Report of Independent Auditors

The Board of Directors
IT Holdings Corporation.

We have audited the accompanying consolidated balance sheets of IT Holdings Corporation and consolidated subsidiaries as of March 31, 2009, and the related consolidated statements of income, changes in net assets, and cash flows for the year then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of IT Holdings Corporation and consolidated subsidiaries at March 31, 2009, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 22, 2009

IT Holdings Corporation
and Consolidated Subsidiaries

Consolidated Balance Sheet

As of March 31, 2009

	March 31,	
	2009	**2009**
	(Millions of yen)	*(Thousands of U.S. dollars) (Note 2)*
Assets		
Current assets:		
Cash and deposits *(Note 22)*	¥ 37,524	$ 382,002
Notes and accounts receivable *(Note 6)*	62,862	639,949
Investments in finance leases *(Note 20)*	7,275	74,056
Marketable securities *(Notes 3 and 22)*	1,502	15,288
Allowance for doubtful accounts	(255)	(2,599)
Inventories	14,613	148,765
Deferred tax assets *(Note 8)*	11,076	112,755
Prepaid expenses and other current assets	6,203	63,151
Allowance for doubtful accounts	(255)	(2,599)
Total current assets	140,800	1,433,367
Property and equipment:		
Buildings and structures *(Note 6)*	53,279	542,390
Machinery and equipment *(Note 6)*	5,799	59,039
Leased assets *(Note 20)*	1,236	12,577
Land *(Notes 5 and 6)*	21,925	223,203
Others	6,810	69,324
Total property and equipment	89,049	906,533
Intangible assets		
Goodwill *(Note 4)*	4,839	49,265
Others	10,162	103,453
Total intangible assets	15,001	152,718
Investments and other assets:		
Investments in securities *(Note 3)*	26,904	273,889
Deferred tax assets *(Note 8)*	6,762	68,839
Others	19,489	198,403
Allowance for doubtful accounts	(2,678)	(27,264)
Total investments and other assets	50,477	513,867
Total assets	¥ 295,327	$ 3,006,485

	March 31,	
	2009	**2009**
	(Millions of yen)	*(Thousands of U.S. dollars) (Note 2)*
Liabilities and net assets		
Current liabilities:		
Short-term bank loans *(Note 6)*	¥ 7,734	$ 78,735
Current portion of long-term bank loans *(Note 6)*	15,186	154,592
Current portion of bonds *(Note 7)*	5,100	51,919
Notes and accounts payable	18,627	189,622
Income taxes payable	3,391	34,521
Accrued bonuses to employees	9,831	100,079
Other allowances	71	729
Others *(Note 8)*	22,112	225,107
Total current liabilities	82,052	835,304
Non-current liabilities:		
Bonds *(Note 7)*	11,500	117,072
Long-term bank loans *(Note 6)*	41,014	417,528
Lease obligations	2,549	25,952
Deferred tax liabilities *(Note 8)*	682	6,946
Deferred tax liabilities for land revaluation *(Note 5)*	993	10,110
Accrued retirement benefits to employees *(Note 9)*	8,114	82,598
Accrued retirement benefits to directors	249	2,531
Others	1,958	19,933
Total non-current liabilities	67,059	682,670
Total liabilities	149,111	1,517,974
Net assets:		
Shareholders' equity *(Notes 18 and 19)*:		
Common stock, without par value:	10,000	101,802
Additional paid-in capital	86,321	878,766
Retained earnings *(Note 16)*	40,186	409,102
Less treasury stock, at cost	(2,354)	(23,967)
Total shareholders' equity	134,153	1,365,703
Revaluation and translation adjustments:		
Net unrealized losses on available-for-sale securities	(1,118)	(11,383)
Revaluation of land *(Note 5)*	(1,842)	(18,749)
Foreign currency translation adjustments	(139)	(1,416)
Total revaluation and translation adjustments	(3,099)	(31,548)
Subscription rights	8	83
Minority interests	15,154	154,273
Total net assets	146,216	1,488,511
Total liabilities and net assets	¥ 295,327	$3,006,485

See accompanying notes to the consolidated financial statements.

Profile
Consolidated Financial Highlights
To Our Stakeholders
First Medium-term Management Plan
Business Strategy
Research and Development
Corporate Governance
Business Risks
Business Report (Consolidated) for Fiscal 2009
Financial Section
IT Holdings Group Corporate Data

IT Holdings Corporation
and Consolidated Subsidiaries

Consolidated Statement of Income
For the year ended March 31, 2009

	Year ended March 31,	
	2009	**2009**
	(Millions of yen)	*(Thousands of U.S. dollars) (Note 2)*
Net sales	¥ 338,302	$ 3,443,979
Cost of sales *(Note 14)*	272,945	2,778,631
Gross profit	65,357	665,348
Selling, general and administrative expenses *(Note 14)*	41,570	423,189
Operating income	23,787	242,159
Other income (expenses):		
Interest and dividends income	608	6,189
Interest expenses	(1,131)	(11,513)
Amortization of negative goodwill	958	9,754
Real estate rental income	297	3,026
Loss on disposal and sales of fixed assets	(855)	(8,704)
Impairment loss	(897)	(9,128)
Valuation loss investments in securities	(2,199)	(22,385)
Others, net	(1,284)	(13,081)
	(4,503)	(45,842)
Income before income taxes and minority interests	19,284	196,317
Income taxes *(Note 8)*:		
Current	4,911	50,000
Deferred	3,380	34,410
	8,291	84,410
Income before minority interests	10,993	111,907
Minority interests in earnings of consolidated subsidiaries	(1,586)	(16,146)
Net income	¥ 9,407	$ 95,761

See accompanying notes to the consolidated financial statements.

IT Holdings Corporation
and Consolidated Subsidiaries

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2009

	Shareholders' equity					Revaluation and translation adjustments						
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on other securities	Revaluation of land	Foreign currency translation adjustments	Total revaluation and translation adjustments	Subscription rights	Minority interests	Total net assets
						(Millions of yen)						
Balance as of March 31, 2008	¥10,000	¥86,332	¥33,082	¥(2,827)	¥126,587	¥1,151	¥(2,923)	¥(19)	¥(1,791)	¥0	¥14,165	¥138,961
Dividends from surplus			(1,220)		(1,220)							(1,220)
Net income			9,407		9,407							9,407
Acquisition of treasury stock				(20)	(20)							(20)
Sales of treasury stock		(11)		493	482							483
Exclusion from equity method application			(2)		(2)							(2)
Reversal of revaluation of land			(1,081)		(1,081)							(1,081)
Items other than changes in shareholders' equity						(2,269)	1,081	(120)	(1,308)	8	989	(311)
Total change for the year	0	(11)	7,104	473	7,566	(2,269)	1,081	(120)	(1,308)	8	989	7,255
Balance as of March 31, 2009	¥10,000	¥86,321	¥40,186	¥(2,354)	¥134,153	¥ (1,118)	¥(1,842)	¥ (139)	¥(3,099)	¥8	¥15,154	¥146,216

	Shareholders' equity					Revaluation and translation adjustments						
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on other securities	Revaluation of land	Foreign currency translation adjustments	Total revaluation and translation adjustments	Subscription rights	Minority interests	Total net assets
						(Thousands of dollars))(Note 1)						
Balance as of March 31, 2008	$101,802	$878,873	$336,782	$(28,782)	$1,288,675	$ 11,714	$(29,753)	$(188)	$(18,227)	$2	$144,202	$1,414,652
Dividends from surplus			(12,418)		(12,418)							(12,418)
Net income			95,761		95,761							95,761
Acquisition of treasury stock				(204)	(204)							(204)
Sales of treasury stock		(107)		5,019	4,912							4,912
Exclusion from equity method application			(20)		(20)							(20)
Reversal of revaluation of land			(11,003)		(11,003)							(11,003)
Items other than changes in shareholders' equity						(23,097)	11,004	(1,228)	(13,321)	81	10,071	(3,169)
Total change for the year	0	(107)	72,320	4,815	77,028	(23,097)	11,004	(1,228)	(13,321)	81	10,071	73,859
Balance as of March 31, 2009	$101,802	$878,766	$409,102	$(23,967)	$1,365,703	$(11,383)	$(18,749)	$(1,416)	$(31,548)	$83	$154,273	$1,488,511

See accompanying notes to the consolidated financial statements.

IT Holdings Corporation
and Consolidated Subsidiaries

Consolidated Statement of Cash Flows
For the year ended March 31, 2009

	Year ended March 31,	
	2009	**2009**
	(Millions of yen)	*Thousands of U.S. dollars) (Note 2)*
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 19,284	$ 196,317
Depreciation	10,996	111,942
Impairment loss	897	9,128
Loss on disposal of fixed assets	433	4,414
Valuation loss on investments in securities	2,229	22,690
Amortization of goodwill	1,149	11,699
Increase in accrued bonuses to employees	2,643	26,902
Increase in allowance for doubtful accounts	449	4,566
Increase in accrued retirement benefits to employees	636	6,477
Interest and dividends income	(608)	(6,189)
Interest expenses	1,131	11,513
Decrease in notes and accounts receivable	2,294	23,356
Decrease in inventories	1,222	12,437
Decrease in notes and accounts payable	(3,070)	(31,254)
Others, net	2,369	24,120
Subtotal	42,054	428,118
Interest and dividends income received	616	6,268
Interest expenses paid	(1,132)	(11,523)
Income taxes paid	(7,227)	(73,567)
Net cash provided by operating activities	34,311	349,296
Cash flows from investing activities:		
Deposit of time deposits	(2,433)	(24,767)
Acquisitions of property and equipment	(9,974)	(101,540)
Acquisition of intangible assets	(3,489)	(35,519)
Acquisitions of investments in securities	(1,193)	(12,152)
Proceeds from sale of investments in securities	1,191	12,127
Payments on newly consolidated subsidiary	(3,147)	(32,037)
Proceeds from newly consolidated subsidiary	458	4,667
Other, net	(1,493)	(15,196)
Net cash used in investing activities	(20,080)	(204,417)

IT Holdings Corporation
and Consolidated Subsidiaries

Consolidated Statement of Cash Flows (continued)

	Year ended March 31, 2009 (Millions of yen)	Year ended March 31, 2009 (Thousands of U.S. dollars) (Note 2)
Cash flows from financing activities:		
Decrease in short-term bank loans, net	¥ (3,990)	$ (40,614)
Proceeds from long-term bank loans	21,788	221,806
Repayments of long-term bank loans	(17,018)	(173,246)
Redemptions of bonds	(7,050)	(71,771)
Acquisitions of treasury stock	(20)	(204)
Sales of treasury stock	483	4,917
Dividends paid	(1,220)	(12,420)
Dividends paid to minority interests	(335)	(3,415)
Other, net	484	4,930
Net cash used in financing activities	(6,878)	(70,017)
Effect of exchange rate changes on cash and cash equivalents	(243)	(2,480)
Net increase in cash and cash equivalents	7,110	72,382
Cash and cash equivalents at beginning of year	27,995	284,991
Cash and cash equivalents at end of year *(Note 22)*	¥ 35,105	$ 357,373

See accompanying notes to the consolidated financial statements.

IT Holdings Corporation
and Consolidated Subsidiaries

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

(a) Basis of Presenting the Consolidated Financial Statements

IT Holdings Corporation (the "Company") and its domestic subsidiaries (together, the "Group") maintain their books of account in conformity with the financial accounting standards of Japan, and its foreign subsidiaries maintain their books of account in conformity with those of their countries of domicile.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements prepared by the Company as required under the Financial Instruments and Exchange Act of Japan and, have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

(b) Principles of consolidation

The Company has 43 subsidiaries (controlled or majority-owned companies) as of March 31, 2009. The consolidated financial statements include the accounts of the Company and all of its subsidiaries (together referred to as the "Group").
The accounts of overseas subsidiaries whose fiscal year-end is December 31 are included in the consolidated financial statements after making appropriate adjustments for any material transactions during the period between January 1 and March 31.

For the purposes of preparing the consolidated financial statements, all intercompany transactions, account balances and unrealized profits among the Group have been eliminated.

All assets and liabilities of consolidated subsidiaries are stated at fair market value as of the date of establishment of control.
Investments in two non-consolidated subsidiaries and six affiliated companies are accounted for using the equity method.

(c) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into yen at the exchange rates prevailing at the balance sheet dates, except for assets and liabilities hedged by forward foreign exchange contracts.

All revenues and expenses associated with foreign currencies are translated at the rates of exchange prevailing when such transactions were made. The resulting exchange gains and losses are credited or charged to income.

Assets and liabilities in foreign currencies of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect on the balance sheet date. Resulting translation differences are included in foreign currency translation adjustments or in minority interests of net assets.

(d) Cash equivalents

The Group considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents on the consolidated statements of cash flows.

(e) Securities

Securities held by the Group are classified as either held-to-maturity or available-for-sale securities. Held-to-maturity securities are carried at amortized cost. Available-for-sale securities with a determinable market value are stated at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in net assets. Available-for-sale securities without a determinable market value are stated at cost. Cost of securities sold is determined by the moving-average method.

(f) Inventories

Merchandise and finished goods are stated at cost, determined mainly by the first-in, first-out method. Work in process is stated at cost, determined by the specific-cost method. Raw materials and supplies are stated at cost, mainly determined by last purchase cost method.
However, the amounts of inventories stated in the balance sheet were computed by using the method that book values are reduced to reflect declines in profitability.

(g) Property and equipment

Buildings and structures are depreciated using mainly the straight-line method and machinery and equipment are depreciated using mainly the declining-balance method, at rates based on the estimated useful lives of the assets.

(h) Intangible assets

Intangible assets are amortized using the straight-line method over their estimated useful lives, except for computer software.
Expenses related to development activities of computer software, which are included in intangible assets, are amortized as follows:

i) Computer software for sale
Capitalized costs are amortized at the higher of the amount based on the ratio of the current year sales quantity divided by total estimated sales quantity over the estimated sales period (three years) or the amount calculated by the straight-line method over the remaining sellable period.

ii) Computer software for internal use
Capitalized costs are amortized using the straight-line method over the estimated useful life of the software, which is in the range of three to five years.

(i) Leased assets (as lessee)

Leased assets on finance lease transactions that do not transfer ownership are depreciated over the useful life of assets, which equals the lease term, by the straight-line method. Finance lease transactions which were contracted before April 1, 2008, are accounted for as operating leases.

(j) Accounting for leases (as lessee and lessor)

Finance lease transactions other than those in which ownership is fully transferred to the lessee are accounted for in a similar manner to ordinary sales and purchase transactions.

(k) Impairment losses of long-lived assets

A decrease in the book value of long-lived assets is presented under other expenses as an impairment loss, in case of decrease in profitability for development, expected decrease in sales volume, or no future plans to use the assets.

Long-lived assets of the Group are categorized by business segment, areas or service descriptions. Real estate for lease and assets for specified projects are grouped separately.

(l) Allowance for doubtful accounts

The allowance for doubtful accounts reflects the best estimate of probable losses inherent in the accounts receivable balance.

The allowance is determined based on known troubled accounts, historical experience, and other currently available evidence.

(m) Accrued bonuses to employees

Accrued bonuses to employees are recognized at the estimated amount to be paid at the end of the fiscal year.

(n) Accrued retirement benefits to employees

Accrued retirement benefits to employees represent the estimated present value of projected benefit obligations in excess of the fair value of the plan assets. Actuarial differences are amortized by the straight-line method over 10 to 18 years within the average remaining service period of the employees from the next year in which they arise. Prior service costs are mainly charged to income when incurred.

(o) Accrued retirement benefits to directors

Certain domestic consolidated subsidiaries set aside a reserve to cover payment of directors' retirement benefits and therefore, record the estimated amount to be paid if all directors had retired at the balance sheet date, based on internal regulations.

(p) Income taxes

Deferred income taxes reflect the tax effect of temporary differences between asset and liability amounts that are recognized for financial purposes and the amounts that are recognized for income tax purposes. These deferred taxes are measured by applying the enacted tax rates and laws, which will be in effect when the differences are expected to reverse.

(q) Distribution of retained earnings

Dividends and other distributions of retained earnings are resolved by the General Shareholders' Meeting held subsequent to the end of the fiscal year. Distributions are reflected in the consolidated financial statements for the following fiscal year.

(r) Hedge accounting

Interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not re-measured at market value, but the differential to be paid or received under the swap agreements are accrued and included in interest expense or income. In addition, the Group uses exceptional treatments permitted for interest rate swaps.

The Group assesses the effectiveness of interest rate swaps by comparison between total cash flows of debts to be hedged and those of the swaps as hedging instruments, except for the interest rate swaps accounted for by exceptional treatment.

(s) Amortization of goodwill and negative goodwill

Goodwill and negative goodwill are amortized on a straight-line basis over an appropriate period, whose length is determined by examining the conditions of each subsidiary (within 20 years), from the next year in which they arise. If the amount is not significant, goodwill or negative goodwill is charged or credited to income when incurred.

(t) Accounting for consumption taxes

Consumption taxes are not included in revenues and expenses.

2. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. A rate of ¥98.23 = US$1, the rate of exchange on March 31, 2009, has been used in translation. The inclusion of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized or settled in U.S. dollars at that or at any other rate.

3. Marketable Securities and Investments in Securities

(a) The amount on the consolidated balance sheet, fair market value and difference for held-to-maturity debt securities with fair value as of March 31, 2009, were as follows:

	Type	Amount on consolidated balance sheet	Fair market value	Difference
			(Millions of yen)	
With fair market value exceeding the amount on consolidated balance sheet	Government bonds	¥ 300	¥ 300	¥ 0
With fair market value not exceeding the amount on consolidated balance sheet	Government bonds	1,001	1,001	(0)
Total		¥1,301	¥1,301	¥ (0)

	Type	Amount on consolidated balance sheet	Fair market value	Difference
			(Thousands of U.S. dollars)	
With fair market value exceeding the amount on consolidated balance sheet	Government bonds	$ 3,055	$ 3,055	$ 0
With fair market value not exceeding the amount on consolidated balance sheet	Government bonds	10,187	10,186	(1)
Total		$13,242	$13,241	$(1)

Profile
Consolidated Financial Highlights
To Our Stakeholders
First Medium-term Management Plan
Business Strategy
Research and Development
Corporate Governance
Business Risks
Business Report (Consolidated) for Fiscal 2009
Financial Section
IT Holdings Group Corporate Data

(b) Acquisition cost, book value and unrealized gains or losses of available-for-sale securities with fair value as of March 31, 2009, were as follows:

Description	March 31, 2009 Acquisition cost	Book value (Fair market value)	Unrealized gains (losses)
		(Millions of yen)	
Market exceeding cost:			
Shares	¥1,641	¥3,218	¥1,577
Corporate bonds	-	-	-
	1,641	3,218	1,577
Market not exceeding cost:			
Shares	5,748	4,664	(1,084)
Bonds	305	304	(1)
Other	401	306	(95)
	6,454	5,274	(1,180)
Total	¥8,095	¥8,492	¥ 397

Description	March 31, 2009 Acquisition cost	Book value (Fair market value)	Unrealized gains (losses)
		(Thousands of U.S. dollars)	
Market exceeding cost:			
Shares	$16,701	$32,757	$16,056
Corporate bonds	-	-	-
	16,701	32,757	16,056
Market not exceeding cost:			
Shares	58,517	47,486	(11,031)
Bonds	3,103	3,089	(14)
Other	4,088	3,121	(967)
	65,708	53,696	(12,012)
Total	$82,409	$86,453	$ 4,044

(c) Available-for-sale securities sold during this fiscal year

	2009	2009
	(Millions of yen)	(Thousands of U.S. dollars)
Proceeds from sales of available-for-sale securities	¥2,401	$24,441
Realized gain	8	82
Realized loss	(46)	(465)

(d) Book values of major securities which were not subject to revaluation as of March 31, 2009, were as follows:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Unlisted stocks	¥16,184	$164,758
Corporate bonds	250	2,545
Investment in partnerships	950	9,668
MMF and other	131	1,335
	¥17,515	$178,306

(e) Schedule for redemption of available-for-sale securities with maturity and held-to-maturity debt securities as of March 31, 2009

	Within a year	One to five years	Five to 10 years
		(Millions of yen)	
Government bonds	¥1,301	¥ –	¥ –
Corporate bonds	100	200	250
	¥1,401	¥200	¥ 250

	Within a year	One to five years	Five to 10 years
		(Thousands of U.S. dollars)	
Government bonds	$13,242	$ –	$ –
Corporate bonds	1,018	2,036	2,545
	$14,260	$2,036	$ 2,545

4. Goodwill and Negative Goodwill

Goodwill in intangible assets indicates net amounts, which offset goodwill and negative goodwill. The gross amounts as of March 31, 2009, were as follows:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Goodwill	¥5,054	$51,447
Negative goodwill	(215)	(2,182)
Net amount	¥4,839	$49,265

5. Revaluation of Land

Pursuant to the "Law Concerning the Revaluation of Land" (the "Law"), land used for the Company's business operations was revalued on March 31, 2002. The income tax effect of the difference between the book value and the revalued amount has been presented under liabilities as "deferred tax liabilities for land revaluation" and the remaining balance presented under net assets as "revaluation of land" in the accompanying consolidated balance sheet.

Revaluation of land was determined based on the official prices published by the Commissioner of the National Tax Authorities in accordance with Paragraph 4, Article 2 of the "Enforcement Ordinance Concerning Land Revaluation," with certain necessary adjustments.

The carrying value of the land after revaluation exceeded its fair value by ¥508 million ($5,168 thousand) as of March 31, 2009.

Profile
Consolidated Financial Highlights
To Our Stakeholders
First Medium-term Management Plan
Business Strategy
Research and Development
Corporate Governance
Business Risks
Business Report (Consolidated) for Fiscal 2009
Financial Section
IT Holdings Group Corporate Data

6. Short-term Bank Loans and Long-Term Bank Loans

Short-term bank loans and long-term banks loans as of March 31, 2009, consisted of the following:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Short-term bank loans:		
Short-term bank loans, with an average interest rate of 1.06%	¥ 7,734	$ 78,735
Long-term bank loans:		
Loans principally from banks and other financial institutions, with an average interest rate of 1.53%	¥56,200	$572,120
Less: current portion of long-term debt	(15,186)	(154,592)
	¥41,014	$417,528

The aggregate annual maturities of long-term bank loans due within five years as of March 31, 2009, were as follows:

Year ending March 31,	*(Millions of yen)*	*(Thousands of U.S. dollars)*
2010	¥15,186	$154,592
2011	12,157	123,764
2012	8,851	90,108
2013	10,102	102,841
2014	8,502	86,554

The assets pledged as collateral for short-term bank loans and long-term bank loans, amounting to ¥70 million ($713 thousand) and ¥2,252 million ($22,927 thousand), respectively, as of March 31, 2009, were as follows:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Accounts receivable	¥ 15	$ 153
Buildings and structures	15,920	162,074
Machinery and equipment	47	477
Land	3,339	33,990
	¥19,321	$196,694

7. Bonds

Bonds as of March 31, 2009, consisted of the following:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
0.97% Unsecured bonds, due 2012	¥ 7,500	$ 76,351
1.17% Unsecured bonds, due 2009	1,000	10,180
1.50% Unsecured bonds, due 2010	4,000	40,721
1.26% Unsecured bonds, due 2010	4,000	40,721
0.79% Unsecured bonds, due 2009	100	1,018
	16,600	168,991
Less: current portion of long-term debt	(5,100)	(51,919)
	¥11,500	$117,072

The aggregate future maturities of bonds for the next five years, as of March 31, 2009, were as follows:

Year ending March 31,	*(Millions of yen)*	*(Thousands of U.S. dollars)*
2010	¥5,100	$51,919
2011	4,000	40,721
2012	7,500	76,351
2013	-	-
2014	-	-

8. Income Taxes

Income taxes applicable to the Group comprised corporation tax, inhabitants' taxes, and enterprise tax which, in the aggregate, resulted in a statutory tax rate of 40.7 percent for 2009. Income taxes of the foreign subsidiaries are based generally on the tax rates applicable in their countries.

(a) The reconciliation between the statutory tax rate and the Group's effective tax rate as of March 31, 2009, were as follows:

	2009
Statutory tax rate	40.7%
Non-deductible expenses (such as entertainment expenses)	1.3
Non-taxable income (such as dividend income)	(0.6)
Inhabitants' taxes per capita	0.8
Unrealized gains and losses	0.4
Amortization of goodwill (negative goodwill)	0.4
Others, net	(0.0)
Effective tax rates	43.0%

(b) The significant components of deferred tax assets and liabilities as of March 31, 2009, were as follows:

	March 31, 2009 (Millions of yen)	March 31, 2009 (Thousands of U.S. dollars)
Deferred tax assets:		
Accrued enterprise tax	¥ 373	$ 3,795
Non-deductible portion of allowance for doubtful accounts	706	7,192
Non-deductible portion of accrued bonuses to employees	4,027	40,992
Non-deductible portion of depreciation	545	5,548
Impairment losses	572	5,826
Tax loss carried forward	7,049	71,765
Accrued retirement benefits to employees	3,573	36,380
Write down of investments in shares	1,995	20,307
Write down of inventories	2,934	29,865
Unrealized gains	1,392	14,167
Others, net	2,974	30,275
	26,140	266,112
Less – Valuation allowance	(6,129)	(62,397)
	20,011	203,715
Deferred tax liabilities:		
Gain on contribution of securities to pension fund	306	3,115
Prepaid pension expenses	1,419	14,448
Unrealized gain on available-for-sale securities	1,125	11,457
Others, net	30	305
	2,880	29,325
Net deferred tax assets	¥17,131	$174,390

Deferred income taxes as of March 31, 2009, are reflected in the consolidated balance sheet under the following line items:

	March 31, 2009 (Millions of yen)	March 31, 2009 (Thousands of U.S. dollars)
Current assets – Deferred tax assets	¥11,076	$112,755
Investments and other assets – Deferred tax assets	6,762	68,839
Current liabilities – Other	(26)	(259)
Non-current liabilities – Deferred tax liabilities	(682)	(6,945)
Net deferred tax assets	¥17,130	$174,390

9. Retirement Benefits

(a) Outline of retirement benefit plans

The Company and certain of its consolidated subsidiaries have pension plans, including a corporation pension plan based on the defined benefit pension law, a defined contribution pension plan, a tax-qualified pension plan, and an unfunded defined benefit plan with lump-sum payment.

Enterprise retirement allowance mutual aid scheme, which certain small consolidated subsidiaries have joined, is excluded from the calculation of the projected benefit obligation.

In addition, certain consolidated subsidiaries joined a welfare pension fund plan involving other companies. As it is extremely difficult to make a reasonable estimate of the amount of pension assets in the welfare pension fund attributable to contributions, the welfare pension fund is excluded from the calculation of the projected benefit obligation.

(b) The following tables set forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheet as of March 31, 2009, for the Company's and the subsidiaries' retirement benefit plans:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Projected benefit obligation	¥(35,015)	$(356,459)
Plan assets	18,642	189,783
Unfunded retirement benefits	(16,373)	(166,676)
Unrecognized net actuarial differences	11,987	122,028
Unrecognized net prior service costs	(909)	(9,257)
Net amount	(5,295)	(53,905)
Prepaid pension costs	(2,819)	(28,693)
Accrued retirement benefits to employees	¥ (8,114)	$ (82,598)

(c) The components of retirement benefit expenses for the year ended March 31, 2009, were as follows:

	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Service costs	¥ 2,094	$ 21,320
Interest costs	765	7,783
Expected investment return	(575)	(5,858)
Recognition of actuarial differences	805	8,193
Recognition of prior service costs	(170)	(1,729)
Contribution to defined contribution pension plan	723	7,365
Contribution to welfare pension fund plan	366	3,728
Contribution to smaller enterprise retirement allowance mutual aid	5	50
Net periodic pension expense	¥ 4,013	$ 40,852

(d) Major assumptions used in calculating retirement benefits

	2009
Discount rates	1.8 % to 2.5%
Rate of expected return on plan assets	2.5% to 3.5 %
Method of attributing the projected benefits to periods of service	Straight-line basis

10. Items related to Unconsolidated Subsidiaries and Affiliates

Amounts related to unconsolidated subsidiaries and affiliates for the year ended March 31, 2009, were as follows:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Investments in securities - stocks	¥1,097	$11,167
Investments in securities - other	178	1,812
Investments	172	1,750

11. Depreciation of Property and Equipment

Accumulated depreciation of property and equipment totaled ¥63,432 million ($645,753 thousand) for the year ended March 31, 2009.

12. Contingent liability for guarantee

The Company guarantees the following borrowing money from other financial institutions than consolidated subsidiaries.

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Imizu Cable Network, Co., Ltd.	¥88	$896
	¥88	$896

Profile
Consolidated Financial Highlights
To Our Stakeholders
First Medium-term Management Plan
Business Strategy
Research and Development
Corporate Governance
Business Risks
Business Report (Consolidated) for Fiscal 2009
Financial Section
IT Holdings Group Corporate Data

13. Advanced Depreciation

Accumulated advanced depreciation including national subsidy deducted from acquired amount of property and equipment totaled ¥76 million ($773 thousand) of buildings and structures for the year ended March 31, 2009.

14. Selling, General and Administrative Expenses

Main component of sales and selling, general and administrative expenses for the year ended March 31, 2009 was as follows:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Employees' salary	¥13,311	$135,508
Accrual of bonuses to employees	1,114	11,340
Accrual of allowance for doubtful accounts	547	5,568
Retirement benefits to employees	354	3,603
Accrual of retirement benefits to directors	67	682

Research and development costs, which are included in cost of sales and selling, general and administrative expenses, totaled ¥947 million ($9,636 thousand) for the year ended March 31, 2009.

15. Loss on sales of fixed assets

The composition of loss on sales of fixed assets for the year ended March 31, 2009 was as follows:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Buildings and structures	¥ 25	$ 258
Machinery and equipment	31	310
Land	351	3,569
Other	15	153
	¥422	$4,291

16. Loss on disposal of fixed assets

The composition of loss on disposal of fixed assets for the year ended March 31, 2009 was as follows:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Buildings and structures	¥200	$2,034
Machinery and equipment	66	668
Software	49	501
Long-term prepaid expenses	80	816
Other	39	394
	¥434	$4,413

17. Impairment Loss

Impairment loss of long-lived assets for the year ended March 31, 2009 was as follows:

Purpose	Location	Category	Amounts *(Millions of yen)*
Company condominium	TIS condominium (Yachiyo-shi, Chiba)	Land, buildings, and equipment	¥121
Dormitory	TIS dormitory (Chiba-shi, Chiba)	Land, buildings, and equipment	224
Dormitory	TIS dormitory (Yokohama-shi, Kanagawa)	Buildings, and equipment	182
Business property	TIS Tokyo Head Office (Minato-ku, Tokyo)	Machinery, software, and equipment	34
Business property	TIS Osaka Head Office (Suita-shi, Osaka)	Buildings and structures, machinery, and equipment	239
Business property	Qualica Head Office (Koto-ku, Tokyo)	Leased assets	33
In-house system	TIS Tokyo Head Office (Minato-ku, Tokyo)	Software	43
Medical system Business property	AJS Head Office (Sumida-ku, Tokyo)	Leased assets	4
Unutilized line	TIS Solution Business Head Office (Koto-ku, Tokyo)	Telephone subscription right	2
Unutilized line	AJS Head Office (Sumida-ku, Tokyo)	Telephone subscription right	6
Unutilized line	Ufit Head Office (Naka-ku, Nagoya-shi)	Telephone subscription right	6
Unutilized line	Systems Engineering Laboratory Head Office (Koto-ku, Tokyo)	Telephone subscription right	2
		Total	¥896

Profile
Consolidated Financial Highlights
To Our Stakeholders
First Medium-term Management Plan
Business Strategy
Research and Development
Corporate Governance
Business Risks
Business Report (Consolidated) for Fiscal 2009
Financial Section
IT Holdings Group Corporate Data

Profile
Consolidated Financial Highlights
To Our Stakeholders
First Medium-term Management Plan
Business Strategy
Research and Development
Corporate Governance
Business Risks
Business Report (Consolidated) for Fiscal 2009
Financial Section
IT Holdings Group Corporate Data

18. Shareholders' Equity

Distributions can be made at any time by resolution of the shareholders or by the Board of Directors when certain conditions are met, but neither the capital reserve nor the legal reserve is available for distributions.

(a) Types of Stock and Number of Shares

(Number of shares)

	Number of Shares at March 31, 2008	Increase in Number of Shares during the Fiscal Year	Decrease in Number of Shares during the Fiscal Year	Number of Shares at March 31, 2009
Number of shares issued Common stock	86,372,339	—	—	86,372,339
Total	86,372,339	—	—	86,372,339
Treasury stock Common stock (Note 1, 2)	1,608,662	10,456	282,105	1,337,013
Total	1,608,662	10,456	282,105	1,337,013

Note 1: The increase in number of shares comes from 10,456 shares added through the buyback of shares less than one *tangen* unit.

2. The decrease in number of shares (total 282,105 shares) comes from 280,836 shares dropped through sale of shares held by a consolidated subsidiary, and 1,269 shares dropped through requests to add onto shares less than one *tangen* unit.

Subscription warrants to new shares totaled ¥8 million ($81 thousand) at March 31, 2009.

(b) Dividends

(1) Dividend paid

Resolution	Type of stock	Total Dividends	Dividend per Share	Record Date	Effective Date
General shareholders' meeting on June 20, 2008	Common stock	¥ 770 million	¥ 17	March 31, 2008	June 23, 2008
Director's meeting on June 25, 2008	Common stock	¥ 449 million	¥ 9	March 31, 2008	June 26, 2008

Note: The Company was established on April 1, 2008, as a joint holding company through transfer of shares. Total dividends indicate figures based on the resolution at the general shareholders meeting of TIS Inc. on June 20, 2008, and at the general shareholders meeting of INTEC Holdings, Ltd. on June 25, 2008.

(2) The effective date for dividends with a record date of March 31, 2009, shall be a date after the close of books for said consolidated period.

Resolution	Type of Stock	Total Dividends	Source of Dividends	Dividend per share	Record Date	Effective Date
General shareholders' meeting at June 25, 2009	Common stock	¥ 2,763 million	Earned surplus	¥ 32	March 31, 2009	June 26, 2009

Profile
Consolidated Financial Highlights
To Our Stakeholders
First Medium-term Management Plan
Business Strategy
Research and Development
Corporate Governance
Business Risks
Business Report (Consolidated) for Fiscal 2009
Financial Section
IT Holdings Group Corporate Data

19. Amounts per Share

Year Ended March 31,	2009	2009
	(Yen)	*(U.S. dollars)*
Net income:		
Basic	¥110.74	$1.13
Diluted	110.72	1.13
Net assets	1,541.17	15.69
Cash dividends applicable to the year	32.00	0.33

Basic net income per share is computed based on the net income available for distribution to shareholders of common stock and the weighted-average number of shares of common stock outstanding during each year. Diluted net income per share is computed based on the net income available for distribution to shareholders and the weighted-average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of shares of common stock to be issued upon the conversion of convertible bonds and the exercise of stock options.

Amounts per share of net assets are computed based on shareholders' equity and the number of shares of common stock outstanding at the year end.

Cash dividends per share represent the cash dividends resolved by the general shareholders' meeting as applicable to that year, together with the interim cash dividends paid.

20. Leases

(a) As Lessee

As described in Note 3(h) finance lease transactions that were contracted before April 1, 2008, were accounted for as operating leases. The following summarizes information concerning such finance leases if capitalized:

(i) Equivalents of acquisition cost, accumulated depreciation and net balance as of March 31, 2009

	March 31, 2009			
	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Balance
	(Millions of yen)			
Machinery and vehicles	¥ 3,897	¥2,505	¥ –	¥1,392
Equipment	5,905	3,286	36	2,583
Other	1,865	1,121	–	744
	¥11,667	¥6,912	¥36	¥4,719

	March 31, 2009			
	Acquisition cost	Accumulated depreciation	Accumulated impairment loss	Balance
	(Thousands of U.S. dollars)			
Machinery and vehicles	$ 39,670	$25,496	$ –	$14,174
Equipment	60,118	33,459	362	26,297
Other	18,987	11,413	–	7,574
	$118,775	$70,368	$362	$48,045

(ii) Amount of future lease payments outstanding as of March 31, 2009, including the interest portion, categorized by contractual maturity

(iii)

	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Within one year	¥3,960	$40,314
Over one year	5,242	53,362
Total	¥9,202	$93,676
Account balance of impairment loss on leased assets	¥ 29	$ 294

Profile
Consolidated Financial Highlights
To Our Stakeholders
First Medium-term Management Plan
Business Strategy
Research and Development
Corporate Governance
Business Risks
Business Report (Consolidated) for Fiscal 2009
Financial Section
IT Holdings Group Corporate Data

(iii) Lease expenses, reversal of impairment loss on lease assets, depreciation, interest expenses and impairment loss for the year ended March 31, 2009

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Lease expense	¥3,815	$38,833
Reversal of impairment loss on lease assets	7	75
Depreciation	3,513	35,765
Interest expenses	251	2,554
Impairment loss	33	337

Depreciation is calculated using the straight-line method, the useful life is equal to the lease term and the residual value is zero.

(iv) The amounts of future lease payments outstanding on operating leases as of March 31, 2009, are summarized as follows:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Within one year	¥ 83	$ 840
Over one year	89	912
Total	¥172	$1,752

(b) As Lessor

(i) Investments in finance leases as of March 31, 2009, consisted of the following:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S.dollars)*
Lease receivables	¥8,081	$82,266
Estimated residual value		
Interest portion	(806)	(8,210)
Investments in finance leases	¥7,275	$74,056

(ii) Expected collections of lease receivables as of March 31, 2009, are as follows:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Within one year	¥2,754	$28,032
One to two years	1,999	20,354
Two to three years	1,528	15,553
Three to four years	1,080	10,991
Four to five years	413	4,210
Over five years	163	1,662
Total	¥7,937	$80,802

(iii) The amount of future lease payments receivable on operating leases outstanding as of March 31, 2009, are categorized by contractual maturity.

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Within one year	¥32	$332
Over one year	13	130
Total	¥45	$462

21. Stock Options

Costs related to stock option, which are included in selling, general and administrative expenses, totaled ¥7 million ($71 thousand) for the year ended March 31, 2009.

The following table summarizes activity regarding option that the Company had granted to its directors, officers, and employees as of March 31, 2009.

	2nd	3rd	4th
Title and number of recipients	*The Company:* Directors 2 *Subsidiaries:* Directors 7 Officers 16 Employees 492	*The Company:* Directors 2 *Subsidiaries:* Directors 7 Officers 16 Employees 535	*The Company:* Officer 1 *Subsidiaries:* Directors 2 Officers 3 Employees 67
Number of stock options (common stock)	355,200 shares	351,800 shares	151,680 shares
Stock issue price	¥4,750	¥4,014	¥1,489
Date of receipt	April 1, 2008	April 1, 2008	April 1, 2008
Requisite service period	In principle, the period beginning April 1, 2008, through December 31, 2009	In principle, the period beginning April 1, 2008, through December 31, 2010	In principle, the period beginning April 1, 2008, through March 31, 2011
Exercise period	April 1, 2008 through December 31, 2009	April 1, 2008 through December 31, 2010	April 1, 2008 through March 31, 2011

22. Statement of Cash Flows

(a) Cash and cash equivalents

The components of cash and cash equivalents at March 31, 2009, were as follows:

	March 31,	
	2009	2009
	(Millions of yen)	*(Thousands of U.S. dollars)*
Cash and deposits	¥37,524	$382,002
Marketable securities	1,502	15,288
Total	39,026	397,290
Time deposits with original maturity over three months	(2,520)	(25,658)
Securities with original maturity over three months	(1,401)	(14,259)
Cash and cash equivalents	¥35,105	$357,373

(b)Assets and liabilities of new consolidated subsidiaries

The composition of assets and liabilities, acquisition cost, and net profits and losses due to the acquisition of newly consolidated companies for the year ended March 31, 2009, were as follows:

NEXWAY Co., Ltd. (As of June 30, 2008)

	(Millions of yen)	*(Thousands of U.S. dollars)*
Current assets	¥1,673	$17,021
Fixed assets	3,376	34,372
Goodwill	2,896	29,481
Current liabilities	(4,525)	(46,064)
Fixed liabilities	(214)	(2,178)
Acquisition cost of NEXWAY shares	3,206	32,637
Cash and cash equivalents of NEXWAY	(59)	(600)
Acquisition cost of NEXWAY shares net	¥3,147	$32,037

CRONOVA Co., Ltd. (As of September 30, 2008)

	(Millions of yen)	(Thousands of U.S. dollars)
Current assets	¥1,073	$10,926
Fixed assets	182	1,852
Goodwill	99	1,005
Current liabilities	(521)	(5,302)
Fixed liabilities	(34)	(342)
Minority interests	(305)	(3,111)
Acquired shares before consolidation	(206)	(2,099)
Acquisition cost of CRONOVA shares	289	2,937
Cash and cash equivalents of CRONOVA	(747)	(7,604)
Acquisition cost of CRONOVA shares - net	¥ (458)	$(4,667)

(c) Significant non-cash activities

The Group acquired assets and obligations on finance lease transactions, both amounting to ¥1,528 million ($15,555 thousand) during the year ended March 31, 2009.

23. Segment Information

(a) Industry segment information

The Group responds to customer needs through the supply of a comprehensive range of information services ranging from information system planning through software development, hardware selection, and system operations. As the Group's marketing policies do not separate these operations into industry segment classifications, industry segment information is not disclosed.

(b) Geographic segment information

Since both the domestic share of net income and total assets for all segments exceed 90%, geographic segment information is not disclosed separately.

(c) Overseas sales

Since the overseas share of consolidated net sales was less than 10%, overseas sales information is not disclosed separately.

24. Business Combination

(a) Business Combination through Establishment of Joint Holding Company

Seeking to fulfill corporate social responsibility issues and contribute to the realization of a better IT society, while improving group corporate value as leading companies in the information services industry, TIS Inc.(TIS) and INTEC Holdings, Ltd.,(INTEC) established the joint holding company, IT Holdings Corporation, on April 1, 2008, through stock transfer. Consequently, TIS Inc. and INTEC Holdings became wholly owned subsidiaries of IT Holdings Corporation.

(i) Outline of holding company

i	Company name:	IT Holdings Corporation
ii	Location of Head Office:	Toyama Prefecture
iii	Representatives of company:	Tetsuo Nakao, Chairman Susumu Okamoto, President
iv	Capital stock:	¥10 billion
v	Business activities:	Administrative control over its subsidiaries and the affiliated groups and execution of related business activities.

(ii) Transfer ratio for stock with voting rights and ratio determination

i) Transfer ratio for stock with voting rights

One share of common stock in the holding company was allotted and delivered for each share of common stock in TIS Inc., while 0.79 share of common stock in the holding company was allotted and delivered for each share of common stock in INTEC Holdings, Ltd.

ii) Ratio determination

In the interest of each company's shareholders, a third-party opinion was requested to ascertain the fairness of the stock transfer ratio. TIS Inc. named Nomura Securities Co., Ltd., as its financial advisor, and INTEC Holdings, Ltd. named Mitsubishi UFJ Securities Co., Ltd., as its financial advisor. The two companies deliberated the respective third-party opinions and agreed that the ratio was appropriate.

iii) Voting rights after business combination

TIS Inc.	53.8%
INTEC Holdings, Ltd.	46.2%

The ratios represent the equities in IT Holdings Corporation held by shareholders of each company.

iv) Accounting for business combination

Judging from considerations given to shareholders, voting rights ratio and nonexistence of controlling relationship other than voting rights, the business combination was accounted for as a pooling of interests not as an acquisition, in conformity with Japanese Accounting Standards for Business Combinations.

v) Assets and liabilities succeeded from both companies

	TIS	INTEC	TIS	INTEC
	(Millions of yen)		*(Thousands of U.S. dollars)*	
Current assets	¥ 48,337	¥ 2,351	$ 492,079	$ 23,938
Non-current assets	75,768	62,320	771,334	634,424
Total assets	¥124,105	¥64,671	$1,263,413	$658,362
Current liabilities	¥ 27,165	¥ 8,585	$ 276,547	$ 87,395
Non-current liabilities	21,807	10	222,002	106
Total liabilities	¥ 48,972	¥ 8,595	$ 498,549	$ 87,501
Net assets	¥ 75,133	¥56,076	$ 764,865	$570,861

(b) Application of Purchase Method

Acquisition of stock in NEXWAY Co., Ltd.

i) Name and business line of acquired entity, main reason for business combination, date of combination, legal form of combination, and acquired ratio of voting rights

① Name and business line of acquired entity
Name: Nexway Co., Ltd. (same after combination)
Business: Services to distribute information

② Main reason for business combination
To expand scale and reinforce services in the outsourcing and network segment.

③ Date of combination
July 11, 2008

④ Legal form of combination
Stock acquisition

⑤ Acquired ratio of voting rights
100%

ii) Term of business performance, included in consolidated financial statements, for the acquired entity
July 1, 2008 to March 31, 2009

iii) Cost of acquisition and components thereof
Stock acquisition expense ¥3,120 million
Expenses, including advisory services, ¥86 million
directly related to stock acquisition
Cost of acquisition ¥3,206 million
ll expenses were paid in cash.

iv) Conversion rate by type of stock and calculation method used as well as number of allotted shares and assessed value
Not applicable.

v) Amount of goodwill incurred, cause, amortization method and period of amortization

①Amount of goodwill incurred

¥2,896 million

②Cause

Active return expected, primarily through effective application of funds, as Nexway expands its information distribution services.

③Amortization method and period of amortization

Average amortization over five years.

Vi) Amount of assets and liabilities assumed on the date of combination and key components thereof

① (Assets)

Current assets	¥1,672 million
Fixed assets	¥3,376 million
Total	¥5,049 million

② (Liabilities)

Current liabilities	¥4,524 million
Fixed liabilities	¥ 214 million
Total	¥4,738 million

vii) Estimated impact on the consolidated statement of income for the consolidated fiscal year under review if the business combination had been completed at the beginning of the consolidated fiscal year.

Net sales	¥2,304 million
Operating income	¥ 471 million
Recurring profit	¥ 378 million
Net income	¥ 390 million

(Calculation method for estimates)

The estimated impact would be the difference between sales and profit information calculated as if the business combination had been completed at the beginning of the consolidated year and sales and profit information recorded on the consolidated statement of income of the acquired entity.

This note is unaudited.

Profile
Consolidated Financial Highlights
To Our Stakeholders
First Medium-term Management Plan
Business Strategy
Research and Development
Corporate Governance
Business Risks
Business Report (Consolidated) for Fiscal 2009
Financial Section
IT Holdings Group Corporate Data

(c) Transaction under Joint Control

Absorption-type split with TIS

i) Name and business line of the spinoff combining entity, legal form of combination, and summary of transaction, including purpose

① Name and business line of the spinoff combining entity

Name: TIS, a consolidated subsidiary of IT Holdings

Business that was split from TIS and absorbed by IT Holdings: Subsidiary management operations

② Legal form of combination

Absorption-type split, wherein TIS is the splitting company and IT Holdings is the successor company.

③ Summary of transaction, including purpose

Seeking to make business practices within the IT Holdings Group stronger and more efficient, management redefined the Group structure and decided to shift control of nine subsidiaries in the TIS Group under the direct control of IT Holdings.

In this transaction, an absorption-type split was agreed upon between TIS and IT Holdings, wherein all shares in the nine subsidiaries held by TIS would be transferred to IT Holdings.

ii) Summary of applied accounting treatment

IT Holdings treated the spinoff event as a transaction under joint control, in accordance with "Accounting Standards for Business Combinations," issued by the Business Accounting Council on October 31, 2003, and ASBJ Guidance No. 10 "Guidance on Accounting Standards for Business Combinations and Accounting Standards for Business Divestitures," issued by the Accounting Standards Board of Japan on November 11, 2007.

25. Subsequent Event

The following appropriations of retained earnings of the Company, which have not been reflected in the consolidated financial statements for the year ended March 31, 2009, were approved at a shareholders' meeting held on June 25, 2009.

	(Millions of yen)	*(Thousands of U.S. dollars)*
Cash dividends (¥32.00 = $0.33 per share)	¥2,764	$28,134