



October 31, 2012

(Translated from the Japanese original)

Company Name: IT Holdings Corporation
URL: <http://www.itholdings.co.jp/e>
Representative: Susumu Okamoto, President
Stock Listing: First Section of the Tokyo Stock Exchange
Stock Code: 3626
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Notice regarding Partial Assumption of Subsidiary Management Operations by TIS through Corporate Divestiture (Simple Divestiture)

The Board of Directors at IT Holdings (hereafter, “the Company”) resolved on October 31, 2012, that the Company would transfer some of its subsidiary management operations to TIS Inc. (hereafter, “TIS”), a wholly owned subsidiary, by way of corporate divestiture (hereafter, “the Divestiture”), effective January 1, 2013. Details are provided below.

Please note that some details of disclosure have been omitted from this press release because simple divestiture of operations to a wholly owned subsidiary does not require such information.

Details

1. Purpose of the Divestiture

Since its establishment, the Company has endeavored to strengthen the IT Holdings Group and enhance management efficiency through a gradual process of realignment within the Group. The Divestiture, under which the Company will relinquish control of BM Consultants Inc. (hereafter, “BMC”), which is primarily involved in business consulting services, to TIS, is part of this process.

Enhanced overall capabilities through integrated operations between TIS and BMC will reinforce business activities in domains related to client-side management strategies and administrative reforms—areas that are acquiring a higher level of sophistication all the time. Of note, BMC will change its name to TIS Business Consultants Inc., in conjunction with the assumption of control.

2. Overview of the Divestiture

(1) Schedule

October 31, 2012	Board of Directors’ meeting approving the Divestiture
October 31, 2012	Conclude agreement for the Divestiture
January 1, 2013	Date of the Divestiture (planned effective date)

Note: Neither TIS nor the Company is required to obtain approval of the Divestiture at a general meeting of shareholders because for the Company, the Divestiture satisfies the conditions described for a simplified corporate divestiture under Article 784, Paragraph 3 of the Company Law, and for TIS, it satisfies the conditions described for a summary corporate divestiture under Article 796, Paragraph 1 of the same law.

- (2) Method
The Divestiture will be based on an absorption-type corporate divestiture method, wherein the divesting company is the Company, and the succeeding company is TIS.
- (3) Share Allocation Associated with Divestiture
No shares of stock will be allocated because TIS is a wholly owned subsidiary of the Company.
- (4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in the Divesting Company
The Company has not issued stock acquisition rights or any bonds with stock acquisition rights.
- (5) Capitalization Decrease Through the Divestiture
No capitalization decrease will occur through the Divestiture.
- (6) Rights and Obligations Assumed by the Divesting Company
Upon the effective date of the Divestiture, TIS will assume the assets listed below and the associated rights and obligations that the Company holds related to management of certain operations undertaken by TIS.
- 1) Assets of BMC stock
 - 2) Rights and obligations associated with management of BMC
 - 3) There are no employment agreements to be assumed and therefore no rights or obligations connected to employment agreements that must be assumed.
- (7) Expectations for Fulfillment of Financial Obligations
Management at the Company, the divesting company, and at TIS, the succeeding company, anticipate no problems in regard to fulfillment of financial obligations that come due after the effective date.

3. Summary of the Relevant Companies (As of March 31, 2012)

(1) Name	IT Holdings Corporation (divesting company)	TIS Inc. (succeeding company)
(2) Head office	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo
(3) Representative	Susumu Okamoto, President	Toru Kuwano, President
(4) Business	Management of Group companies and related business	IT investment-oriented outsourcing services, software development and solution services
(5) Paid-in capital	¥10,001 million	¥23,110 million
(6) Established	April 1, 2008	April 28, 1971
(7) Number of shares issued	87,789 thousand shares	45,336 thousand shares
(8) Fiscal period	March 31	March 31
(9) Major shareholders and shareholding ratio	Japan Trustee Services Bank, Ltd. 18.02% The Master Trust Bank of Japan, Ltd. 8.41% Trust & Custody Services Bank, Ltd. 3.42% Nippon Life Insurance Company 2.95% The Bank of Tokyo-Mitsubishi UFJ, Ltd. 1.88%	IT Holdings Corporation 100%
(10) Financial Status and Business Results for Most Recent Fiscal Year (March 2012)		
Net assets	¥150,965 million (Consolidated)	¥85,638 million (Nonconsolidated)
Total assets	¥310,003 million (Consolidated)	¥149,346 million (Nonconsolidated)
Net assets per share	¥1,636.72 (Consolidated)	¥1,888.94 (Nonconsolidated)
Net sales	¥327,417 million (Consolidated)	¥147,994 million (Nonconsolidated)
Operating income	¥15,621 million (Consolidated)	¥6,636 million (Nonconsolidated)
Recurring profit	¥15,393 million (Consolidated)	¥8,918 million (Nonconsolidated)
Net income	¥2,135 million (Consolidated)	¥2,314 million (Nonconsolidated)
Net income per share	¥24.33 (Consolidated)	¥51.04 (Nonconsolidated)

4. Overview of Business Division to be Divested

(1) Business Activities of Subject Division

Management of BMC business activities

(2) Business Performance of Subject Division

Net Sales ¥1 million (Fiscal year ended March 31, 2012)

(3) Assets and Liabilities to be Divested (As of March 31, 2012)

Assets		Liabilities	
Items	Book Value	Items	Book Value
BMC stock	¥450 million	Debt	—
Total	¥450 million	Total	—

5. Status of the Company and TIS Following the Divestiture

The Divestiture will not result in any changes to the corporate name, business description, head office address, name and position of representatives, capitalization or fiscal period of the Company or TIS.

6. Outlook

The Divestiture will have only a minor impact on the Company's consolidated business results for fiscal 2013 because TIS is a wholly owned subsidiary of the Company.

(Reference)

Forecast for Fiscal 2013 (announced May 10, 2012), and Fiscal 2012 Results on Consolidated Basis

	Net Sales	Operating Income	Recurring Profit	Net Income	Net Income per Share
	Million	Million	Million	Million	Yen
Current Fiscal Year, ending March 31, 2013 (forecast)	¥340,000	¥17,500	¥17,000	¥6,000	¥68.36
Previous Fiscal Year, ended March 31, 2012 (actual)	¥327,417	¥15,621	¥15,393	¥2,135	¥24.33

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