fixed assets: +¥6,008 million
[Includes investments in securities (+¥6,154 million) and goodwill ((-¥1,013 million)]

➤ Liabilities: +¥ 4,964 million

- Current liabilities: -¥18,273 million
[Includes short-term loans (-¥18,582 million)]
- Fixed liabilities: +¥23,237 million
[Includes long-term loans (+¥16,902 million) and impact (+¥5,962 million) associated with change in accounting standard for retirement benefits]

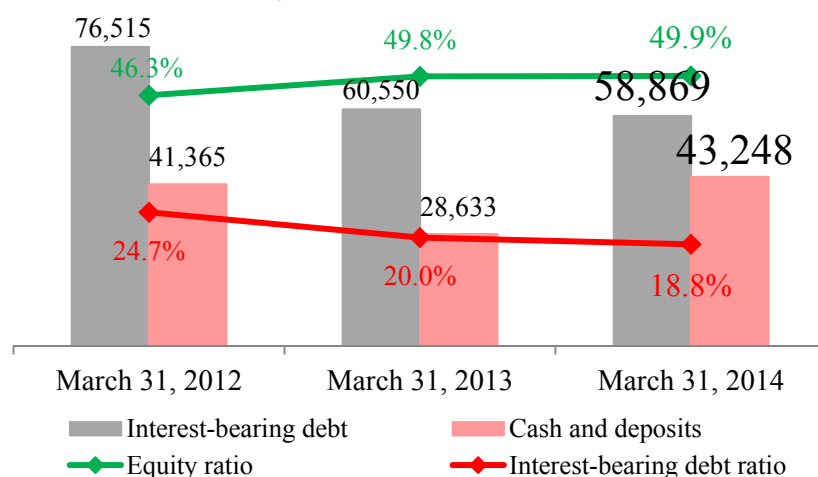
➤ Net Assets: +¥ 6,343 million

- Shareholders' equity: +¥6,003 million

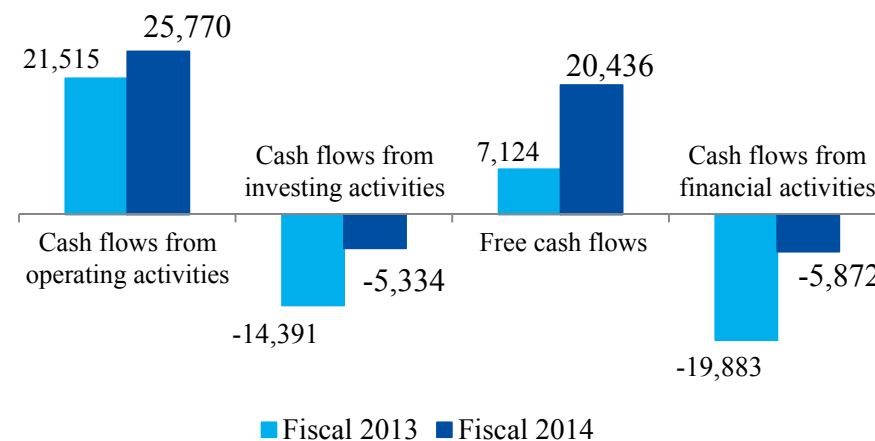
➤ Equity Ratio: 49.9% [+0.1%]

➤ Interest-bearing Debt: ¥ 58,869 million [-¥ 1,681 million]

➤ Interest-bearing Debt (Millions of yen)



➤ Cash Flows (Millions of yen)





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Understanding the External Environment



IT Holdings

Business environment should continue to improve, mainly because gradual recovery in business conditions will spur greater need for IT investment among clients.

IT Infrastructure Services

- Importance of business continuity planning and disaster recovery will sustain interest in access to data centers. However, we are likely to continue to face increasingly fierce competition, paralleling wider use of the cloud and progress in standardization.
- Demand for business process outsourcing should grow, following gradual recovery in business sentiment.



Financial IT Services

- Credit card companies had been reluctant to pursue IT investment, but funds should begin to flow to meet the need for platform system upgrades.
- Banks are likely to sustain the application of funds into system integration and upgrades as well as measures to reinforce global responses and front-office capabilities. However, IT investment into back-office systems may taper off.



Industrial IT Services

- Supported by better business results, manufacturers are approaching IT investment with renewed interest.
- In the services and distribution sectors, companies remain keen to invest in IT as a way to achieve a sharper competitive edge.
- In the public sector, the My Number system should prompt greater investment in the necessary IT structure.
- In utility-related fields, IT investment is rising as companies from other sectors take advantage of relaxed regulations to enter these fields.



These trends may differ from general industry trends since management's assumptions also take into consideration the status of IT investment by clients of the ITHD Group.

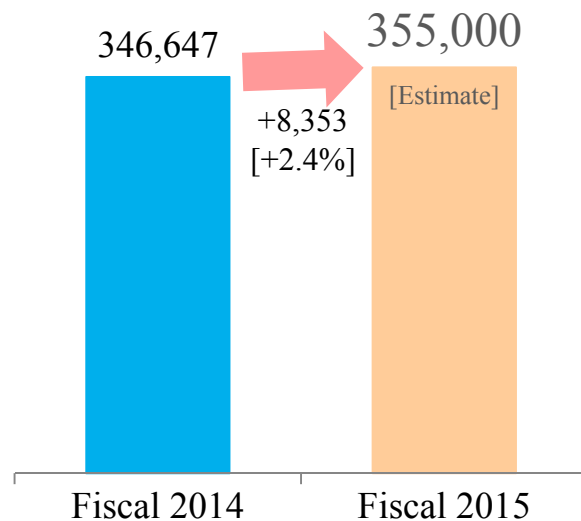
Fiscal 2015: Performance Forecasts

- Business environment should continue to improve, mainly because gradual recovery in business conditions will spur greater need for IT investment among clients.
- Expect year-on-year growth in net sales and income, with increased business activity fueling net sales, and enhanced productivity and efforts to prevent the occurrence of unprofitable projects underpinning income.

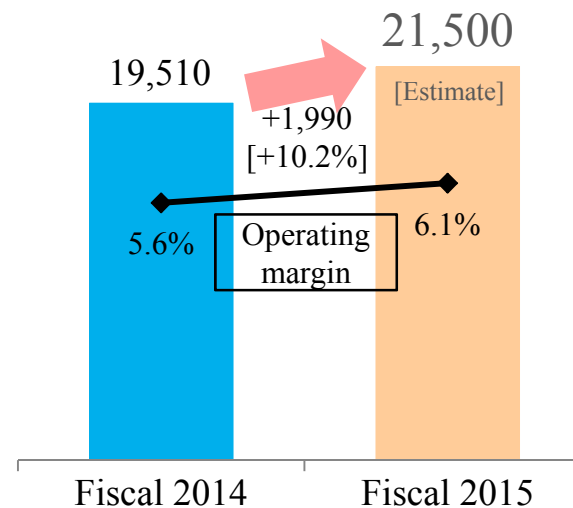
Net Sales ¥355,000 million
YOY change: +¥8,353 million [+2.4%]

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

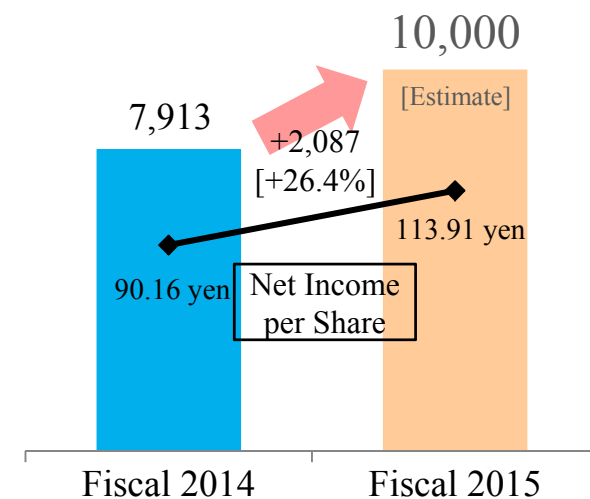
Net Income ¥10,000 million
YOY change: +¥2,087 million [+26.4%]



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



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



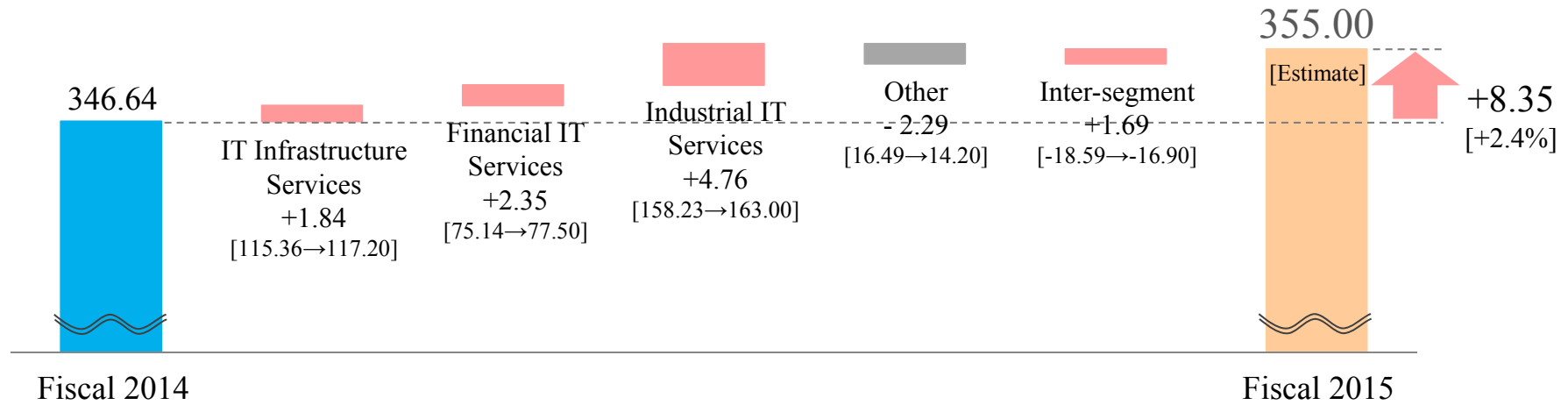
Higher operating income and lower extraordinary expenses will be key to an anticipated year-on-year increase in net income.

Fiscal 2015: Net Sales and Operating Income Analysis (Forecast)

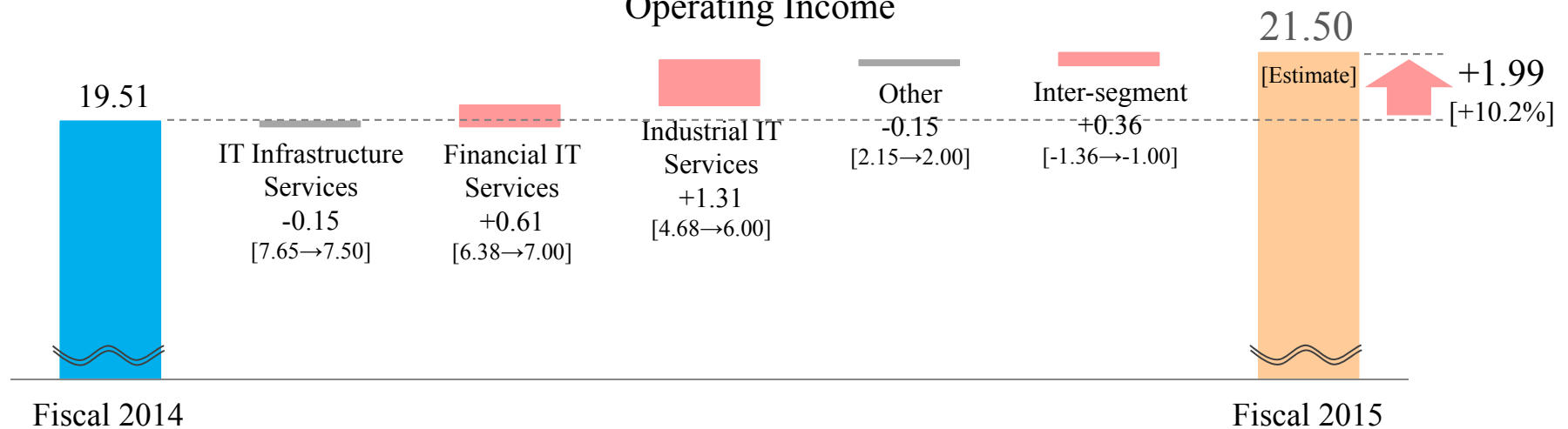
(Billions of yen)



Net Sales



Operating Income

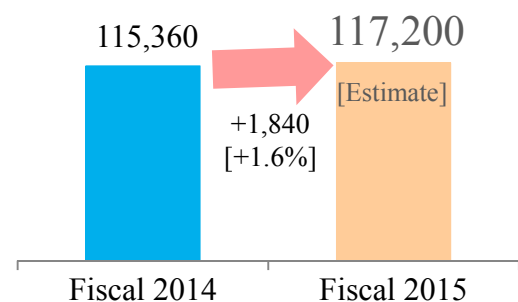


Fiscal 2015: Key Business Segment Performances (Forecast)

IT Infrastructure Services

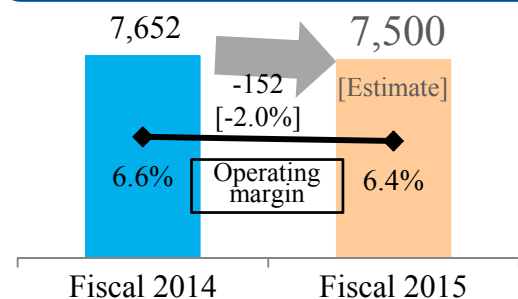
Net Sales ¥117,200 million

YOY change: +¥1,840 million[+1.6%]



Operating Income ¥7,500 million

YOY change: -¥152 million[-2.0%]

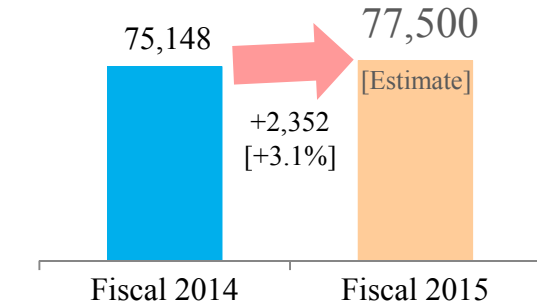


Stable demand for data center services and BPO services should push net sales above the fiscal 2013 level. But pressure, such as a higher facilities expense burden, could cause operating income to drop.

Financial IT Services

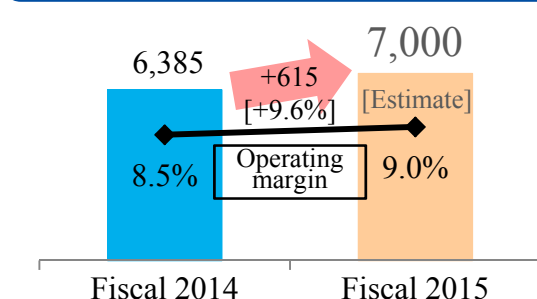
Net Sales ¥77,500 million

YOY change: +¥2,352 million[+3.1%]



Operating Income ¥7,000 million

YOY change: +¥615 million[+9.6%]

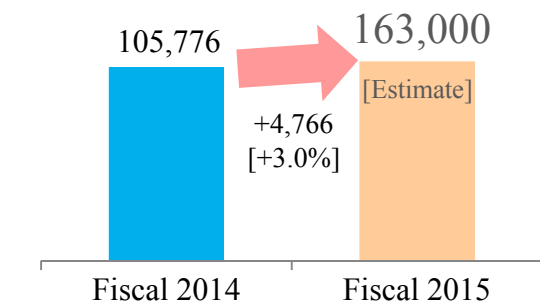


Greater IT investment to meet new demand throughout the financial sector, particularly among credit card companies, is sure to support higher segment sales and income in fiscal 2015.

Industrial IT Services

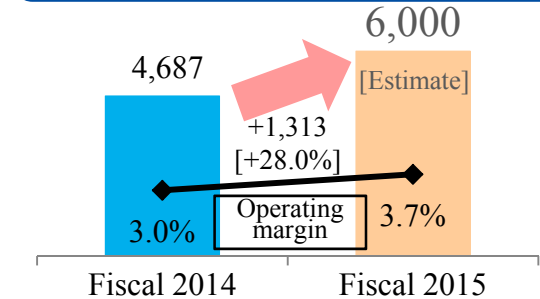
Net Sales ¥163,000 million

YOY change: +¥4,766 million[+3.0%]



Operating Income ¥6,000 million

YOY change: +¥1,313 million[+28.0%]



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

Segment sales include intersegment sales.

Fiscal 2015 Dividend Plans



IT Holdings

➤ Dividend Policy

- Seek long-term, comprehensive return to shareholders
- Consider performance trends, financial position
- Address need to enrich retained earnings to underpin business development



- Maintain stable dividends
- Seek consolidated payout ratio of 30%

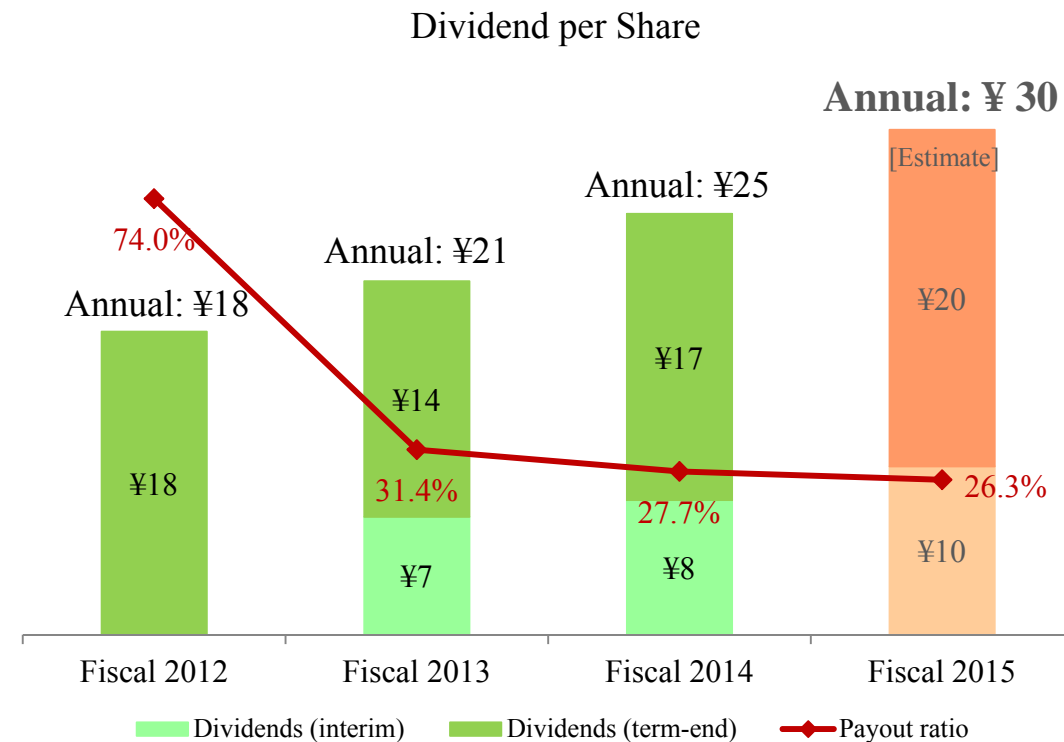
➤ Annual dividend per share

Fiscal 2014
¥ 25 (Planned)
 [Interim dividend of ¥8 + year-end dividend of ¥17]



Fiscal 2015
¥ 30 (Estimate)
 [Interim dividend of ¥10 + year-end dividend of ¥20]

Expect three consecutive years of higher dividends





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Progress under Second Medium-term Management Plan: Strategic Perspective



IT Holdings

Group Management Direction

Fiscal 2013

Fiscal 2014

Fiscal 2015

Top-Line Emphasis

Set fiscal year as time for full-fledged V-shaped recovery and worked to expand net sales.



Get top line on a growth track to ensure performance recovery.



Prioritize profits and profit margin, and secure top line to achieve targets.

Status as of March 2014

Established growth engines—distinctly recognizable strengths—and made progress in interconnecting strengths and concentrating efforts into core businesses, but measures to successfully address unprofitable projects remained a major issue.

as One Company

Cultivate a stronger sense of unity to optimize Group capabilities.



Further reinforce Group communication platform and cultivate open and dynamic atmosphere.



Focus on groupwide management highlighting solid communication practices respected throughout the Group.

Status as of March 2014

Promoted activities to centralize corporate functions and create a greater sense of unity. Decided to create a unified Group brand to ensure management practices covering the entire organization.

Bold and Enterprising

Execute reforms on the business front. Take steps to turn business activities into marketable services and promote them worldwide.



Turn more business activities into marketable services and establish a wider global presence.



Energize process of turning business activities into marketable services and further globalize business presence.

Status as of March 2014

Utilized approaches to achieve evolution in services and globalize operations. Scope of business extended. Further expansion is necessary to respond appropriately to paradigm shift in the industry.

Basic Concepts



Top-Line Emphasis

Prioritize profits and profit margin and secure top line to achieve targets

1. Ensure structure that connects closely to profits in a favorable market environment.
 - Execute bold shift in resources favoring system development domain, which boasts considerable growth potential, as well as high-profit business areas, and also create a structure that connects closely to orders and profits.
2. Achieve major reduction in unprofitable projects and boost productivity.
 - Implement structural improvements, enhance management-level capabilities, and review control measures to realize drastic reduction in unprofitable projects.
 - Reinforce measures to promote engineering expertise.

as One Company

Prioritize groupwide management based on solid communication practices within the Group

1. Promote growth engines—distinctive capabilities with an advantage—and link strengths.
 - Discover connections at the domain level and the strategy level and make strong points even stronger.
2. Create unified Group brand
 - Demonstrate the benefits of integrated Group management to clients and the market as a whole as well as companies under the Group umbrella.
3. Centralize corporate functions and expand best practice concept.
 - Expand accounting and taxation know-how (including responses to percentage of completion method and transfer pricing taxation as well as new International Financial Reporting Standards.
 - Improve level of capital management, promote cash management system throughout the Group and expand access to shared company services.
 - Promote combined study projects at offices.

Bold and Enterprising

Energize process of turning business activities into marketable services and further globalize business presence

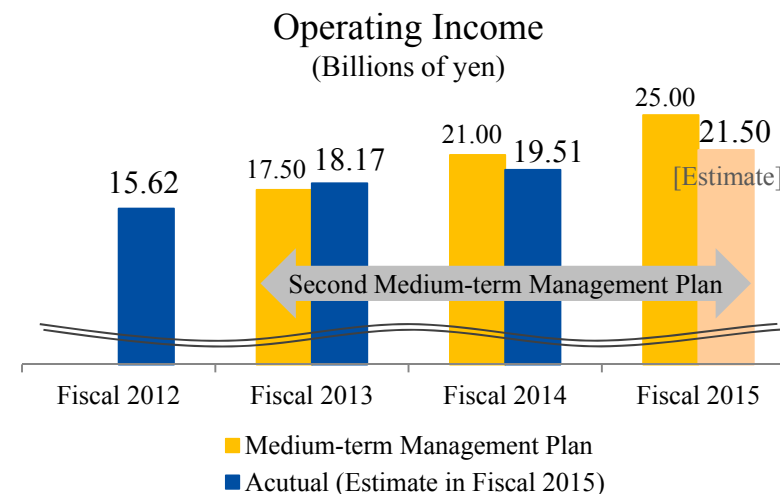
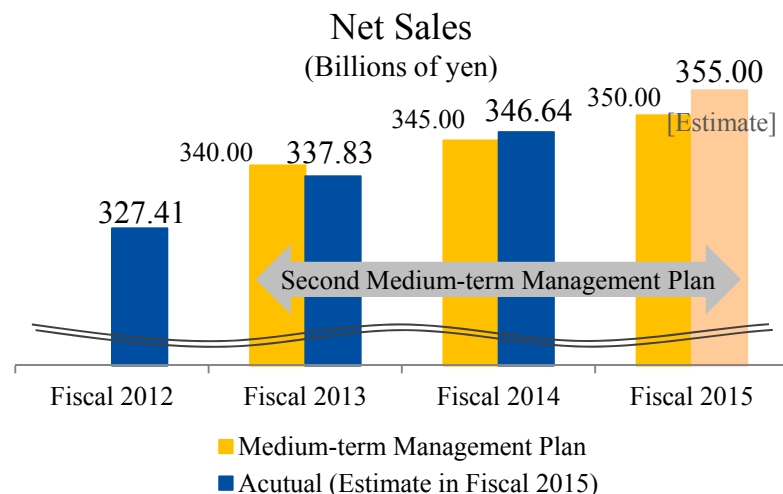
1. Expand planning-style services based on market needs
 - Take medium-term perspective and strive to build bigger service menu emphasizing cloud services.
2. Pursue multifaceted approach to formulate globalization strategy.
 - Expand beyond China to the ASEAN region and diversify methods to include opening local offices and forming capital alliances with local enterprises.

➤ Understanding the Industry Environment

IT investment improving across many sectors, particularly the financial sector, paralleling upbeat business sentiment. Can expect more interest in medium-term IT investment.

1. Many large development projects in the financial sector will keep IT investment at high level.
2. IT investment emphasis shifting from back office to front office systems.
 - ⇒ Change in IT investment attitude, from defensive posture aimed at cutting costs to offensive posture directly linked to execution of business.
3. Greater IT investment in social platforms.
 - ⇒ Prompted by such initiatives as national “My Number” personal ID system for citizens, relaxation of utility-related regulations, and demand associated with 2020 Olympics in Tokyo
4. Companies increasingly need to invest in IT to deal with smart e-business trends.
 - ⇒ Marketing support platforms and Big Data analysis systems
 - Focusing responses on fusion of online and physical stores, and O2O (online-to-offline) commerce

➤ Second Medium-term Management Plan Performance Estimates and Actual Results



Net sales: Better industry conditions building good tailwind for higher sales. Expect to exceed medium-term management plan target.
Operating income: Potential for higher income exists but progress may be tempered by negative factors such as unprofitable projects, and Group may fall short of target.

Progress under Second Medium-term Management Plan: Topics (1)



IT Holdings

Second Medium-term Management Plan
Basic Concepts

Top-Line Emphasis

as One Company

Bold and Enterprising

The 51 companies of the ITHD Group will switch to a common logo, effective June 1, 2014.

ITHD will lead the Group to new destinations with all companies under its umbrella recognized by a single corporate logo.



IT HOLDINGS GROUP

Go Beyond



Progress under Second Medium-term Management Plan: Topics (1)



IT Holdings

Second Medium-term Management Plan
Basic Concepts

Top-Line Emphasis

as One Company

Bold and Enterprising



Behind the Logo—Underlying Concepts

- Our new logo incorporates the letters “I” and “T”, symbolizing our core competence in the realm of IT, and the pieces separated by the letters represent the expertise of ITHD Group companies and, as fitted together, imply solidarity as a collective with a dynamic perspective on the future.
- Our corporate colors are ocean blue, which evokes the idea of a vast expanse of new territory to explore, and intelligent gray, which reflects accumulated capabilities backed by trusted and reliable technologies.

Behind the Brand Message “Go Beyond”

- “Go Beyond” expresses the corporate attitude that the ITHD Group wants to convey to the market.
 - Never satisfied with the status quo, we will strive to go beyond, always taking on new challenges.
- Our goal is not simply to address issues that currently concern our clients, but rather to anticipate future needs and offer solutions that go one step further.

Progress under Second Medium-term Management Plan: Topics (2)



IT Holdings

Second Medium-term Management Plan
Basic Concepts

Top-Line Emphasis

as One Company

Bold and Enterprising

View of ITHD Group Strengths/Growth Engines and Future Cooperation

Overall Optimization of ITHD Group

TIS All-round, metropolitan-centered, global, capital base		Credit card companies ★ Platform system configuration ⇒ Provide broadly defined settlement systems	Marketing support business ★ O2O solution TECHMONOS EC/CMS × mobile × Big Data analysis/CI ⇒ “Sales scheme innovation”		Service integration ★ Cloud businesses, such as Cloud x Vision ⇒ Global expansion	
INTEC All-round, regionally rooted, global, capital base		Regional banks ★ Integrated CRM system F ³ (F cube) ⇒ Cloud-style development	Local governments ★ Integrated information administration system CIVION-7th ⇒ My Number response		Mid-sized manufacturers ★ SCM system configuration based on MCFrame	
QUALICA Domain-specific expertise	AJS Domain-specific expertise	Assembly-based manufacturers ★ Production management system AToMsQube ⇒ Expand into after-market services with CSS-Net and SCRMQube	Multi-store developers (distribution, services) ★ Marketing support systems TastyQube and SpecialtyQube	M2M/Assembly-based manufacturers ★ Preventative maintenance support system CareQube ⇒ Domain expansion	Processing-based manufacturers ★ ERP system configuration based on SAP/GRANDIT	Home/condominium management companies ★ Management systems
AGREX BPO specialization		Industry-specific entry-style BPO (finance, including insurance; pharmaceuticals (clinical studies and sales)) High-quality × AGREX BPO Methodology × low-cost operation (F-AGREX GLOBAL, near-shore, telework)		Contact Center ⇒ CRM TRILLIUM CRM one-stop services for marketing sales force	Back-office BPO ⇒ Middle-office BPO (marketing platform center)	
Examples of coordinated strengths	Finance (credit card company/regional bank) × industry-specific entry-style BPO		Manufacturer-oriented system/multi-store developer system × TIS/INTEC (⇒ Develop for clients)		Marketing support × middle-office BPO	

Progress under Second Medium-term Management Plan: Topics (2)



IT Holdings

Second Medium-term Management Plan
Basic Concepts

Top-Line Emphasis

as One Company

Bold and Enterprising

Credit card companies

★ Platform system configuration
⇒ Provide broadly defined settlement systems

- Credit card companies continue to invest in IT, and demand for platform system upgrades is rising.
⇒ Moved ahead with preparations to underpin large development projects. Contemplated bold shift in resources as part of effort.
- Cashless settlement market should grow against backdrop of diversifying settlement methods and expanding card-use situations.
⇒ Promoted DebitCube+ and PrepaidCube+

Marketing support business

★ O2O solution TECHMONOS
EC/CMS × mobile × Big Data analysis/CI
⇒ “Sales scheme innovation”

- Business activities that utilize the Internet are evolving in many different sectors of industry.
⇒ Responded to heightened demand for systems such as O2O (Online to Offline) as well as greater need for marketing support platforms and Big Data analysis.

Service integration

★ Cloud businesses, such as Cloud x Vision
⇒ Global expansion

- Strive to acquire larger share by enhancing advanced functions.
⇒ Provided F³ CRM system to Fukuoka Financial Group. Add private cloud version to existing on-site version and expand scope of applications to include cloud services as well.
- Seek to cultivate new client segment by offering a cloud version.
⇒ Developed F³ into a cloud service. Provided to Kita-Nippon Bank, Ltd., and FIDEA Holdings Co., Ltd.

Local governments

★ Integrated information administration system CIVION-7th
⇒ My Number response

- IT investment into areas of social platforms is likely to increase.
⇒ Selected as provider of first local government cloud service in Fukushima Prefecture using CIVION-7th
Provided joint platform system central to administration and services offered by the prefecture.
(Conscious of need to address My Number system, we are aiming for gradual system launch, beginning in April 2015)

Assembly-based manufacturers

★ Production management system AToMsQube
⇒ Expand into after-market services with CSS-Net and SCRMQube

- With initial investment and launch dates being moved up, clients are increasingly in need of services utilizing the cloud.
⇒ Started offering automotive component supplier option for AToMsQube. Extend scope of applications.
- Importance increasingly shifting away from manufacturing territory in favor of after-market services.
⇒ Received part of an order for a CSS-Net project from Komatsu and will reinforce after-market services.

M2M/Assembly-based manufacturers

★ Preventative maintenance support system CareQube
⇒ Domain expansion

- Anticipate use over a wide spectrum of equipment not only for assembly of simple industrial equipment.
⇒ Expanded range of possible applications, including a trial to ascertain applicability of CareQube to a monitoring system for seniors that uses water meter information.

Progress under Second Medium-term Management Plan: Topics (3)



IT Holdings

**Second Medium-term Management Plan
Basic Concepts**

Top-Line Emphasis

as One Company

Bold and Enterprising

New Data Center to Open in Kansai: Promoting Responses to Rising Demand

TIS has agreed to operate a new data center jointly with Nomura Research Institute, Ltd.

⇒Facilitate response to growing demand for data center services in Kansai region. Promote stock-style data center business, namely, helpdesk, supply services and operation support.

Osaka Area

Overview of New Data Center

- Location: Hokusetsu area of Osaka
- Open for business: Summer 2016
- Total floor space: About 15,000 m²
- Building highlights: Seismically isolated construction, specialized data center equipment
- Facility highlights: FISC compliant, meets specifications for JDCC-FS Tier 4 level compatibility

Synergistic Effect Achieved Through Cooperation

- Expanded scale will enable delivery of services under a wider selection of security levels and equipment levels.
 - ⇒Facilitates wider range of responses to diverse client needs.
- Lower construction and equipment costs, lower running costs.
 - ⇒Can provide high-quality services at a reasonable price to clients.
- Disperse investment risks
 - ⇒Strive to improve data center business profitability.

Hokuriku Area

Manyo Square

Toyama DC

Other Locations

Sapporo DC
Sendai DC
Niigata DC
Shikatsu DC and others

Around the Tokyo Area

GDC Gotenyama

Tokyo Center 1

Tokyo Center 2

Tokyo Center 3

ITHD Headquarters Building

Tokyo Chuo DC

Yokohama DC

Nagoya Area

Nagoya Center

Osaka Center

Shinsaibashi gDC

Shinsaibashi gDC-EX

Osaka DC

Osaka DC 2

Progress under Second Medium-term Management Plan: Topics (4)



IT Holdings

**Second Medium-term Management Plan
Basic Concepts**

Top-Line Emphasis

as One Company

Bold and Enterprising

Efforts at TIS: Strategies Aimed at Raising Productivity and Preventing Occurrence of Unprofitable Projects

Unprofitable projects have a huge impact on income, so priorities are to prevent projects from becoming unprofitable and to boost productivity in working to reinforce income-building capabilities,

⇒Objective is to get really tough on unprofitable projects, particularly those that generate huge losses.

① Improve Ability to Promote Upstream Processes

- Raise requirement definition process to a higher level, primarily through use of REBOK*1
- Improve design quality and productivity through regular use of Nablarch*2, a standard development platform

② Optimize Standard Process Rules

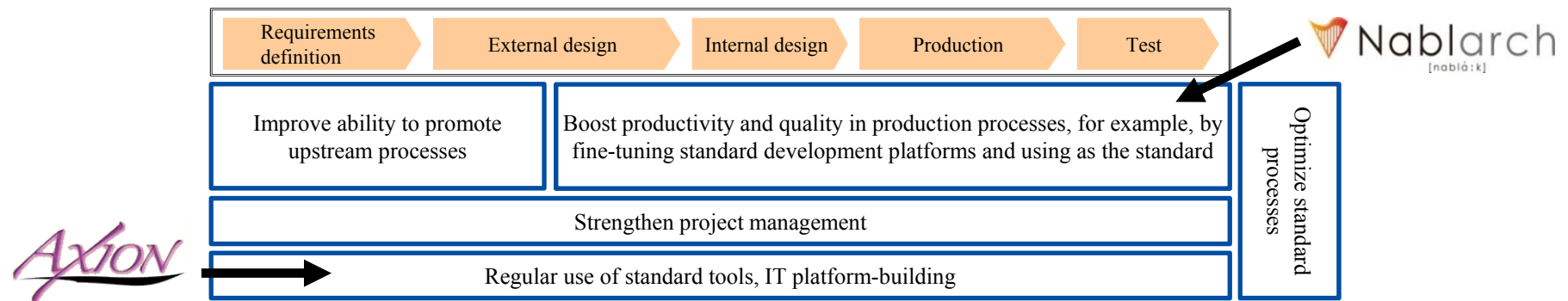
- Turn internal screening mechanism into something more effective
- Elevate frontline compliance by emphasizing and simplifying standard processes.

③ Strengthen Project Management

- Shift from head office supervision to on-site project management office
- Enhance management by building a project management framework that includes standard tools and by applying standards throughout the company.

④ Promote Use of Standard Environment and Tools

- Regular use of AXION*3, which sets standards for development and management environments.
- Make use of Nablarch standard development platform the in-house standard.



Implement structural changes to ensure effectiveness ⇒ System Development & Quality Management Innovation Business Unit established in April 2014

*1 REBOK: Requirements Engineering Body Of Knowledge, created by a requirements engineering study and discussion working group at Japan Information Service Industry Association.

*2 Nablarch: Java application development/implementation platform built on knowledge gained from TIS' rich experience in platform system configuration.

*3 AXION: Cloud platform securely sharing development environment and project information from multiple sources.

Progress under Second Medium-term Management Plan: Topics (5)



IT Holdings



Centralize Domestic Offices for Smoother Communication and Enhanced Cooperation with Group

Basic Direction on Office Integration

Centralize the offices of Group companies in each region to whatever extent possible. Initially, the areas targeted for office integration are Sapporo, Nagoya, Osaka and Fukuoka, in Japan, and Shanghai, overseas.

Anticipated Benefits of Office Integration

Key Qualitative Effects

- Improved communication among Group companies
- Higher administrative efficiency
- Enhanced disaster response capabilities

Key Quantitative Effects

- Lower facility expenses through space-saving effect
- Reduced communication costs
- Drop in other expenses

Actions to Date and Future Plans

- **December 2011 and February 2012** — Offices of nine companies* in the Tokyo area integrated and relocated to central point
⇒ **Office space reduction: 25%, Cost reduction: ¥900 million/year**
- **February 2014** — Set up Office Integration Committee, discussions begin
- **April 2014** — Decided to integrate offices of nine companies in Osaka area, relocation planned for summer 2015
⇒ **Office space reduction: 40%, Cost reduction: ¥150 million/year**

TIS, TIS Total Service, TIS Solution Link, AGREX, QUALICA, Chuo System, Neoaxis, IT Service Force, SorunPure

- **Office Integration Committee will study possible steps to take in Sapporo and then Nagoya and Fukuoka.**

Site of relocated Osaka area offices
Shindai Building (concept drawing)



Progress under Second Medium-term Management Plan: Topics (6)



IT Holdings

Second Medium-term Management Plan
Basic Concepts

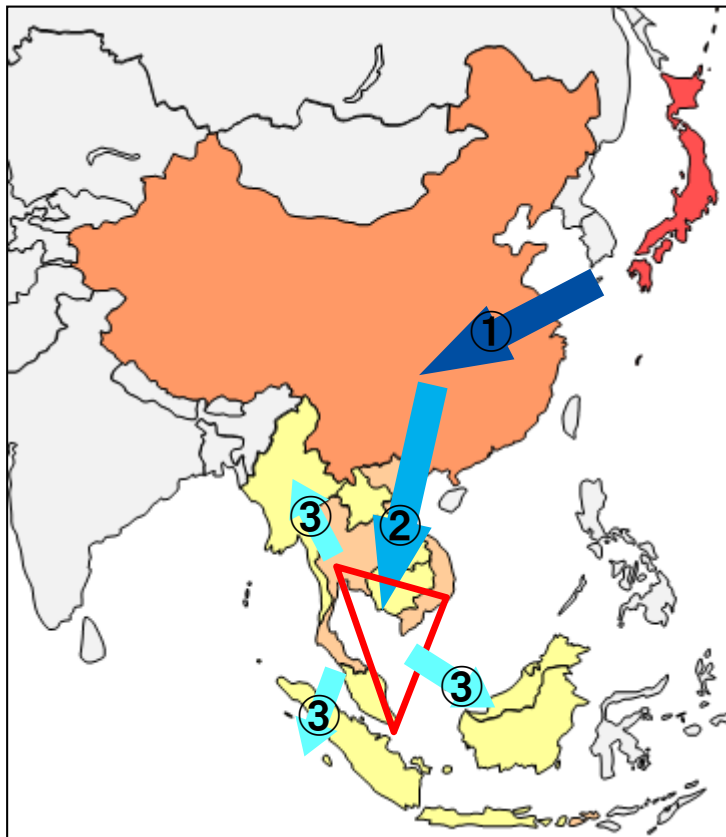
Top-Line Emphasis

as One Company

Bold and Enterprising

Accelerating Lateral Development Through Alliances to Enhance Globalization Response

① Expansion in China ⇒ ② Establish three-point presence in ASEAN region: Vietnam, Thailand, Singapore ⇒ ③ Develop presence laterally in ASEAN region Lateral expansion through alliance strategy effective in extending local business reach.



■ October 2013

AGREX established a joint venture with FPT Software in Vietnam
⇒ Launched global BPO business

■ December 2013

TIS formed a capital and business alliance with econtext ASIA Ltd., a Digital Garage subsidiary
⇒ Jointly promoting solutions to e-commerce businesses in Asia

■ April 2014

TIS formed a business alliance with PT Soltius Indonesia, top-class SAP vendor in Indonesia
⇒ Strengthen support services offered locally to Japanese companies operating in Indonesia

■ April 2014

TIS formed a capital and business alliance with MFEC Public Company Limited, a Bangkok-listed leader in IT solutions for corporate clients
⇒ Mutually complement strengths and promote and expand business opportunities for each other in the IT markets of the ASEAN region and in Thailand, where growth is noticeably robust.

Overseas sales ratio: 1.0% in fiscal 2013 ⇒ 1.4% in fiscal 2014 ⇒ **Targeting 2.0% in fiscal 2015**



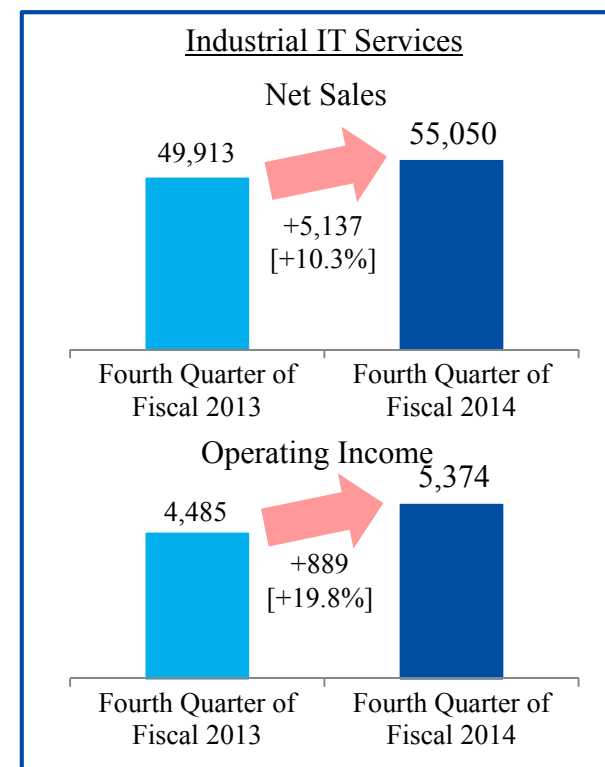
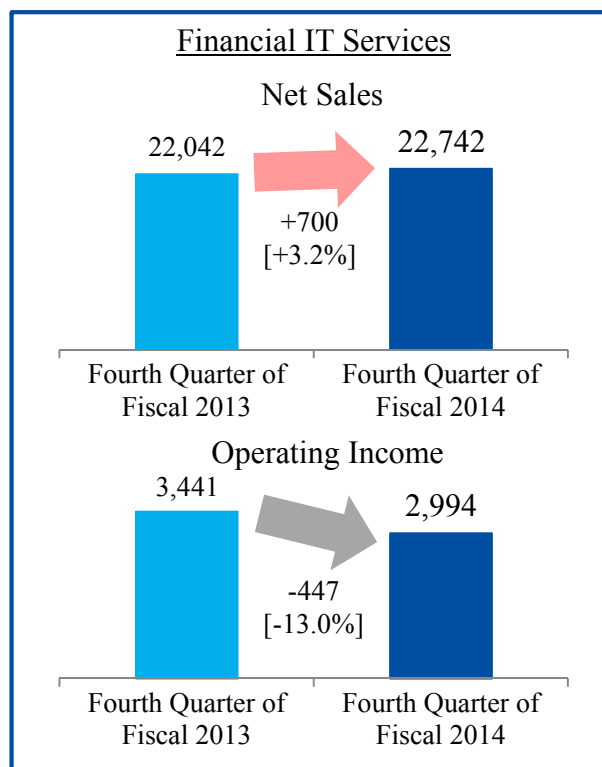
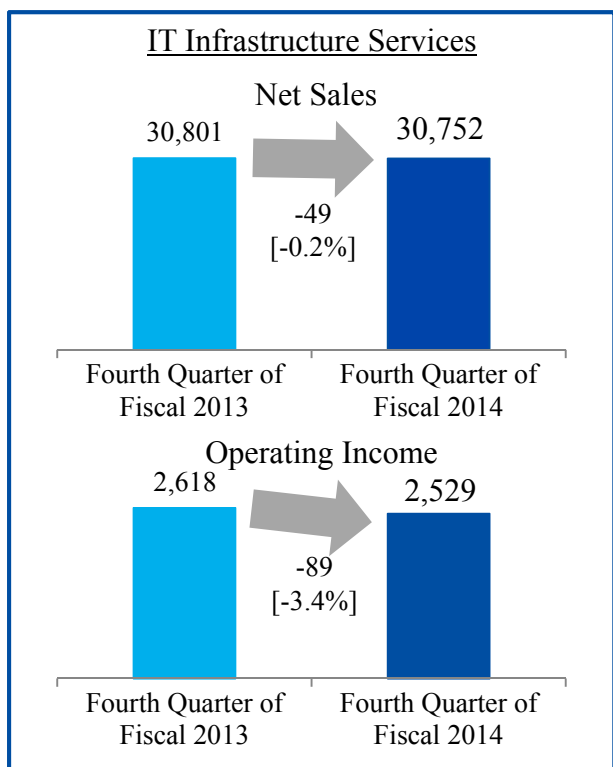
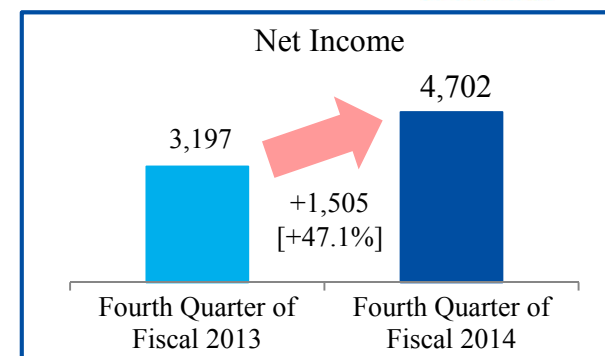
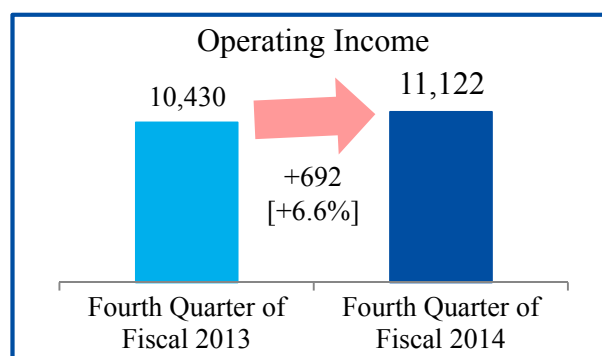
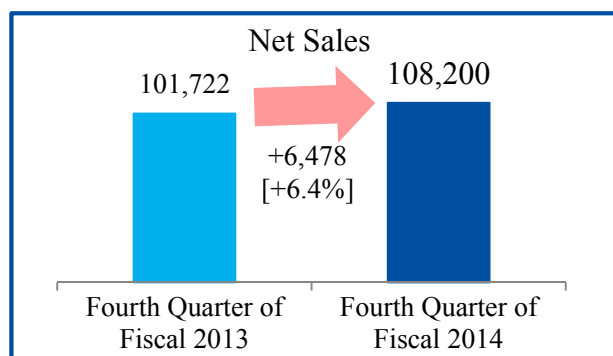
Fiscal 2014 Performance Highlights

Fiscal 2015 Performance Forecast

Fiscal 2015 Management Direction and Key Strategies

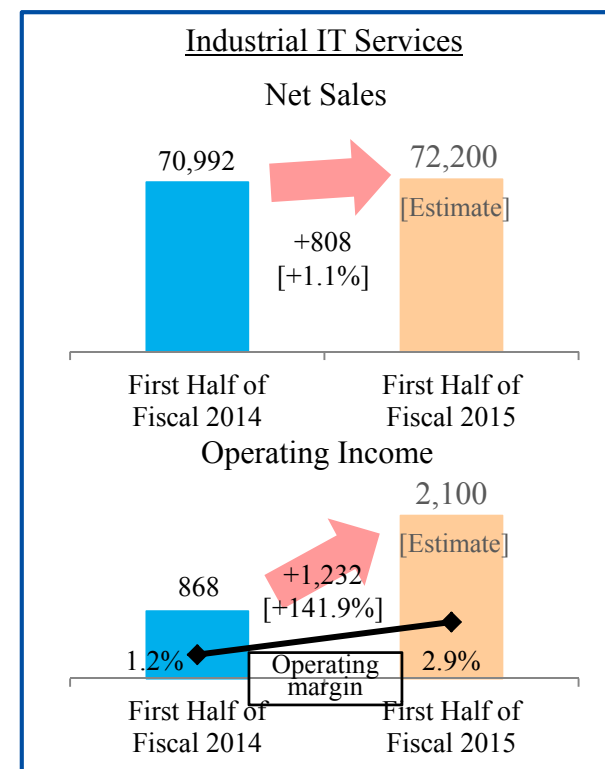
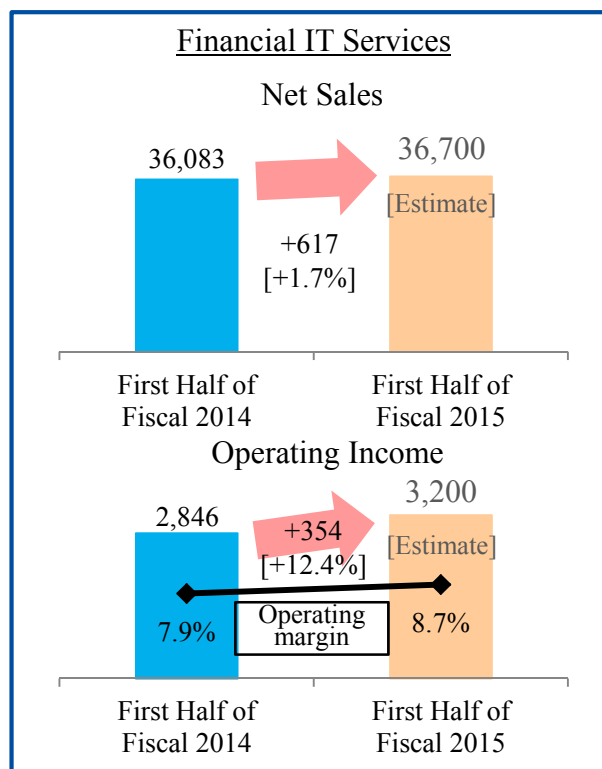
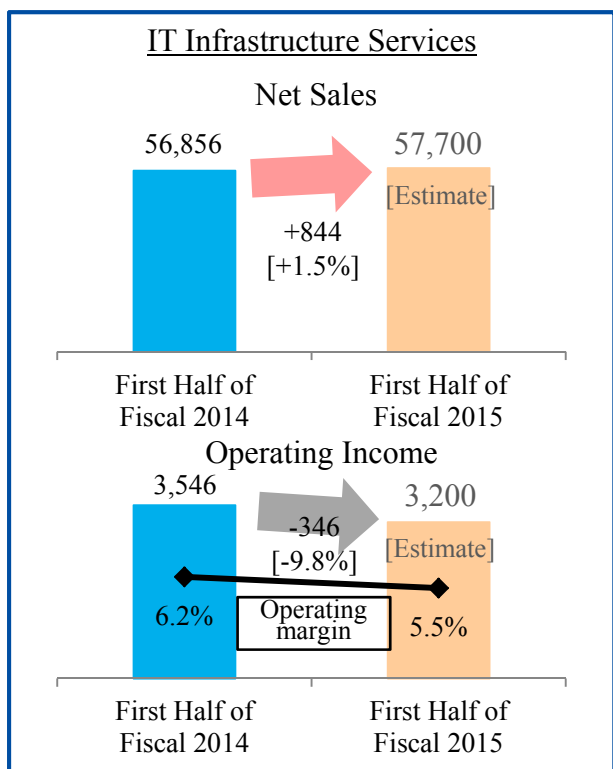
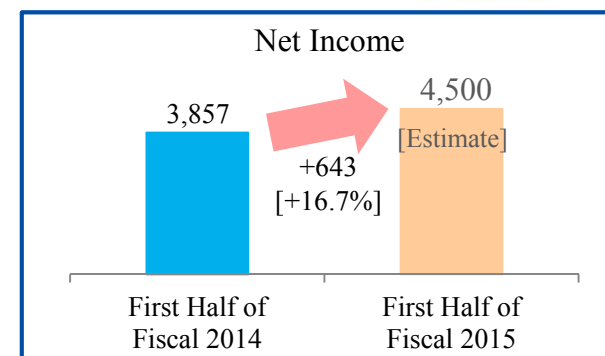
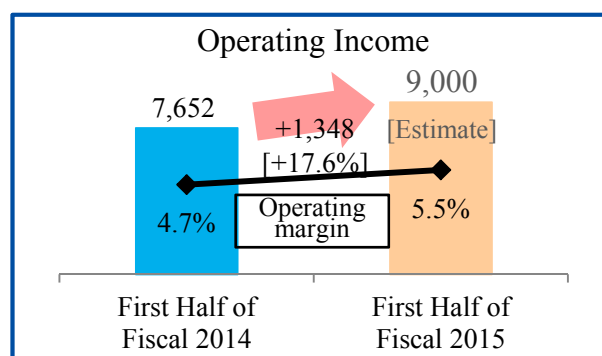
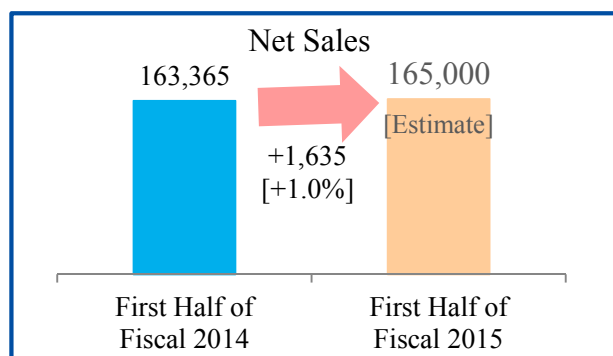
Reference Materials

Fiscal 2014 Fourth Quarter: Sales and Operating Income for Key Business Segments



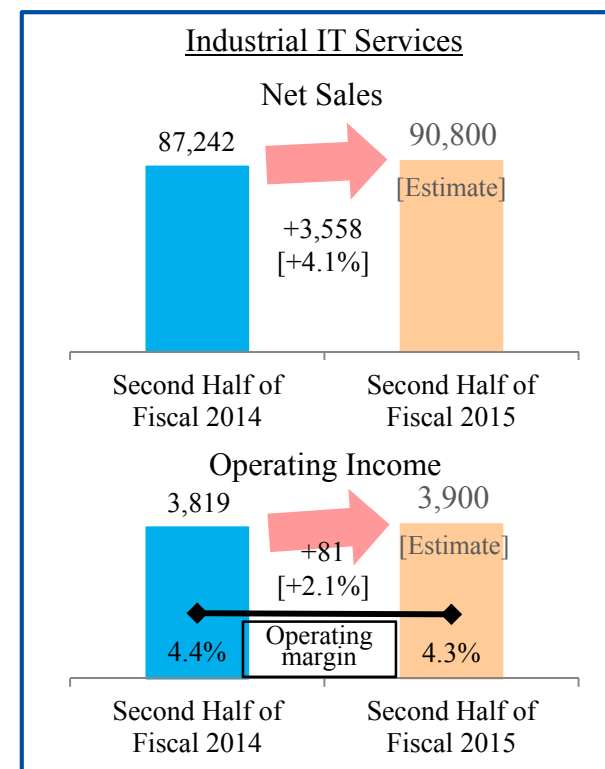
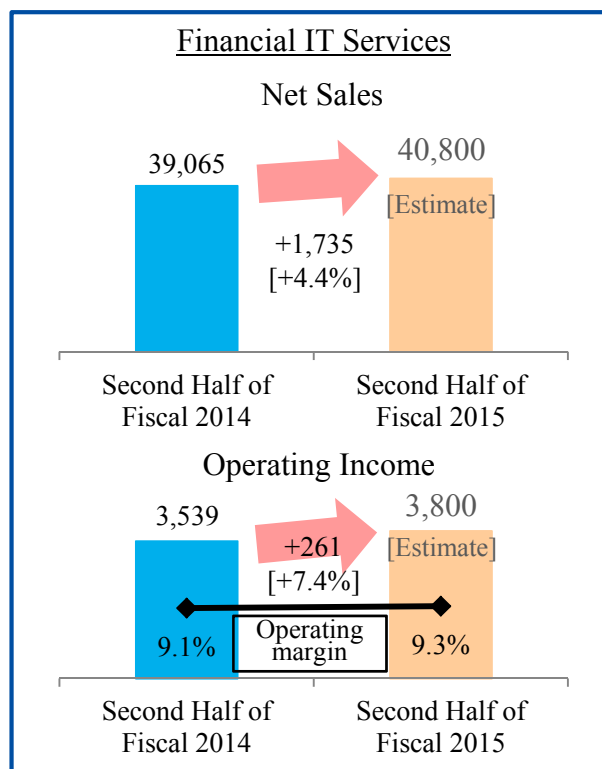
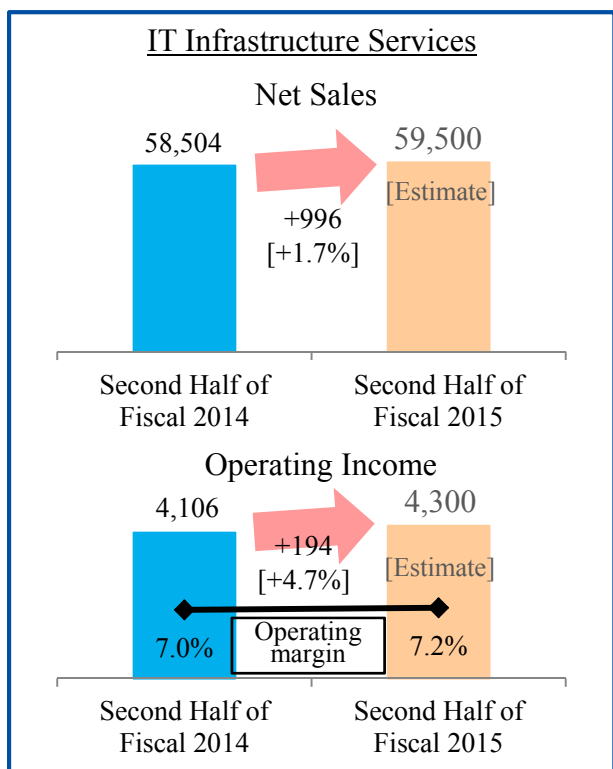
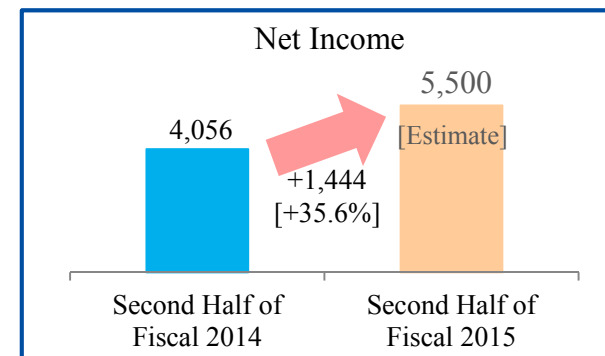
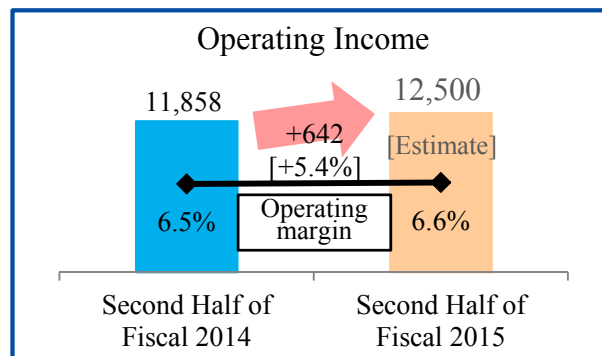
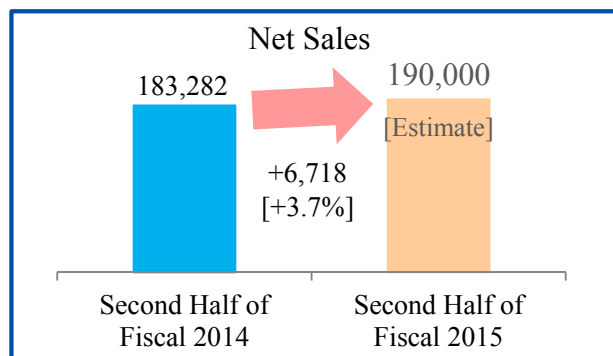
Segment sales include intersegment sales.

Fiscal 2015 First Half: Sales and Income for Key Business Segments (Forecast)



Segment sales include intersegment sales.

Fiscal 2015 Second Half: Sales and Income for Key Business Segments (Forecast)



Segment sales include intersegment sales.



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 certain assumptions deemed reasonable at this time. No intent is implied of promise by the Company to achieve such forward-looking statements. Indeed, various factors may cause future results to be substantially different from the assumptions presented in these materials.
- Amounts for each three-month quarter are calculated by subtracting data for the respective period from the cumulative total.