



September 26, 2013

(Translated from the Japanese original)

Company Name: IT Holdings Corporation
Representative: Norio Maenishi, President
Stock Listing: First Section of the Tokyo Stock Exchange
Stock Code: 3626
Contact: Iwao Sakuma, General Manager,
PR & IR Department
Phone: +81-3-5338-2272 (in Japan, 03-5338-2272)

Consolidated subsidiary (Chuo System) made wholly owned subsidiary through simple share exchange

At a meeting held today, September 26, 2013, the Board of Directors resolved that IT Holdings (hereafter, "ITHD" and "the Company") would undertake a share exchange (hereafter, "this share exchange") to make consolidated subsidiary Chuo System Corporation (hereafter, "Chuo System"), a wholly owned subsidiary, effective November 1, 2013. A share exchange agreement was signed between the two companies on the same day. Details are provided below.

Since this share exchange will take the form of a simple share exchange converting a consolidated subsidiary into a wholly owned subsidiary, certain subjects and contents of the transaction have been omitted in this disclosure.

Details

1. Purpose turning Chuo System into a wholly owned subsidiary through share exchange

The turn of Chuo System into a wholly owned subsidiary through this share exchange is to increase flexibility in Group operations, further reinforce Group management, and establish a more unified and efficient management structure.

2. Essentials of this share exchange

(1) Schedule

Resolution by Board of Directors (both companies)	September 26, 2013
Signing of share exchange agreement signing	September 26, 2013
Planned extraordinary general shareholders' meeting to approve share exchange (Chuo System)	October 11, 2013
Anticipated date of share exchange (effective date)	November 1, 2013

Note: This share exchange shall be undertaken without approval at an ITHD general shareholders' meeting because the requirements for a simple share exchange have been satisfied, pursuant to Article 796, Paragraph 3, of the Companies Act of Japan,.

(2) Share exchange method

In this share exchange, ITHD will hold 100% ownership in Chuo System and become the wholly owning parent company with Chuo System as the wholly owned subsidiary.

(3) Details of allotment of shares under this share exchange

Company name	ITHD (Wholly owning parent of all exchanged shares)	Chuo System (Wholly owned subsidiary with all shares exchanged)
Share exchange ratio for allotment of shares under this share exchange	1	4

Notes: 1. Share allotment ratio

Four (4) shares of ITHD common stock will be delivered for each one (1) share of Chuo System common stock.

However, no shares will be allotted under this share exchange for the 134,000 shares of common stock held by ITHD.

2. Shares delivered through this share exchange

Number of shares of common stock: 20,000

ITHD common stock allocated and delivered to Chuo System shareholders will be from treasury stock held by ITHD. Therefore, no new shares will be issued and no increase in paid-in capital will occur.

(4) Handling of stock acquisition rights accompanying this share exchange

All stock acquisition rights issued by Chuo System acquired at no cost by Chuo System and cancelled on the condition that the share exchange agreement is approved at Chuo System's extraordinary general shareholders' meeting.

3. Basis for calculation of terms regarding allotment in connection with this share exchange

Given that ITHD is a listed company, the Company's stock value was calculated based on the average market price method, with September 25, 2013—the day prior to the ITHD Board of Directors' resolution on this share exchanges—as the base date of calculation and applied the closing price of the Company's stock on the First Section of the Tokyo Stock Exchange on the date of calculation and the average trading-day closing price for the periods of one month, three months and six months prior to the date of calculation. Given that Chuo System is unlisted and is a consolidated subsidiary of ITHD, the stock value of Chuo System was assessed using the net asset value approach and the comparable company analysis method, using March 31, 2013 as the base date of calculation, and determined the share exchange ratio after comprehensive considering all evaluation results.

ITHD and Chuo System discussed the share exchange ratio with reference to the results of the aforementioned calculations and determined that a share exchange at the exchange ratio noted above was reasonable and advantageous to the shareholders of both companies.

In the event of significant changes in the various conditions on which the calculation has been based, the share exchange ratio may change, subject to discussion between the two companies.

4. Outline of companies involved in this share exchange (as of September 25, 2013)

	Wholly owning parent of all exchanged shares	Wholly owned subsidiary with all shares exchanged
(1) Name	IT Holdings Corporation	Chuo System Corporation
(2) Head office	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo
(3) Representative	Norio Maenishi, President	Tadashi Honma, President
(4) Business	Management of Group companies and related business	Development, management and solution services of business applications
(5) Paid-in capital	¥10,001 million	¥73 million
(6) Established	April 1, 2008	June 1, 1981
(7) Number of shares issued	87,789 thousand shares	139 thousand shares
(8) Fiscal period	March 31	March 31
(9) Major shareholders and shareholding ratio	Japan Trustee Services Bank, Ltd. 16.68% The Master Trust Bank of Japan, Ltd. 8.43% Nippon Life Insurance Company 2.95% Employees' Shareholding Association of IT Holdings Corporation 2.94% (As of March 31, 2013)	IT Holdings Corporation 96.40% Masaaki Ninomiya 1.79% Michio Arai 1.07% Seiji Watanabe 0.71%
(10) Financial Status and Business Results for Most Recent Fiscal Year		
Fiscal period	Year ended March 31, 2013 (Consolidated)	Year ended March 31, 2013 (Non-consolidated)
Net assets	¥158,159 million	¥717 million
Total assets	¥302,302 million	¥1,622 million
Net assets per share	¥1,714.88	¥5,164.12
Net sales	¥337,834 million	¥4,450 million
Operating income	¥18,171 million	¥179 million
Recurring profit	¥17,440 million	¥190 million
Net income	¥5,868 million	¥102 million
Net income per share	¥66.86	¥739.31

5. Status following this share exchange

The share exchange will cause no changes to the company name, address, name and position of representative, main lines of business, paid-in capital, and account closing dates of ITHD.

6. Outlook

The effects of this share exchange on ITHD's consolidated business performance will be negligible because Chuo System is a consolidated subsidiary of the Company.

(Reference)

Forecast for Fiscal 2014 (announced May 10, 2013), and Fiscal 2013 Results on Consolidated Basis

	Net sales	Operating income	Recurring profit	Net income
	Million	Million	Million	Million
Current Fiscal Year, ending March 31, 2014 (forecast)	345,000	20,500	20,000	7,500
Previous Fiscal Year, ended March 31, 2013 (actual)	337,834	18,171	17,440	5,868

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