



**IT HOLDINGS**

Go Beyond

# **Information Meeting Materials for the First Three Quarters of the Fiscal Year Ending March 31, 2015**

---

February 2, 2015

IT Holdings Corporation

## **Fiscal 2015 First Three Quarters Financial Highlights**

**Fiscal 2015 Performance Forecast**

**Reference Materials**

# Fiscal 2015 First Three Quarters: Financial Highlights

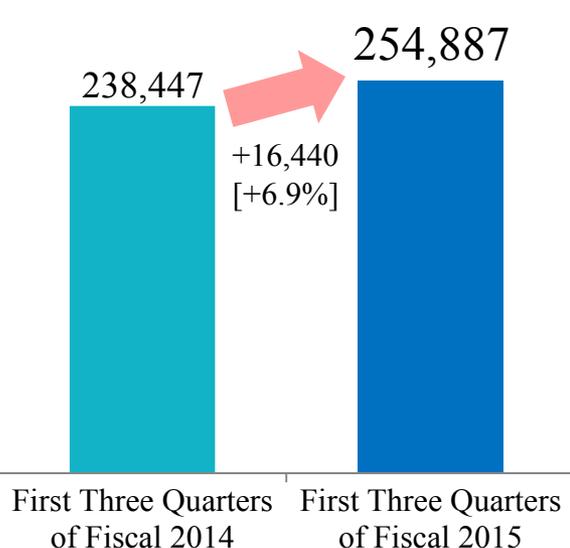
(Millions of yen)

- Net sales grew year on year, against a backdrop of positive developments, especially favorable business conditions.
- On the profit front, we achieved a huge year-on-year improvement, largely due to the higher net sales starting point and efforts to prevent projects from turning unprofitable.

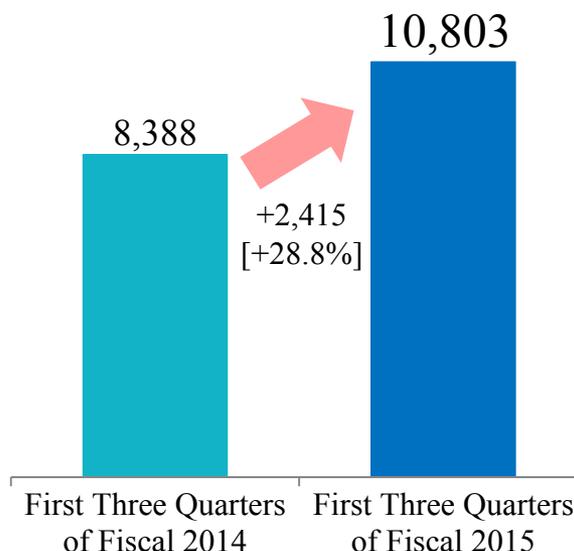
**Net sales ¥254,887 million**  
YOY change: +¥ 16,440 million [+ 6.9%]

**Operating income ¥ 10,803 million**  
YOY change: +¥ 2,415 million [+ 28.8%]

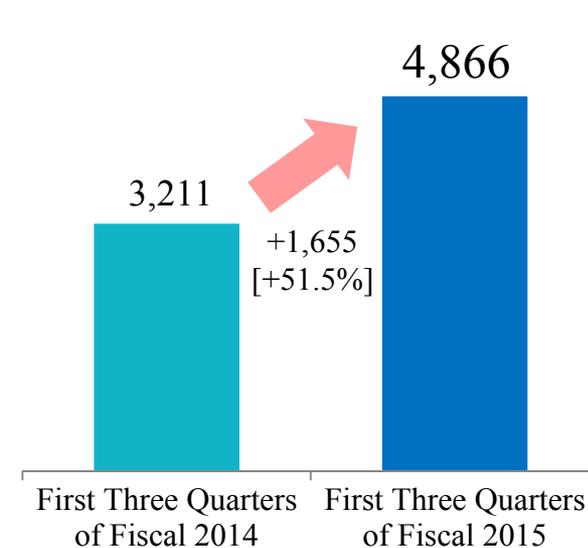
**Net income ¥4,866 million**  
YOY change: +¥ 1,655 million [+ 51.5%]



Net sales shifted in a favorable direction, mainly due to accurate identification of customers' IT investment needs. All three core segments delivered year-on-year increases.

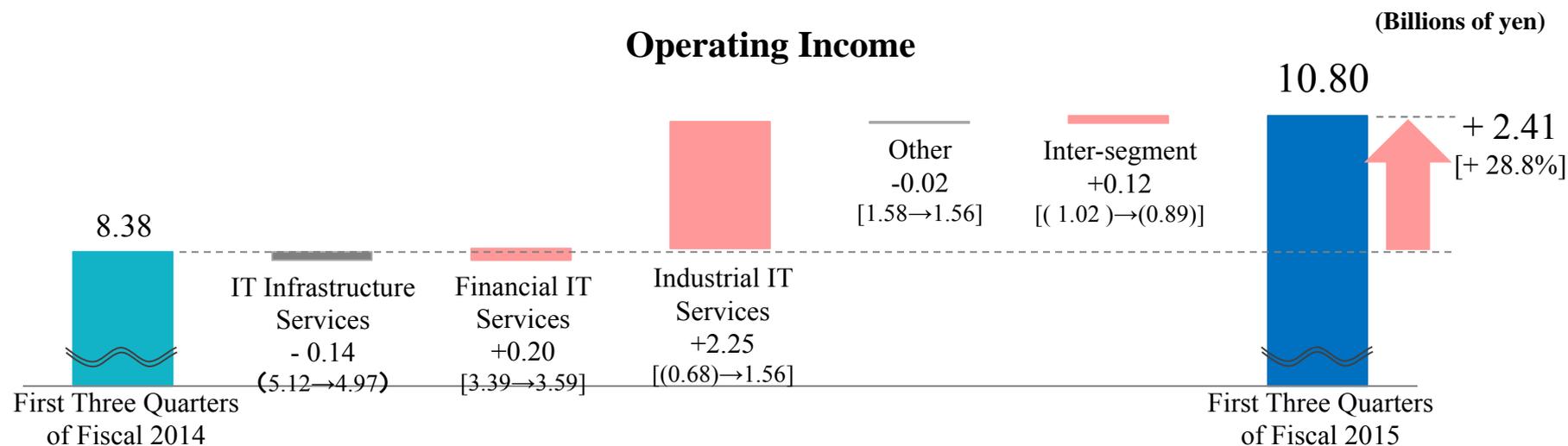
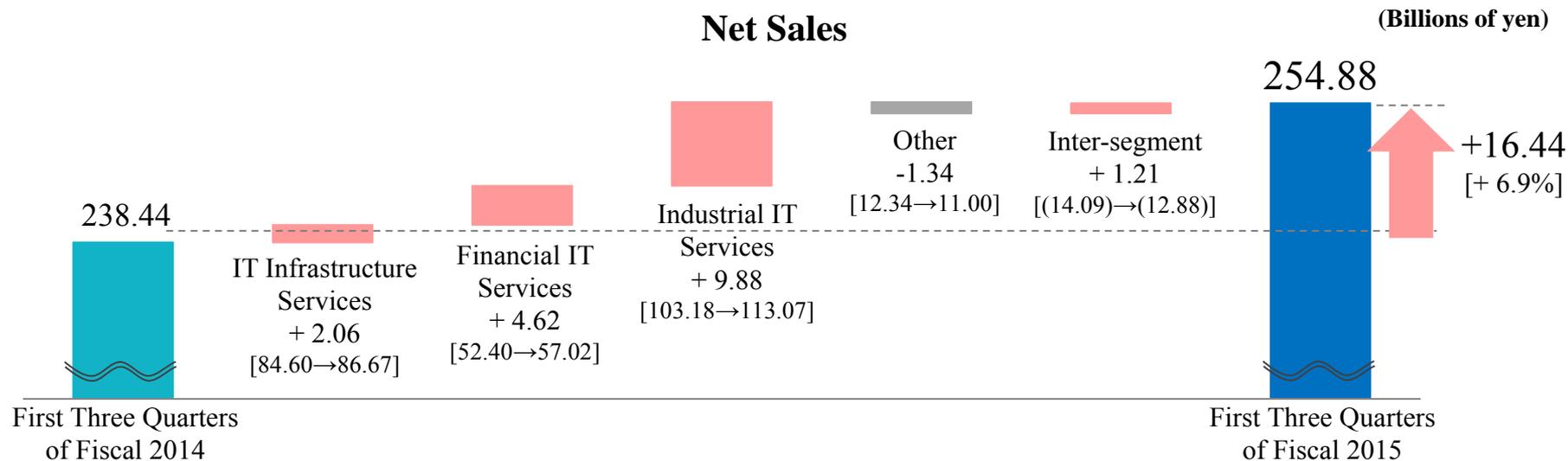


The higher net sales starting point and successful efforts to prevent unprofitable projects were key in absorbing costs associated with structural reinforcement geared toward securing and executing several large-scale development projects. Operating income was dramatically higher year on year.



Net income was also significantly higher year on year, paralleling the increase in operating income.

# Fiscal 2015 First Three Quarters: Net Sales and Operating Income Analysis

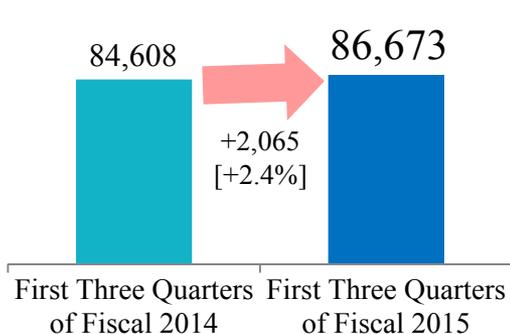


# Fiscal 2015 First Three Quarters: Sales and Income for Key Segments

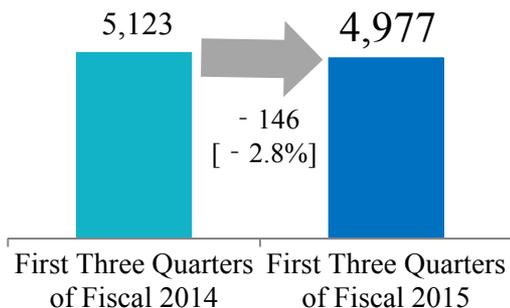
(Millions of yen)

## IT Infrastructure Services

**Net Sales** ¥86,673 million  
YOY change : +¥2,065 million [+2.4%]



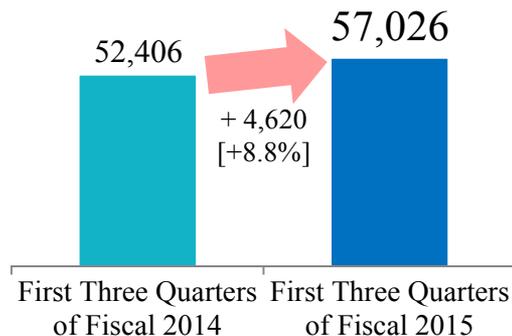
**Operating Income** ¥4,977 million  
YOY change : -¥146 million [-2.8%]



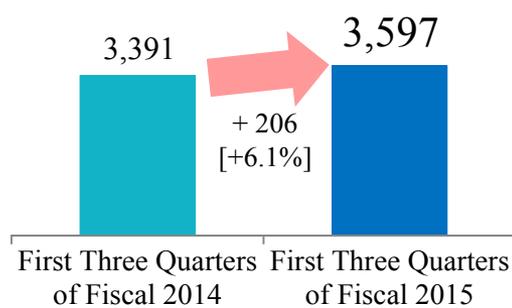
Segment sales benefited from firm demand for data center services, but the scope of demand from existing clients was smaller, leading to a year-on-year drop in operating income.

## Financial IT Services

**Net Sales** ¥57,026 million  
YOY change : +¥4,620 million [+8.8%]



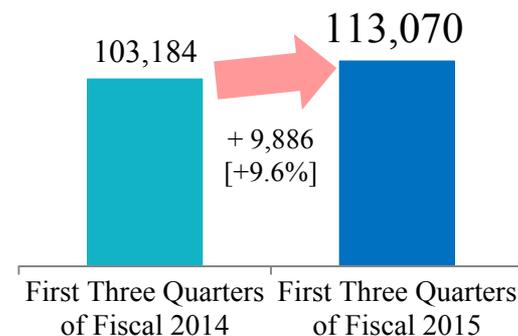
**Operating Income** ¥3,597 million  
YOY change : +¥206 million [+6.1%]



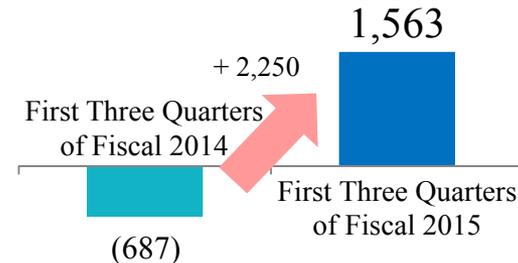
Segment sales were up, buoyed mainly by a trend toward greater IT investment by clients. This increase was enough to cover expenses associated with structural reinforcement geared toward securing and executing several large-scale development projects, which led to higher segment operating income.

## Industrial IT Services

**Net Sales** ¥113,070 million  
YOY change : +¥9,886 million [+9.6%]

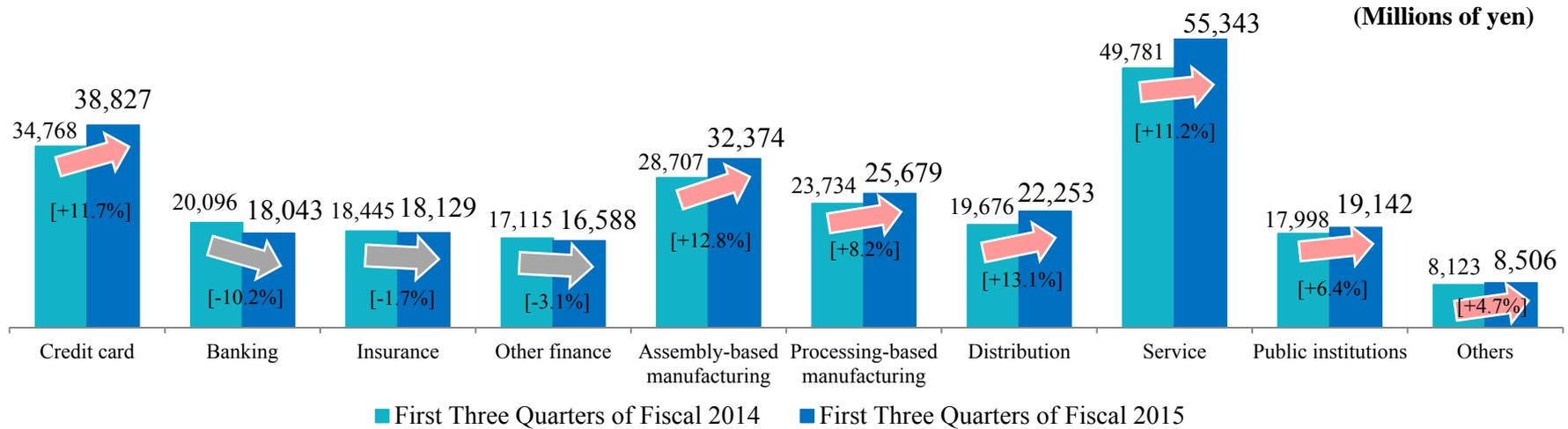


**Operating Income** ¥1,563 million  
YOY change : +¥2,250 million

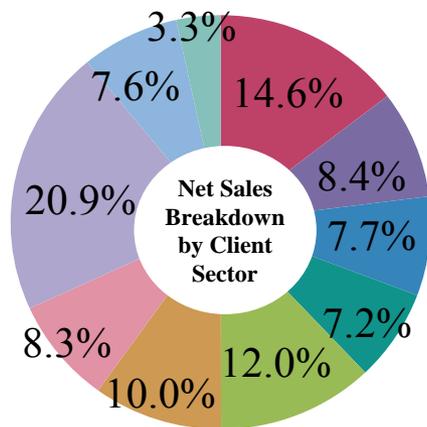


A favorable shift in demand across a range of client sectors pushed segment sales up year-on-year. This, and successful efforts to prevent unprofitable projects, offset an increase in projects with low profitability and higher costs associated with proposal activities, including approaches to boost interest in large-scale development projects.

# Fiscal 2015 First Three Quarters: Sales by Client Sector

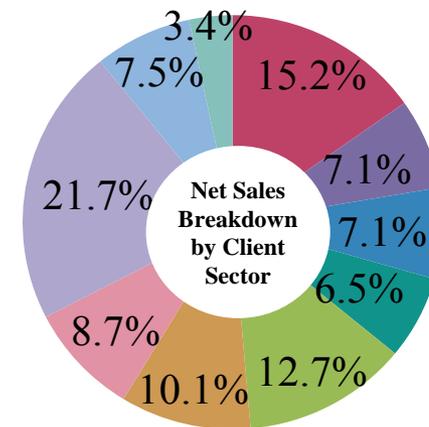


First Three Quarters of Fiscal 2014



Financial sector: 37.9%    Industrial sector: 51.2%  
Public sector: 7.6%    Other sectors: 3.3%

First Three Quarters of Fiscal 2015



Financial sector: 35.9%    Industrial sector: 53.2%  
Public sector: 7.5%    Other sectors: 3.4%

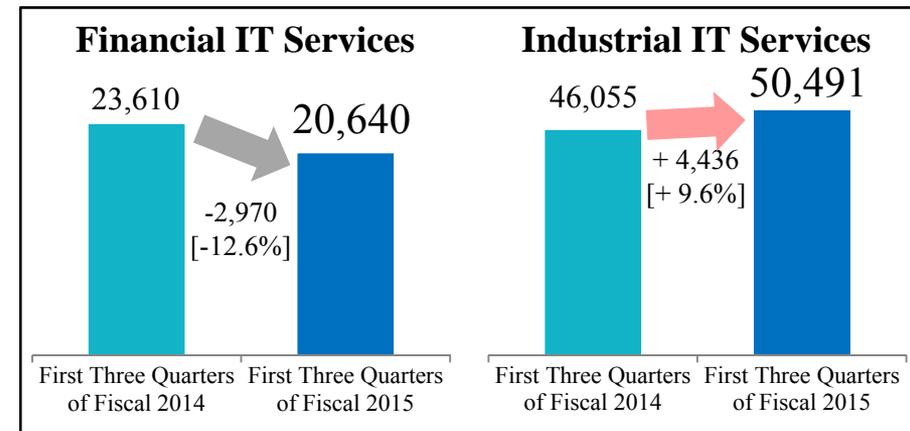
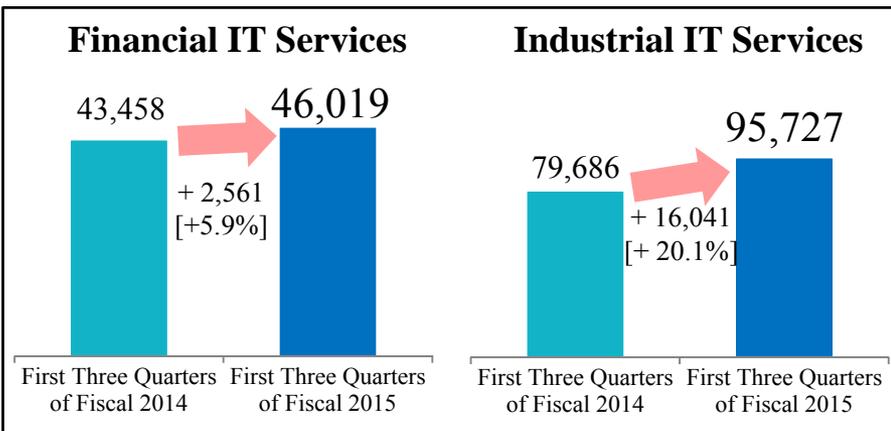
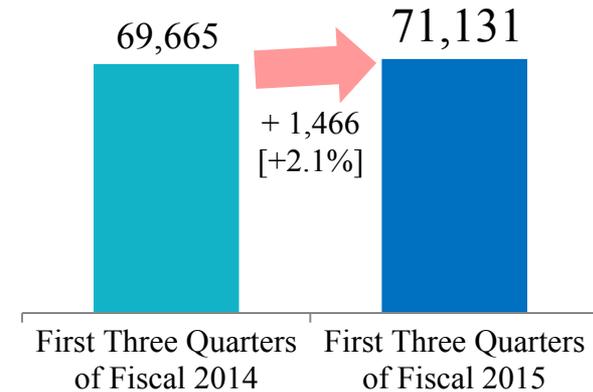
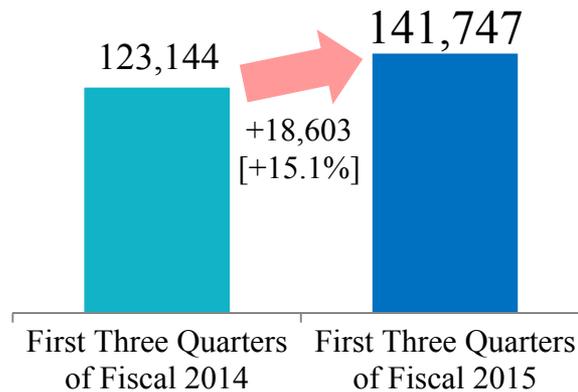
# Fiscal 2015 First Three Quarters: Order Status

(Millions of yen)

- Order volume was considerably higher year on year, spurred by the booking of large projects for clients in the public sector.
- Order backlog was held to a slight increase over the level recorded a year ago because of progress in dealing with backlog despite the increase in orders.

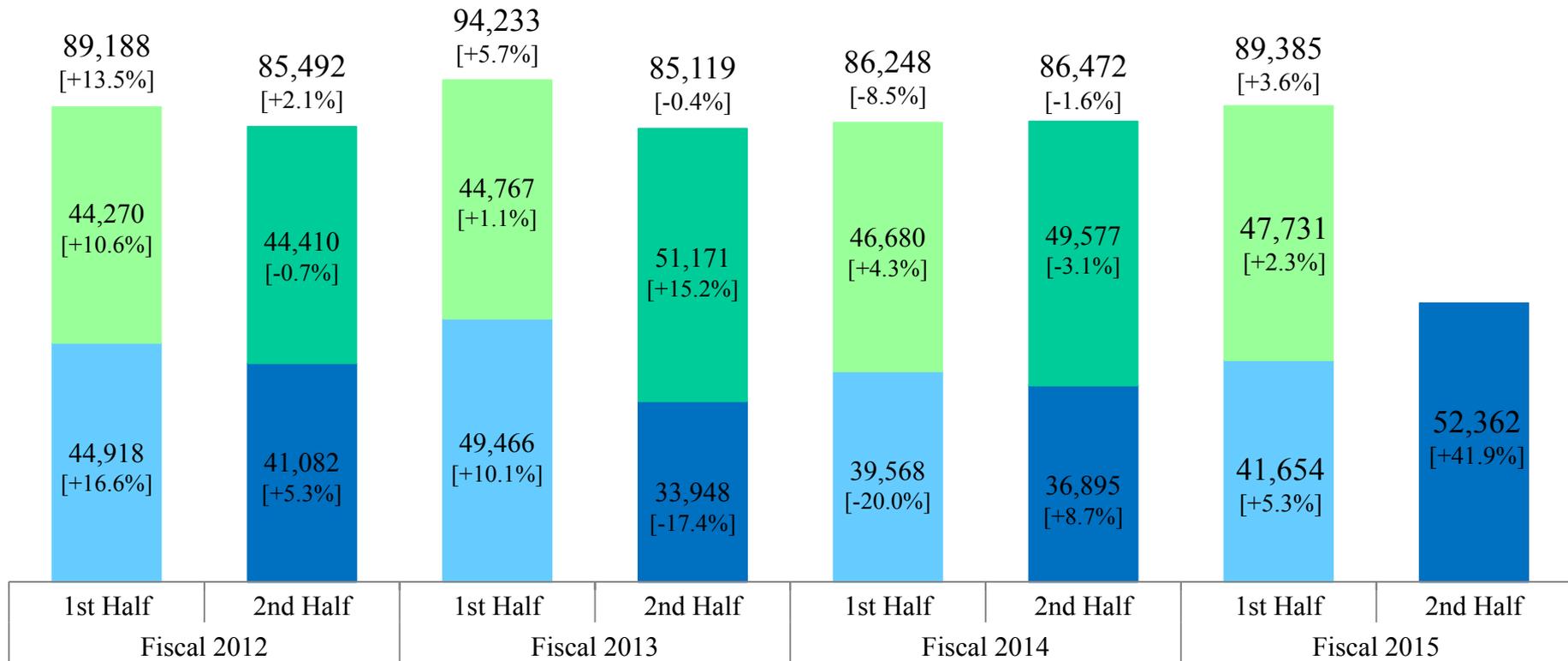
Orders received during the term ¥141,747 million  
YOY change : +¥18,603 million [+15.1%]

Order backlog at term-end ¥71,131 million  
YOY change : +¥1,466 million [+2.1%]



# Changes in Orders Received

(Millions of yen)



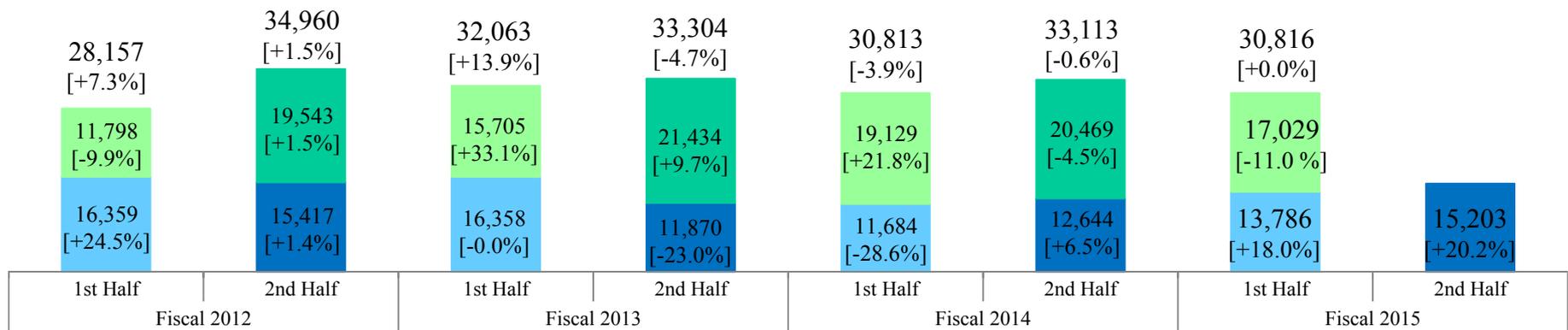
■ Second quarter    ■ Fourth quarter  
■ First quarter    ■ Third quarter

Orders received during the term apply to Software Development only. Percentage figures in columns indicate increase or decrease from the previous term.

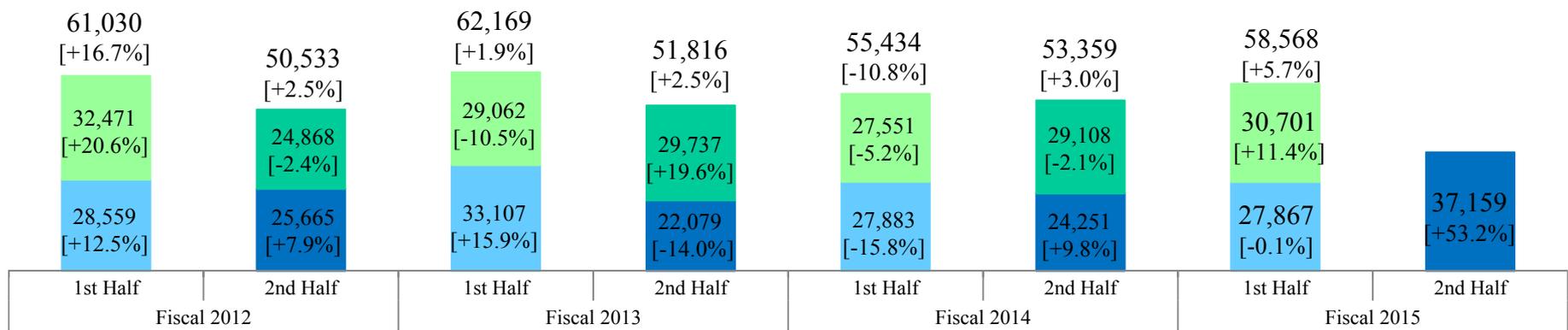
# Changes in Orders Received

(Millions of yen)

## Financial IT Services



## Industrial IT Services



■ Second quarter    ■ Fourth quarter  
■ First quarter    ■ Third quarter

Orders received during the term apply to Software Development only. Percentage figures in columns indicate increase or decrease from the previous term.

**Fiscal 2015 First Three Quarters Financial Highlights**

**Fiscal 2015 Performance Forecast**

**Reference Materials**

# Fiscal 2015: Performance Forecasts

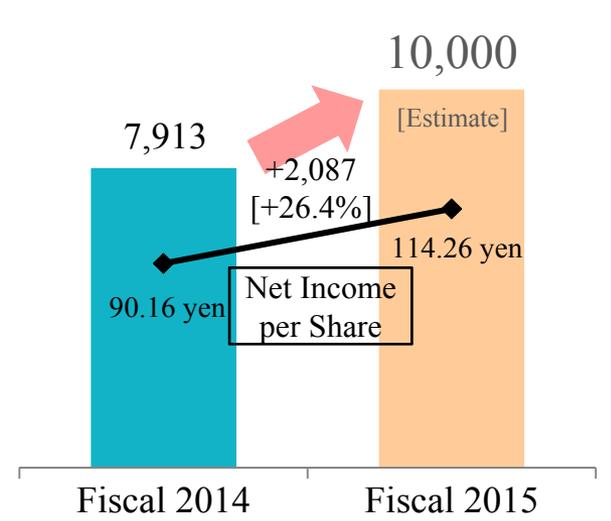
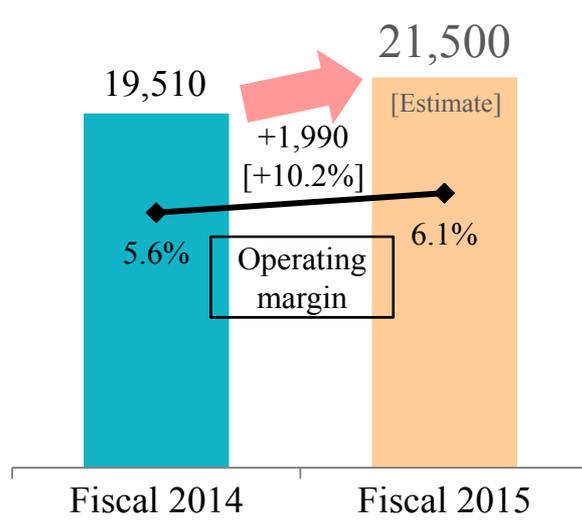
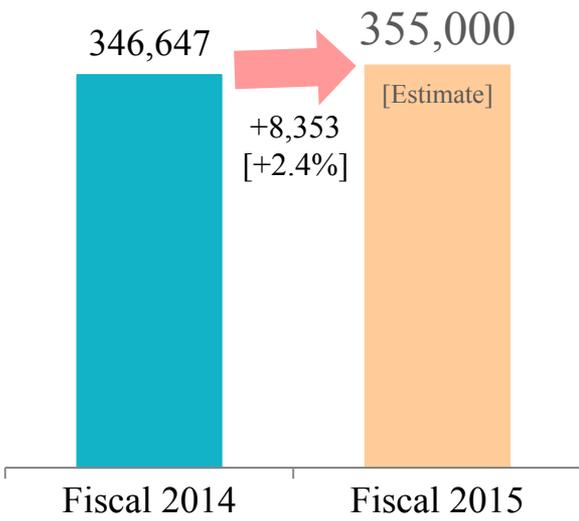
(Millions of yen)

• Progress toward targets is generally on track, so targets set at the beginning of the fiscal year remain unchanged.

**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.

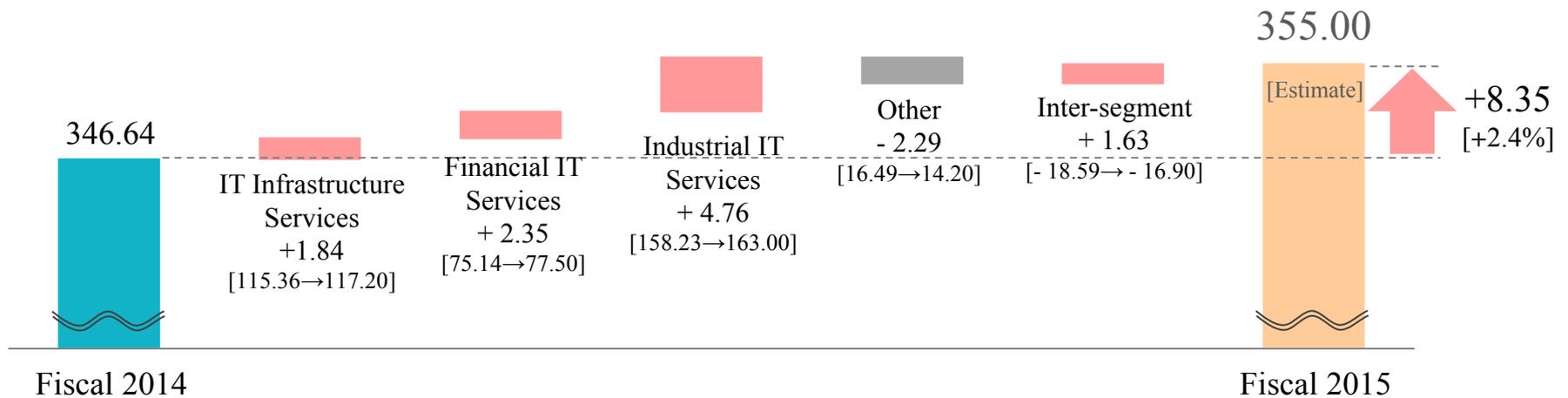
The higher net sales starting point, along with enhanced productivity and efforts to prevent the occurrence of unprofitable projects, should lead to higher income.

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]

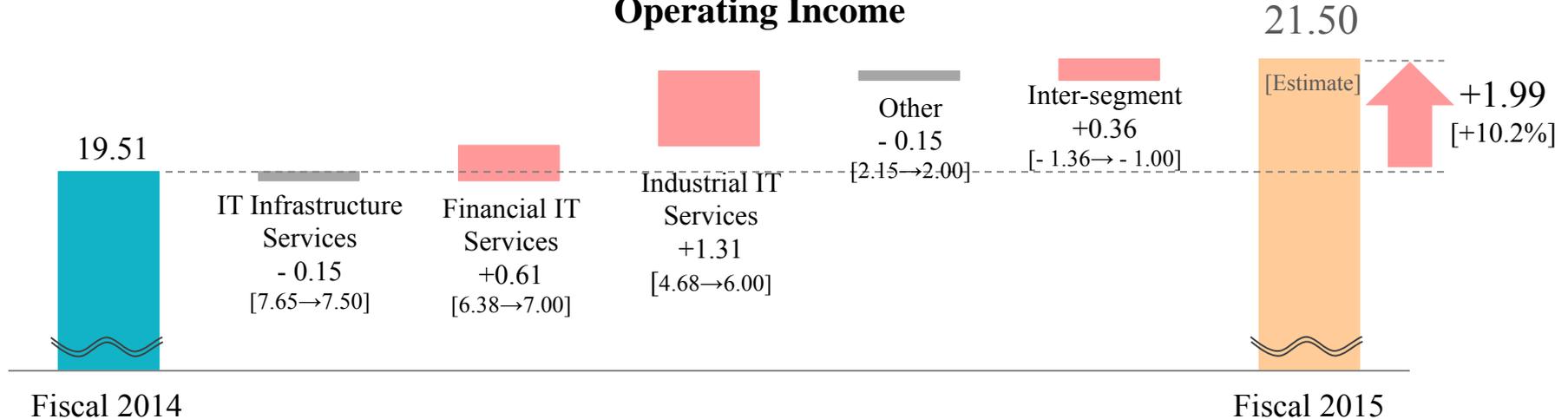
## Net Sales

(Billions of yen)



## Operating Income

(Billions of yen)

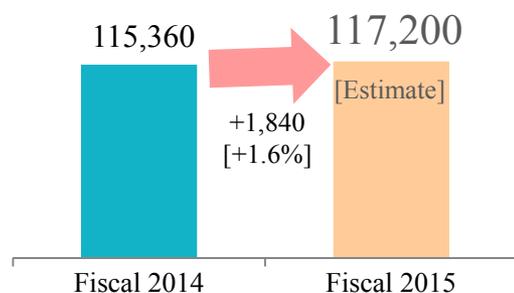


# Fiscal 2015: Key Business Segment Performances [Forecast]

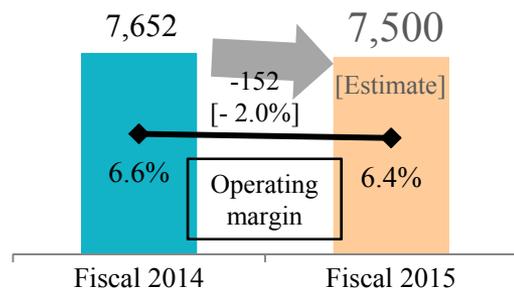
(Millions of yen)

## IT Infrastructure Services

Net Sales ¥117,200 million  
YOY change: +¥1,840 million [+1.6%]



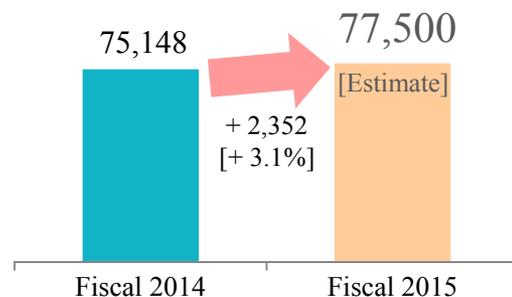
Operating Income ¥7,500 million  
YOY change: -¥152 million [-2.0%]



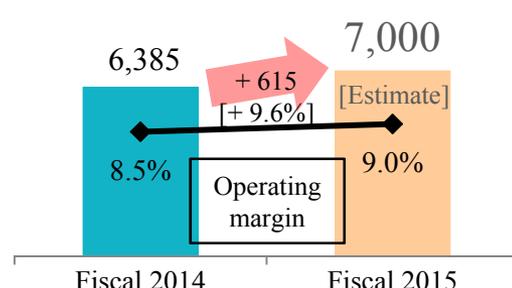
Stable demand for data center services and BPO services should push net sales above the fiscal 2014 level. But pressure, such as a higher facilities expense burden, could cause operating income to drop.

## Financial IT Services

Net Sales ¥77,500 million  
YOY change: +¥2,352 million [+3.1%]



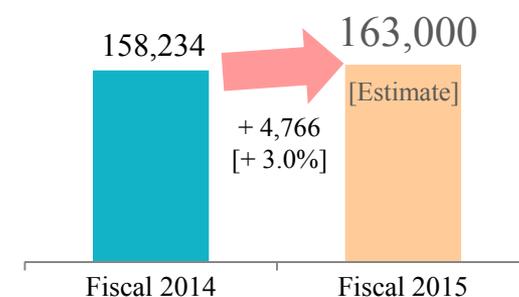
Operating Income ¥7,000 million  
YOY change: +¥615 million [+9.6%]



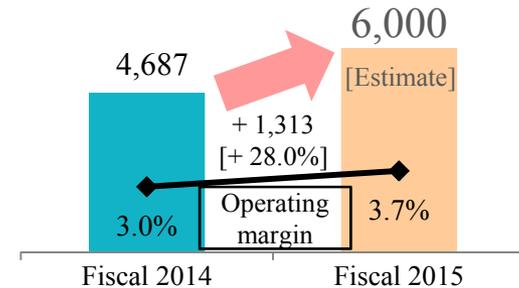
Greater IT investment to meet new demand throughout the financial sector, particularly among credit card companies, is sure to support higher segment sales and income in fiscal 2015.

## 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.

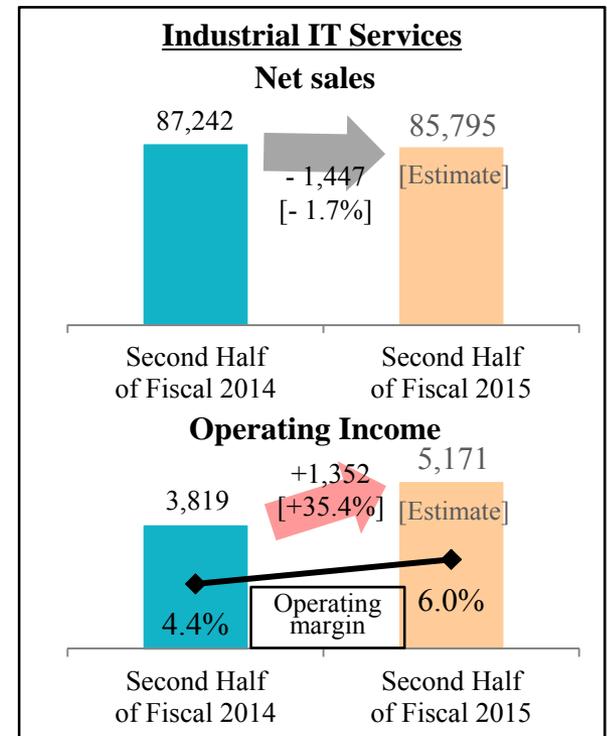
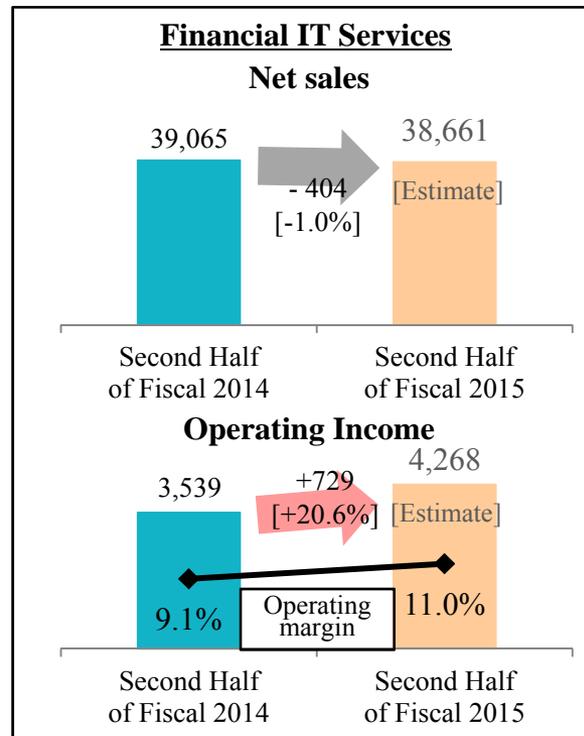
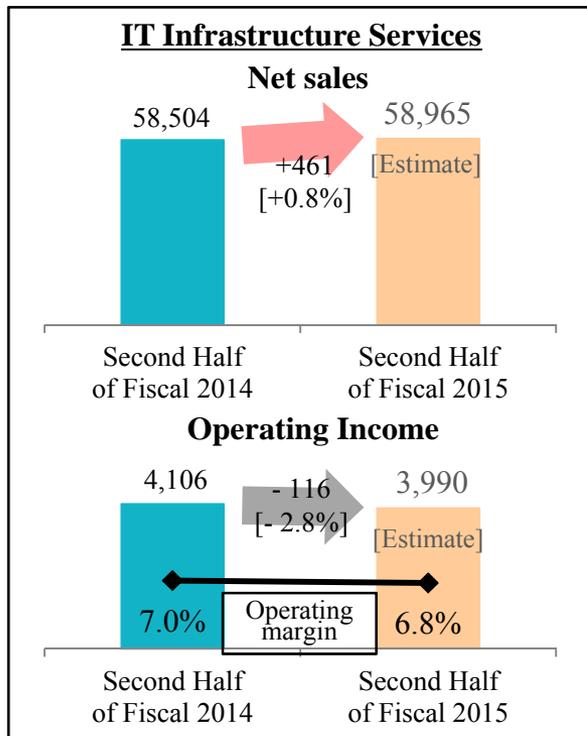
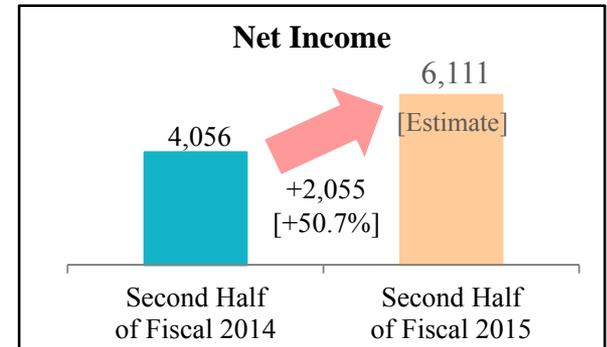
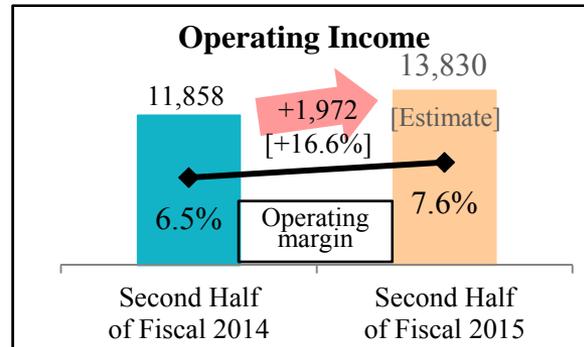
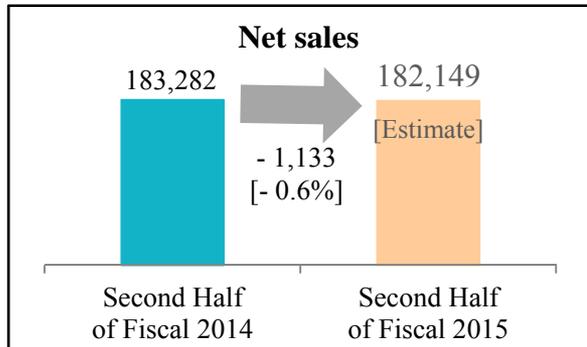
**Fiscal 2015 First Three Quarters Financial Highlights**

**Fiscal 2015 Performance Forecast**

**Reference Materials**

# Fiscal 2015 Second Half: Key Business Segment Performances [Forecast]

(Millions of yen)



\*Amounts for second-half estimates are calculated by subtracting first-half results from the annual estimates. Segment sales include intersegment sales.



# IT HOLDINGS

Go Beyond

## **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.