Announcement of Operating Results for the Fiscal Year Ended March 31, 2012

April 27, 2012

ITOCHU Techno-Solutions Corporation

These materials contain forward-looking statements about the future performance of CTC, based on management’s assumptions and beliefs in light of information currently available to it, and involve certain risks and uncertainties. Actual results may differ from projected performance, owing to variety of factors, including changes in the economic environment.

Contents

Challenging Tomorrow's Changes

Ⅰ FY2011
Overview of Operating Results

Ⅱ FY2012
Management Policies

Ⅲ FY2012
Operating Results Forecast

Overview of FY2011 Performance

Challenging Tomorrow's Changes

Both revenues and profits increased year on year; all line items outperformed our forecasts.

- ◇ Net sales increased mainly through growth in Products and SI Development. Increased net sales led to increased gross profit, which in turn resulted in increases in all profit line items.
- ◇ Orders received increased year on year in all areas of Products, SI Development and Services.
- ◇ All line items, including orders received, outperformed the upwardly revised forecasts published on Feb. 1

FY2011 Performance Highlights
(Compared with FY2010)

CTC
Challenging Tomorrow's Changes

Profits increased due mainly to the effect of increased revenues

	FY2011 Actual		FY2010 Actual		YoY change	
	Billions of yen	Profit margin	Billions of yen	Profit margin	Billions of yen	Percent change
Net sales	297.7	—	283.0	—	+14.6	+5.2%
Gross profit	79.6	26.7%	74.8	26.5%	+4.7	+6.3%
SG&A expenses	(54.8)	—	(53.5)	—	(1.2)	+2.4%
Operating income	24.7	8.3%	21.3	7.5%	+3.4	+16.3%
Ordinary income	24.9	8.4%	21.5	7.6%	+3.3	+15.7%
Net income	13.3	4.5%	11.4	4.0%	+1.8	+16.4%
Orders received	302.4	—	285.2	—	+17.2	+6.0%
Backlog	136.6	—	131.8	—	+4.7	+3.6%

Major factors

[Net sales]
Expansion of products and SI development business in the telecom and enterprise sectors

[Gross profit]
Increased revenue and decreased unprofitable projects

[SG&A expenses]
An increase in personnel expenses (mainly bonuses)

[Orders received]
Mainly increases in the telecom and enterprise sectors

[Backlog]
Mainly an increase in Services

Performance Highlights for FY2011
(Compared with February 1 Forecast)

Challenging Tomorrow's Changes

Actual results exceeded forecasts in all profit line items

	FY2011 Actual		FY2011 Forecast (announced on Feb. 1)		Actual vs. Actual Forecast	
	Billions of yen	Profit margin	Billions of yen	Profit margin	Billions of yen	Percent achieved
Net sales	297.7	—	297.0	—	+0.7	100.3%
Gross profit	79.6	26.7%	79.5	26.8%	+0.1	100.1%
SG&A expenses	(54.8)	—	(55.0)	—	+0.1	99.7%
Operating income	24.7	8.3%	24.5	8.2%	+0.2	101.2%
Ordinary income	24.9	8.4%	24.6	8.3%	+0.3	101.4%
Net income	13.3	4.5%	13.2	4.4%	+0.1	101.0%
Orders received	302.4	—	300.0	—	+2.4	100.8%
Backlog	136.6	—	134.8	—	+1.7	101.3%

Major factors

[Net sales & Profit line items]
Upward changes against forecasts

[Orders received]
An upward shift in the telecom and distribution sectors

For Reference: 1st and 2nd Half Performance Highlights for FY2011 (Compared with FY2010)

Challenging Tomorrow's Changes

	1st half FY2011 Actual		1st half FY2010 Actual		YoY change	
	Billions of yen	Profit margin	Billions of yen	Profit margin	Billions of yen	Percent change
Net sales	130.4	—	127.3	—	+3.1	+2.4%
Gross profit	35.2	27.1%	32.7	25.7%	+2.5	+7.7%
SG&A expenses	(26.5)	—	(26.9)	—	+0.4	-1.6%
Operating income	8.7	6.7%	5.8	4.6%	+2.9	+50.7%
Ordinary income	8.8	6.8%	5.8	4.6%	+2.9	+49.7%
Net income	4.9	3.8%	2.7	2.1%	+2.2	+82.0%
Orders received	142.0	—	128.4	—	+13.6	+10.6%
Backlog	143.5	—	130.8	—	+12.7	+9.7%

	2nd half FY2011 Actual		2nd half FY2010 Actual		YoY change	
	Billions of yen	Profit margin	Billions of yen	Profit margin	Billions of yen	Percent change
Net sales	167.3	—	155.7	—	+11.5	+7.4%
Gross profit	44.3	26.5%	42.1	27.0%	+2.2	+5.2%
SG&A expenses	(28.3)	—	(26.6)	—	(1.6)	+6.3%
Operating income	16.0	9.6%	15.4	9.9%	+0.5	+3.4%
Ordinary income	16.1	9.6%	15.6	10.1%	+0.4	+2.8%
Net income	8.3	5.0%	8.7	5.6%	(0.3)	-4.0%
Orders received	160.4	—	156.8	—	+3.6	+2.3%
Backlog	136.6	—	131.8	—	+4.7	+3.6%

[Second half] SG&A expenses: Increased from the previous year due to an increase in personnel expenses (performance-linked bonuses)
[Second half] Net income: Decreased from the previous year due to the reduction in deferred tax assets (-870 million yen)

Performance by Business Model

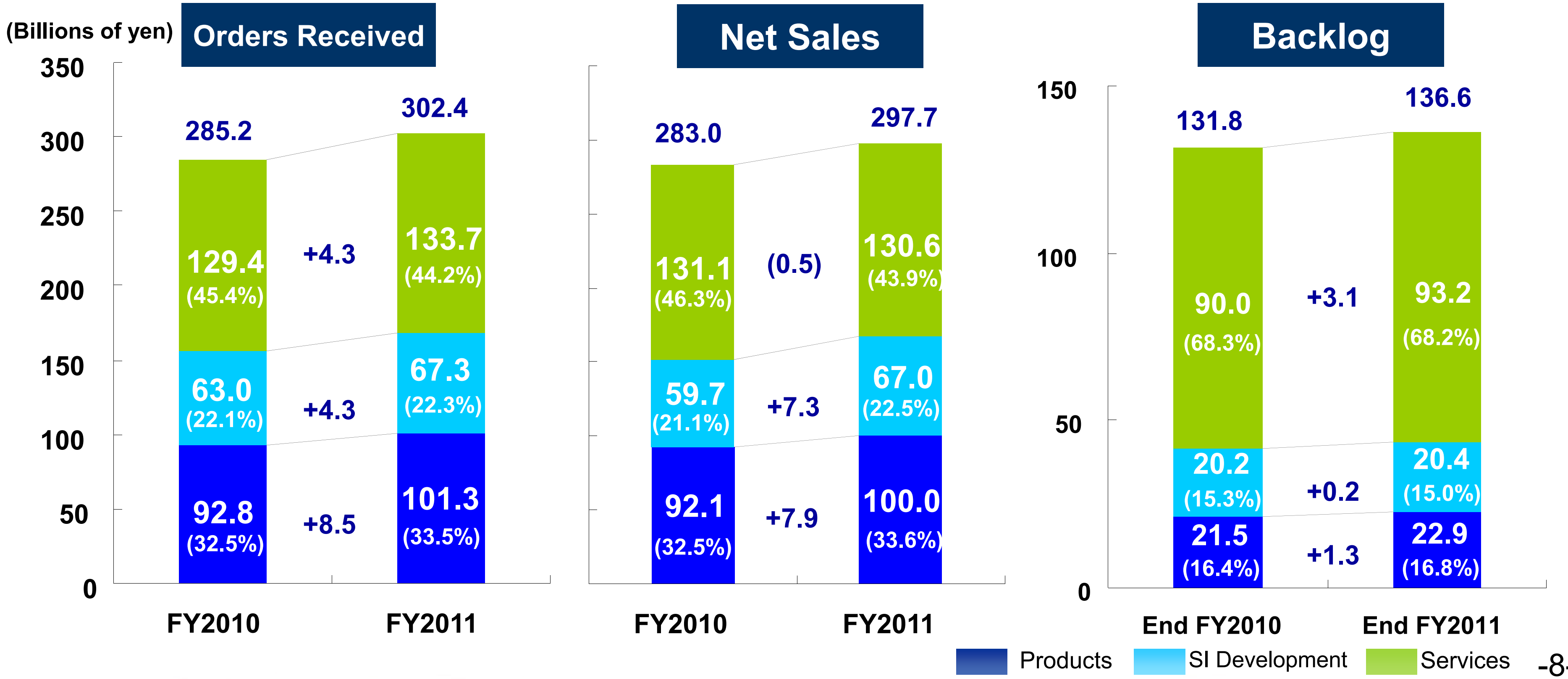
[Orders received] Orders received increased in all business models of Products, SI Development and Services

[Net sales]

► Services: Operations business increased while hardware maintenance decreased

► SI Development: Increased due to large projects in the telecom business

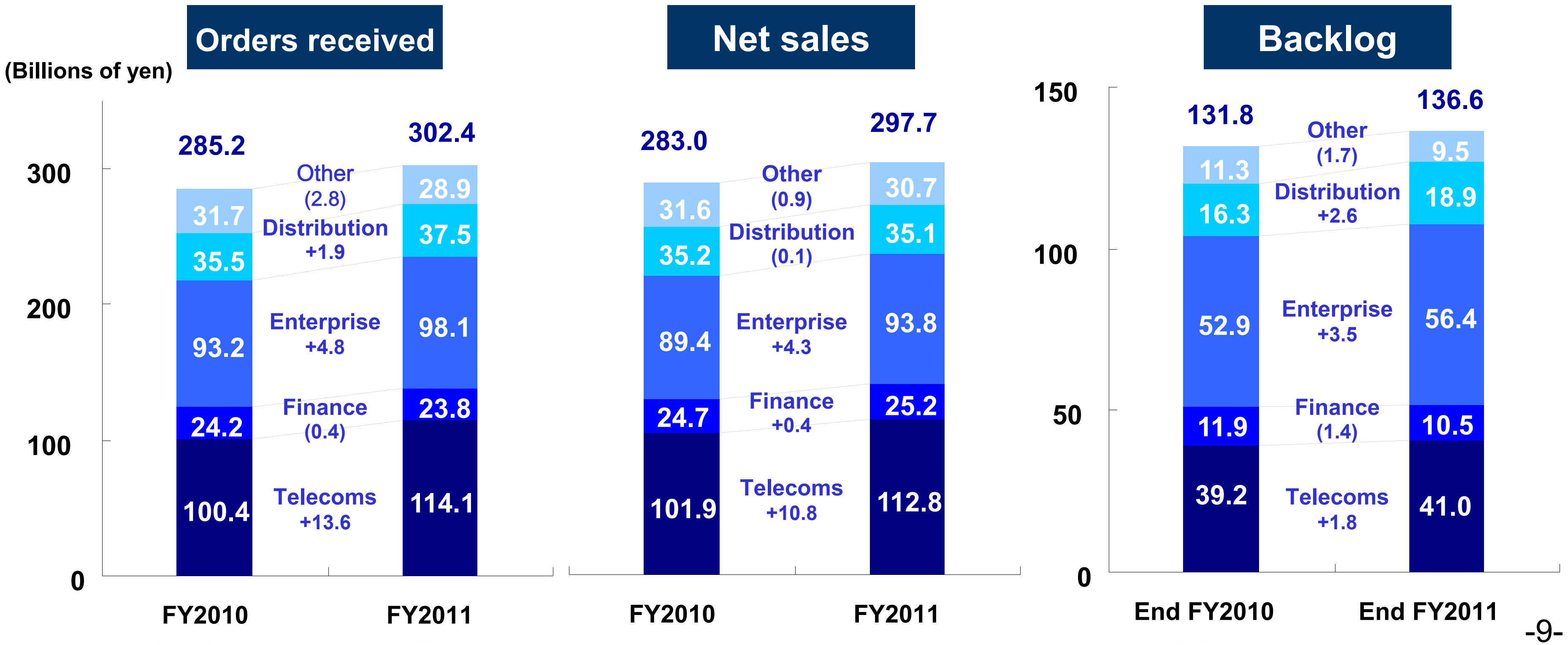
► Products: Increased as a result of growth in network business for the telecom sector and demand for storage in the manufacturing sector



Performance by Business Group

Challenging Tomorrow's Changes

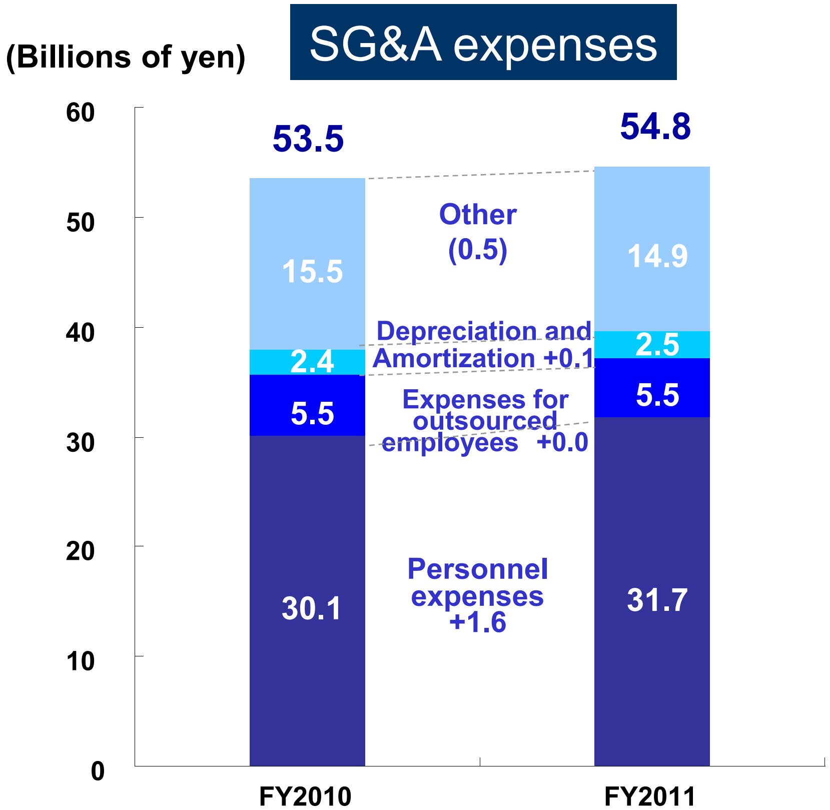
- ►Telecoms: Both orders received and net sales increased due to growth in network business in response to rising data traffic.
- ► Finance: Increased net sales resulted from growth in business with credit card companies while orders received decreased mainly with megabanks.
- ►Enterprise: Growth in public and manufacturing (automobile) sectors resulted in increases in both orders received and net sales.
- ► Distribution: Orders received increased with growth in business with trading companies and energy wholesalers, but net sales decreased due mainly to a decline in convenience store business.

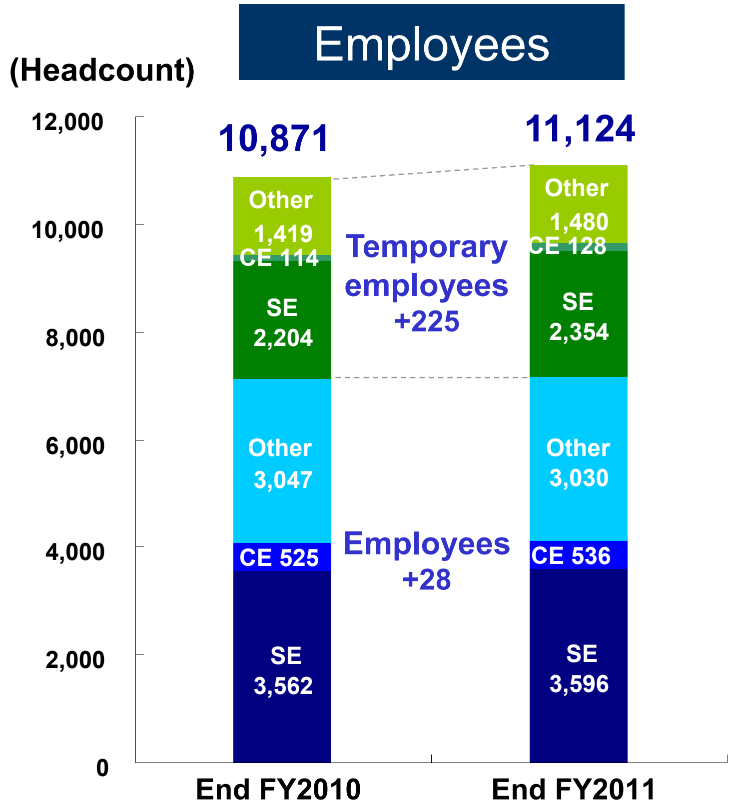


Reasons for Increases in SG&A

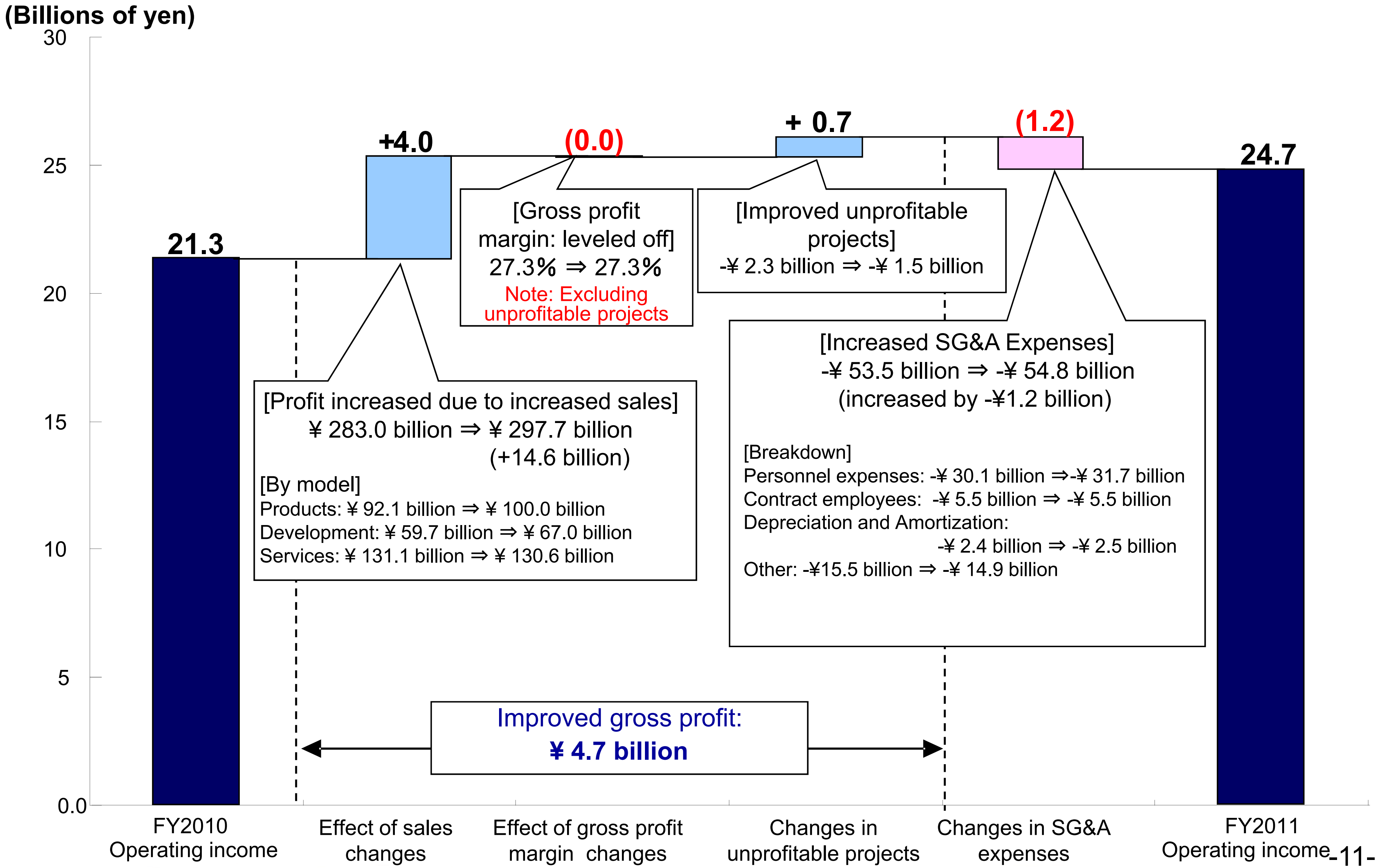
In spite of continued efforts to reduce expenses, SG&A expenses increased (by 1.2 billion yen year on year)

- ▶ Personnel expenses: Performance-linked bonuses increased * Number of employees: Up 28 from the end of the previous year
- ▶ Other: Decreased through reductions in overheads





Main Reasons for YoY Changes in Operating Income



For Reference: Non-operating and Extraordinary Items

Challenging Tomorrow's Changes

	FY2011 Actual (Billions of yen)	YoY change: FY2010 (Billions of yen)	YoY change: Change (Billions of yen)	Major factors
Non-operating income	0.50	0.52	(0.01)	
Non-operating expenses	(0.35)	(0.26)	(0.08)	Loss on investment in limited partnership (0.02)
Total non-operating income	0.15	0.25	(0.10)	
Extraordinary gains	0.18	0.31	(0.12)	Gains on sales of investment securities (0.14)
Extraordinary losses	(0.80)	(1.48)	+0.68	Booking of asset retirement obligations +0.67
Total extraordinary losses	(0.61)	(1.17)	+0.55	

For Reference:
Consolidated Balance Sheets and Cash Flows

CTC
Challenging Tomorrow's Changes

Consolidated balance sheets

(Billions of yen)

	End of FY2010	End of FY2011	YoY change
Current assets	183.6	200.1	+16.5
Fixed assets	54.5	52.5	(2.0)
Total assets	238.1	252.7	+14.5
Current liabilities	71.6	77.9	+6.3
Long-term liabilities	10.6	15.9	+5.2
Total liabilities	82.3	93.8	+11.5
Total net assets	155.8	158.8	+2.9
Total liabilities and net assets	238.1	252.7	+14.5

[Breakdown of assets and liabilities](brackets [ ] denote YoY changes)

■Current assets
- Notes and accounts receivable 60.2 [-0.1]
- Securities 44.9 [+5.9]

■Fixed assets
- Tangible fixed assets 28.8 [-1.0)
- Intangible fixed assets 7.7 [-0.9]
- Investments and other assets 16.0 [-0]

■Current liabilities
- Notes and accounts payable 24.1 [-0.1]
- Unearned income 17.5 [+1.6]

■Fixed liabilities
- Long-term lease obligations 13.5 [+4.9]

■Total equity
- Retained earnings 108.4 [+1.7]
- Treasury stock -5.3 [+1.0]

Consolidated cash flows

(Billions of yen)

	FY2010	FY2011	YoY change
Cash and cash equivalents at beginning of period	73.8	68.3	(5.4)
Operating activities	14.9	21.2	+6.2
Investing activities	(6.9)	(2.7)	+4.2
Financing activities	(13.4)	(8.9)	+4.5
Cash and cash equivalents at end of period	68.3	77.8	+9.5
Free cash flow	7.9	18.4	+10.4

■Free Cash Flow (FCF)

・ In addition to an increase in cash flow from operating activities due to increased net income before taxes for the year and the collection of accounts receivables, an increase in cash flow from investing activities in conjunction with decreased expenditures due to the acquisition of intangible fixed assets resulted in a year-on-year increase in free cash flow.

[Major reasons for changes in cash flow]

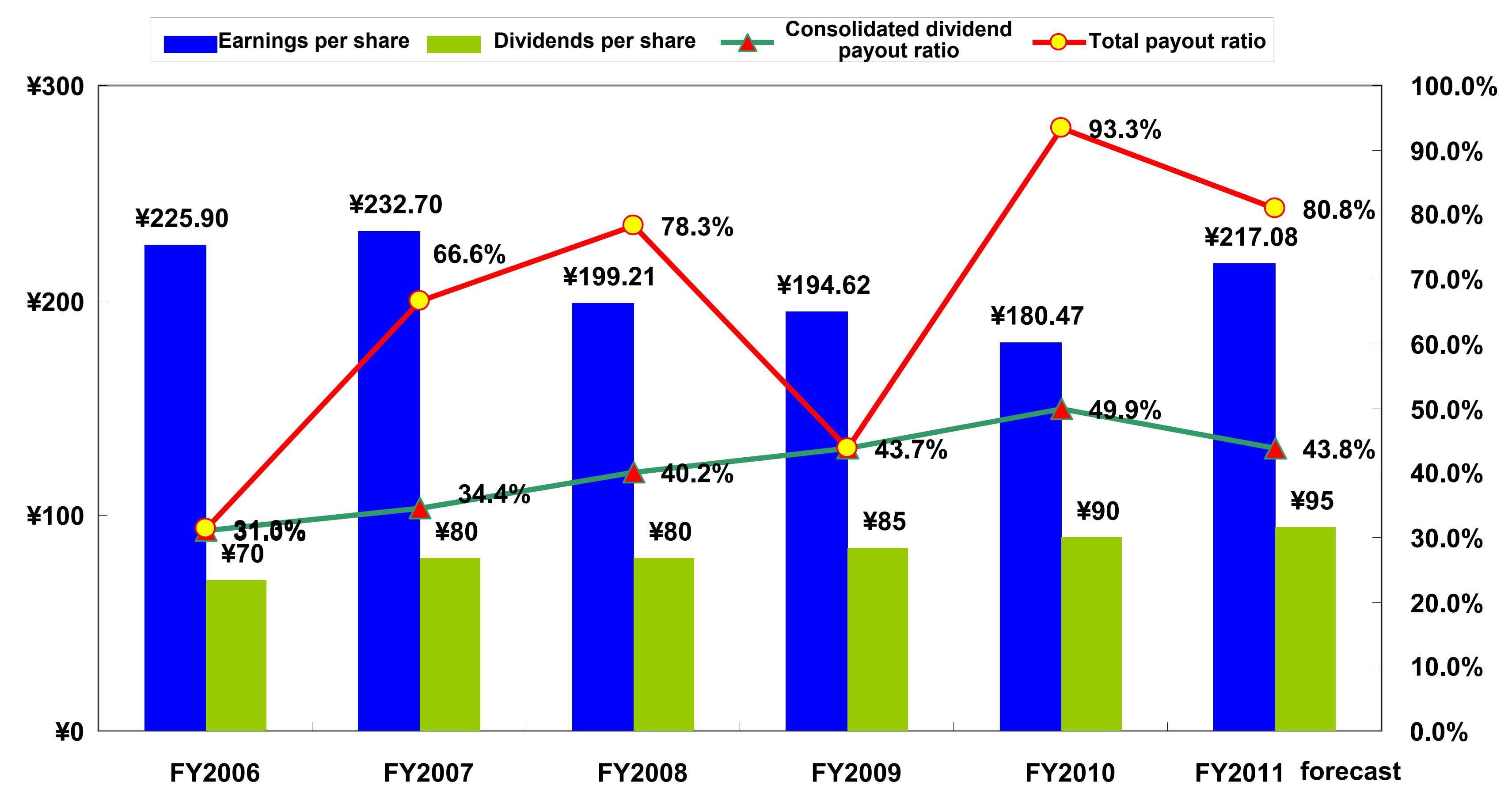
(1) Cash flow from operating activities
- ・ Increased net income before income taxes +3.9
- ・ Collection of accounts receivables +2.1

(2) Cash flow from investing activities
- ・ Decreased expenditures due to the acquisition of intangible fixed assets +2.3

(3) Cash flow from financing activities
- ・ Increased income from sale and leaseback +5.0

Shareholder Distributions Forecast for FY2011

- Year-end dividend forecast of ¥50 per share (total annual dividend forecast of ¥95)
- Consolidated dividend payout ratio of 43.8%
- Buyback of 1,559,000 shares worth ¥4.99 billion (80.8% total payout ratio, incl. dividends)



Ⅰ	FY2011 Overview of Operating Results
Ⅱ	FY2012 Management Policies
Ⅲ	FY2012 Operating Results Forecast

Business Environment (1)

IT industry trends

[IT market is expected to grow with active investments in the fiscal year ending March 31, 2013]

- ▶ **The disaster has prompted renewed recognition of the importance of IT**

  Demand rises to meet the changing environment.

- ▶ **Technological advancement in IT generated innovation in the social infrastructure**

  New approaches expand beyond the scope of a conventional system integrator.

- ▶ **Dawn of the age of vertical integration**

  All-in-one products created by a fusion of hardware/software will expand.

- ▶ **Acceleration of globalization of customers**

  In pursuit of new growth opportunities, globalization will be accelerated in a wide range of sectors.

System integrators must play more diverse roles in the future

Business Environment (2)

Sector	Areas of anticipated business
Telecoms	► Next-generation networks through the expansion of smartphone use (LTE/WiMAX, etc.) ► SI development of authentication systems and services for smartphones ► Businesses relating to the Internet and broadcasting services ► Collaboration business with telecom careers
Public sector /public utility sector	► Large-scale common IT infrastructure construction projects ► Networks relating to the reconstruction/disaster prevention efforts; contact centers to improve service quality
Finance	► Businesses relating to Merger and Medium-term Management Plan ► High-performance computing and an evolving legal framework
Enterprises /distribution	► Cloud computing ► Business relating to platforms, BI and CRM in response to a big data trend ► Power use restrictions and disaster recovery businesses ► Global support to customers in their expansion into overseas markets

CTC's strengths

Capability to construct multi-vendor IT infrastructures	Construct IT infrastructure for private cloud and large-scale projects by constantly acquiring leading-edge products and technologies to enhance the capability to combine them into a multi-vendor system.
Customer base	Wide customer base covering a broad range of industries, including telecom carriers (our core strength) and the distribution sector plowing deep into specialized target markets, as well as know-how in industries and operations accumulated as a prime contractor.
Group's comprehensive capabilities	One-stop total IT service using its ability for the procurement of a wide variety of products, maintenance/operation service systems ready for full-scale IT outsourcing, and data centers.

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Continuously evolving DNA	► Marketing power responsive to diversifying needs ► Technological power at the leading-edge of the market ► Creative power to produce high value-added services

Basic Management Policy for FY2012

Challenging Tomorrow's Changes

The fiscal year 2012 will be the year for the CTC Group to reap the fruits of its Medium-term Growth Strategies and forge ahead

1. Strengthen competitiveness of our core businesses and expand revenues
2. Continue investing for further growth
3. Continue strengthening profitability

For Reference: The CTC of the Future

Challenging Tomorrow's Changes

Medium-term Management Vision

- ► Become a comprehensive IT service provider that offers one-stopping to meet customers' needs as a prime contractor
- ► Lead the market by constantly developing cutting-edge technologies and creating high value-added services and new business models
- ► Continue growing based on a unique business model, and consistently draw market attention as the industry leader

FY2012 Core Measures

Growth in earnings

- ►Bolster marketing power for cloud business
- ►Expand private cloud/large infrastructure business
  ⇒[Products, SI Development, Operation and Services]
- ►Dig deep-down in the accounts with application business
  ⇒[SI Development and Operation]
- ►Strengthen and expand sales and service line-up for public cloud
  ⇒[SI Development, Services]

FY2012 Core Measures

Challenging Tomorrow's Changes

Strategic investment for medium- to long-term growth

- ►Increase efforts to establish new businesses

  Sale of big data-related products, promotion of new business fields such as M2M

- ►Continue promoting overseas business expansion

  Further development and improvements of business bases and finding local partners

- ►Continue investing in human resources development

  Development of data scientists and global human resources

Strengthening profitability

- ►Optimize cost structure
- ►Eliminate unprofitable projects

Ⅰ FY2011

Overview of Operating Results

Ⅱ FY2012

Management Policies

Ⅲ FY2012

Operating Results Forecast

FY2012 Consolidated Operating Results Forecasts

	FY2012 Forecast		FY2011 Actual		YoY change	
	Billions of yen	Profit margin	Billions of yen	Profit margin	Billions of yen	Percent change
Net sales	315.0	—	297.7	—	+17.2	+5.8%
Gross profit	83.5	26.5%	79.6	26.7%	+3.8	+4.9%
SG&A expenses	(56.5)	—	(54.8)	—	(1.6)	+3.1%
Operating income	27.0	8.6%	24.7	8.3%	+2.2	+8.9%
Ordinary income	27.0	8.6%	24.9	8.4%	+2.0	+8.2%
Net income	16.0	5.1%	13.3	4.5%	+2.6	+20.1%
Orders received	333.0	—	302.4	—	+30.5	+10.1%
Backlog	154.6	—	136.6	—	+18.0	+13.2%

Major factors

[Net sales]
Mainly increases in business relating to telecoms and enterprise sectors

[Gross profit]
Increased revenue

[SG&A expenses]
Increases in personnel expenses, cost of external personnel, and cost of strategic investment

1st and 2nd Half FY2012 Consolidated Operating Results Forecast

	1st Half FY2012 Forecast		1st Half FY2011 Actual		YoY change	
	Billions of yen	Profit margin	Billions of yen	Profit margin	Billions of yen	Percent change
Net sales	137.0	—	130.4	—	+6.5	+5.0%
Gross profit	36.5	26.6%	35.2	27.1%	+1.2	+3.4%
SG&A expenses	(27.6)	—	(26.5)	—	(1.0)	+4.1%
Operating income	8.9	6.5%	8.7	6.7%	+0.1	+1.3%
Ordinary income	8.9	6.5%	8.8	6.8%	+0.0	+0.7%
Net income	5.1	3.7%	4.9	3.8%	+0.1	+3.4%
Orders received	165.0	—	142.0	—	+22.9	+16.1%
Backlog	164.6	—	143.5	—	+21.0	+14.7%

	2nd Half FY2012 Forecast		2nd Half FY2011 Actual		YoY change	
	Billions of yen	Profit margin	Billions of yen	Profit margin	Billions of yen	Percent change
Net sales	178.0	—	167.3	—	+10.6	+6.4%
Gross profit	47.0	26.4%	44.3	26.5%	+2.6	+6.0%
SG&A expenses	(28.9)	—	(28.3)	—	(0.5)	+2.1%
Operating income	18.1	10.2%	16.0	9.6%	+2.0	+13.0%
Ordinary income	18.1	10.2%	16.1	9.6%	+1.9	+12.3%
Net income	10.9	6.1%	8.3	5.0%	+2.5	+29.8%
Orders received	168.0	—	160.4	—	+7.5	+4.7%
Backlog	154.6	—	136.6	—	+18.0	+13.2%

For Reference:
Consolidated Balance Sheets and Cash Flows

Consolidated balance sheets

(billions of yen)

	End of FY2011	End of FY2012	YoY change
Current assets	200.1	208.3	+8.1
Fixed assets	52.5	49.8	(2.6)
Total assets	252.7	258.1	+5.4
Current liabilities	77.9	80.1	+2.2
Long-term liabilities	15.9	14.2	(1.7)
Total liabilities	93.8	94.3	+0.4
Total net assets	158.8	163.8	+4.9
Total liabilities and net assets	252.7	258.1	+5.4

Consolidated cash flows

(billions of yen)

	FY2011	FY2012	YoY change
Cash and cash equivalents at beginning of period	68.3	77.8	+9.5
Operating activities	21.2	20.6	(0.6)
Investing activities	(2.7)	(4.0)	(1.2)
Financing activities	(8.9)	(12.7)	(3.8)
Cash and cash equivalents at end of period	77.8	81.7	+3.8

Free cash flow	18.4	16.6	(1.8)

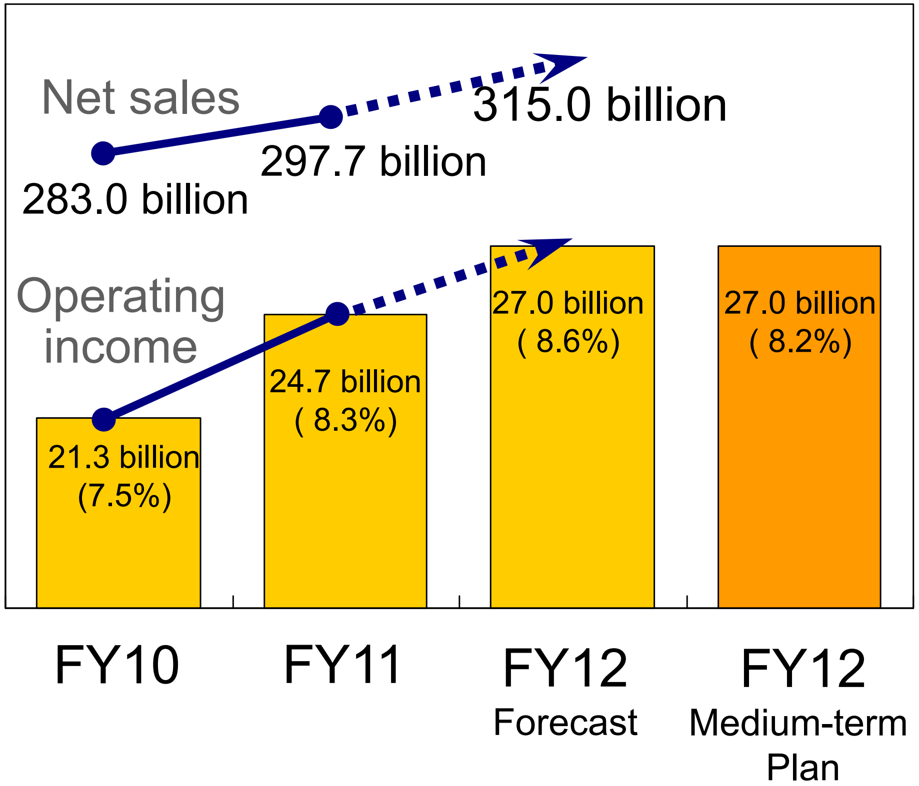
For Reference:
Medium-term Management Plan (FY10 – FY12)

Medium-term Management Plan Targets

Net sales	Operating income	Operating income margin
360.0 billion	30.0 billion	8.3%

FY11

Net sales	297.7 billion
Operating income	24.7 billion
Operating income margin	8.3%



Internal growth targets

Net sales	330.0 billion
Operating income	27.0 billion
Operating income margin	8.2%

Challenging Tomorrow's Changes