Consolidated Financial Results
for the First Half of the Fiscal Year ending March 31, 2013
(Japanese Accounting Standards)

October 30, 2012

Listed Company Name:	ITOCHU Techno-Solutions Corporation	Listing Exchanges:	Tokyo Stock Exchange
Securities Code:	4739	URL:	http://www.ctc-g.co.jp/en/index.html
Representative:	Satoshi Kikuchi, President & CEO		
Contact:	Kunihiko Yaita, General Manager, Finance and Accounting Department Phone: +81-3-6203-5000		

Scheduled date to submit the quarterly report *(Shihanki Hokokusho)*:	November 12, 2012
Scheduled date of dividend payment:	December 7, 2012
Supplementary documents for financial results:	Yes
Financial results briefing:	Yes (for institutional investors and analysts)

(Figures less than one million yen are omitted)

1. Consolidated Business Results for the six months ended September 30, 2012 (April 1, 2012 – September 30, 2012)

(1) Consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended 9/12	146,305	12.2	10,051	14.4	10,040	13.7	5,546	12.4
Six months ended 9/11	130,426	2.4	8,786	50.7	8,833	49.7	4,932	82.0

(Note) Comprehensive income (million yen): Six months ended 9/12: 5,820 (13.4%) Six months ended 9/11: 5,133 (85.8 %)

	Earnings per share	Earnings per share/ diluted
	Yen	Yen
Six months ended 9/12	92.67	–
Six months ended 9/11	79.57	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
September 30, 2012	244,638	156,533	63.8
March 31, 2012	252,701	158,823	62.7

(Reference) Shareholders' equity (million yen): September 30, 2012: 156,087 March 31, 2012: 158,363

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended 3/12	–	45.00	–	50.00	95.00
Year ended 3/13	–	50.00			
Year ended 3/13 (forecast)			–	50.00	100.00

(Note) Changes from the latest released dividend forecasts: No

3. Forecast for Consolidated Business Results for the Fiscal Year ending March 31, 2013 (April 1, 2012 – March 31, 2013)

(Percentages represent changes from the same period of previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	315,000	5.8	27,000	8.9	27,000	8.2	16,000	20.1	268.11

(Note) Changes from the latest released performance forecasts: No

* Notes
(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Application of simplified accounting treatment: No

(3) Changes in accounting principles and changes or restatement of accounting estimates

(i)	Changes in accounting principles due to amendment of accounting standards, etc.:	Not applicable
(ii)	Changes in accounting principles other than (i):	Yes
(iii)	Changes in accounting estimates:	Yes
(iv)	Restatement:	Not applicable

For further details, please refer to the section "2. Item Regarding Summary (and Notes) Information, (3) Changes in accounting policies, accounting estimates, and restatements" of this Consolidated Financial Results in the Accompanying Materials section on page 3.

(4) Number of outstanding shares (common shares)

(i) Number of shares outstanding at the end of period (including treasury shares):

Six months ended 9/12:	62,500,000 shares	Year ended 3/12:	62,500,000 shares

(ii) Number of treasury shares at the end of period:

Six months ended 9/12:	2,996,489 shares	Year ended 3/12:	1,702,628 shares

(iii) Average number of shares during the period (cumulative figure for consolidated quarterly accounting period):

Six months ended 9/12:	59,848,751 shares	Six months ended 9/11:	61,992,875 shares

* This document is an English translation of a statement written initially in Japanese. The Japanese original document should be considered as the primary version.

* Disclosure regarding audit procedures
This consolidated financial results does not constitute the audited financial statements under the Financial Instruments and Exchange Act. As of the date of disclosure of this consolidated financial results, an audit of the financial statements had not been carried out in accordance with the Financial Instruments and Exchange Act.

* Cautionary statement with respect to forward-looking statements
- These materials contain forward-looking statements and statements of this nature based on assumptions judged to be valid and information available to the Company as of the announcement date of the summary. These statements are not promises by the Company regarding future performance. Actual results may differ materially from forecasts due to a variety of factors. With respect to the conditions that underpin earnings forecasts as well as cautionary statements regarding the proper use of earnings forecasts, please refer to the section "1. Qualitative Information, (3) Qualitative information about consolidated earnings forecasts" of this Consolidated Financial Results in the Accompanying Materials section on page 3.
- The Company plans to hold an IR presentation for institutional investors and analysts on October 30, 2012. Materials distributed during the IR presentation will be posted on the Company's website.

Accompanying Materials – Contents

1. Qualitative Information

(1) Qualitative information about consolidated operating results

In the first six months of the fiscal year under review, the Japanese economy showed signs of modest recovery, largely on the strength of post-earthquake reconstruction demand. However, the outlook remained uncertain given the impact of downside risks, such as global economic slowdown as a result of the European sovereign debt crisis and a persistently strong yen.

In the information services industry, businesses remained cautious about IT investment. However, the number of orders received has improved, albeit modestly, with firm demand for the reconstruction of backbone systems, and aggressive investment in telecommunication equipment associated with the realization of high-speed mobile communication and the widespread use of smart devices.

In this environment, the CTC Group focused on the core measures of strengthening the infrastructure business and cloud business to increase profitability and making strategic investments for medium-to-long-term growth. More specifically, the Group made headway towards the construction of a shared infrastructure platform using server and storage virtualization technology for a broad range of industries including transportation and manufacturing. In cloud services, the Group worked to improve the convenience of existing services, including adding load balancing and back-up services to the TechnoCUVIC infrastructure-as-a-service (IaaS) cloud service. The Group also made progress with service development using the latest technology, including starting to offer M2M solutions to provide remote data collection from and control of remote machines and starting demonstration experiments in virtualized multiservice data centers with a view to rolling these out as a service in the future. Meanwhile, the Group also implemented initiatives for achieving medium-to-long-term growth, including deciding to invest in Thai IT company, Netband Consulting Co., Ltd. and entering into a joint venture agreement for the purpose of expanding business in Southeast Asia and offering a renewable energy forecasting solution in a Japan-U.S. smart grid demonstration project in the U.S state of New Mexico.

In sales activities, the Group made headway with projects to augment facilities associated with the realization of high speed mobile communication and the widespread use of smart devices in the telecommunication sector and projects to construct connection management systems. It also focused on infrastructure construction projects for postal companies in the commerce and transportation sectors and POS system projects for oil refiner-distributors in the manufacturing sector.

As a result, consolidated sales for the first sixth months of the fiscal year under review were 146,305 million yen (up 12.2% from the same period of the previous fiscal year), with increased sales in products business making up for unchanged sales from the year-ago level in the SI development business and service business. Consolidated operating income was 10,051 million yen (up 14.4%), due to increased gross profit as a result of increased sales, despite a lower gross profit margin and higher personnel expenses. Consolidated ordinary income was 10,040 million yen (up 13.7%). Consolidated net income amounted to 5,546 million yen (up 12.4%).

(2) Qualitative information about consolidated financial position

Consolidated assets at the end of the first half under review amounted to 244,638 million yen, down 8,062 million yen from the end of the previous fiscal year. This was mainly due to decreases of 13,998 million yen in securities and 12,276 million yen in notes and accounts receivable-trade, offsetting increases of 8,113 million yen in prepaid expenses, 5,981 million yen in merchandise, and 3,423 million yen in work in process.

Consolidated liabilities fell 5,772 million yen from the end of the previous fiscal year, to 88,105 million yen. This was primarily due to declines of 5,568 million yen in income taxes payable and 4,700 million yen in notes and accounts payable-trade, offsetting an increase of 5,611 million yen in unearned revenue

Consolidated net assets reached 156,533 million yen, down 2,290 million yen from the end of the previous fiscal year. This chiefly reflects a decrease of 5,000 million yen due to the acquisition of treasury stock and a decrease of 3,039 million yen due to the payment of cash dividends, offsetting an increase of 5,546 million yen in net income.

(3) Qualitative information about consolidated earnings forecasts

Although corporate IT investment is expected to continue picking up, there are fears over a slowdown in economic activity as a result of downside risks such as the European sovereign debt crisis, economic slowdown in China and other emerging markets, and the persistently strong yen.

In light of these conditions, the Group is leaving its earnings forecasts announced on April 27, 2012 unchanged at the present time.

(Note) The above-mentioned earnings forecasts are based on information available as of the date of this announcement. Actual results may differ from the forecasts due to various factors.

2. Items Regarding Summary (and Notes) Information

(1) Changes in significant subsidiaries during the period under review

None

(2) Adoption of specific procedures in preparation of the quarterly consolidated financial reports

None

(3) Changes in accounting policies, accounting estimates, and restatements

"(ii) Changes in accounting policies other than (i)"

Change in method of converting income and expenses of overseas subsidiaries into Japanese yen

The Company previously converted the income and expenses of overseas subsidiaries, etc. into Japanese yen based on the spot exchange rate on the date of account settlement of the overseas subsidiaries, etc., but, effective from the first quarter of the fiscal year under review, the Company has adopted the new method of converting the income and expenses of overseas subsidiaries to Japanese yen using the average exchange rate for the period under review. As the Company expands its operations overseas, this change in the method of converting income and expenses arising throughout the consolidated fiscal year was made to properly reflect fluctuation in foreign exchange rates during the consolidated fiscal year and to present a more realistic picture of the status of the company.

The change in accounting policy has been applied retroactively. The effects of retroactive application to the six months of the previous consolidated fiscal year and the previous consolidated fiscal year are insignificant.

"(ii) Changes in accounting policies other than (i)" and "(iii) Change in accounting estimate"

Change in depreciation and amortization method

The Company and its consolidated domestic subsidiaries previously amortized "non-data center business tangible fixed assets" by the declining balance method but, effective from the first quarter of the fiscal year under review, the Company changed to the straight-line method. This change is based on the judgment that, with the increase in materiality of "non-data center business tangible fixed assets (mainly cloud business assets)" resulting from expansion of service provision-type business such as cloud services, it is appropriate, in view of the usage of such assets, to change the depreciation method to the straight line method.

The change falls under "Changes in accounting policies which are difficult to distinguish from changes in accounting estimates," and falls under "(ii) Changes in accounting policies other than (i)" and "(iii) Change in accounting estimate" in (3) Changes in Accounting Policies, Accounting Estimates, and Restatements of Items Regarding Summary (and Notes) Information.

3. Consolidated Financial Statements

(1) Consolidated balance sheet

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2012)	Consolidated fiscal year under review (As of September 30, 2012)
Assets		
Current assets		
Cash and deposits	32,855	28,705
Notes and accounts receivable	60,203	47,927
Securities	44,996	30,998
Merchandise	11,708	17,690
Work in process	5,224	8,648
Maintenance parts and materials	6,742	6,752
Prepaid expenses	14,649	22,762
Other	23,774	28,280
Allowance for doubtful accounts	-6	-5
Total current assets	200,148	191,760
Fixed assets		
Tangible fixed assets	28,824	29,189
Intangible fixed assets	7,706	7,213
Investments and other assets		
Other	16,095	16,545
Allowance for doubtful accounts	-73	-70
Total investments and other assets	16,022	16,475
Total fixed assets	52,553	52,878
Total assets	252,701	244,638
Liabilities		
Current liabilities		
Notes and accounts payable	24,174	19,473
Income taxes payable	8,274	2,706
Unearned income	17,518	23,130
Provision for bonuses	7,300	5,289
Provision for loss on order received	934	1,117
Provision for after service cost	354	407
Other	19,359	19,681
Total current liabilities	77,917	71,806
Long-term liabilities		
Provision for retirement benefits	535	539
Asset retirement obligations	1,239	1,271
Other	14,186	14,487
Total long-term liabilities	15,961	16,299
Total liabilities	93,878	88,105

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2012)	Consolidated fiscal year under review (As of September 30, 2012)
Net assets		
Shareholders' equity		
Capital stock	21,763	21,763
Capital surplus	33,076	33,076
Retained earnings	108,496	111,003
Treasury stock	-5,370	-10,370
Total shareholders' equity	157,966	155,472
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	448	665
Deferred gains or losses on hedges	-30	-8
Foreign currency translation adjustment	-20	-41
Total accumulated other comprehensive income	397	614
Minority interests	459	445
Total net assets	158,823	156,533
Total liabilities and net assets	252,701	244,638

(2) Consolidated income statement and consolidated statements of comprehensive income

Consolidated income statement

(Million yen)

	Previous consolidated fiscal year (From April 1, 2011 to September 30, 2011)	Consolidated fiscal year under review (From April 1, 2012 to September 30, 2012)
Net sales	130,426	146,305
Cost of sales	95,134	108,601
Gross profit	35,291	37,703
Selling, general and administrative expenses	26,505	27,652
Operating income	8,786	10,051
Non-operating income		
Interest income	29	27
Dividend income	38	48
Equity in gains of associated companies	71	–
Other	69	102
Total non-operating income	209	177
Non-operating expenses		
Interest expenses	105	84
Equity in loss of associated companies	–	17
Loss from investments in partnership	23	38
Other	32	47
Total non-operating expenses	161	188
Ordinary income	8,833	10,040
Extraordinary gains		
Gains on sales of investment securities	26	18
Total extraordinary gains	26	18
Extraordinary losses		
Loss on disposal of fixed assets	48	22
Impairment loss	99	120
Loss on sales of investment securities	8	–
Loss on valuation of investment securities	17	–
Loss on sales of membership	10	–
Loss on valuation of membership	14	–
Compensation for damage	–	146
Loss on litigation	–	138
Total extraordinary losses	199	427
Income before income taxes	8,660	9,632
Income taxes-current	2,614	3,168
Income taxes-deferred	1,065	860
Total income taxes	3,680	4,028
Income before minority interests	4,980	5,603
Minority interests in income	47	57
Net income	4,932	5,546

Consolidated statements of comprehensive income

(Million yen)

	Previous consolidated fiscal year (From April 1, 2011 to September 30, 2011)	Consolidated fiscal year under review (From April 1, 2012 to September 30, 2012)
Income before minority interests	4,980	5,603
Other comprehensive income		
Valuation difference on available-for-sale securities	157	216
Deferred gains or losses on hedges	0	22
Foreign currency translation adjustment	-0	-18
Share of other comprehensive income of entities accounted for using equity method	-3	-2
Total other comprehensive income	153	217
Comprehensive income	5,133	5,820
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,086	5,763
Comprehensive income attributable to minority interests	47	57

(3) Note on going concern assumptions

Not applicable

(4) Note on significant changes in the amount of shareholders' equity

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stocks	Total Equity
	Million yen	Million yen	Million yen	Million yen	Million yen
Balance, March 31, 2012	21,763	33,076	108,496	-5,370	157,966
Net change in the nine months period					
Cash dividends			-3,039		-3,039
Net income			5,546		5,546
Purchase of treasury stock				-5,000	-5,000
Cancellation of treasury stocks		0		0	0
Total Net change in the nine months period	–	0	2,506	-4,999	-2,493
Balance, September 30, 2012	21,763	33,076	111,003	-10,370	155,472

4. Additional Information

Changes to reportable segments

As a result of a structural reorganization effective April 1, 2012, the Company changed the structure of its reportable segments, which previously consisted in two segments (Solution Business Segment and Services Business Segment) to a structure consisting of six segments, “Telecommunications”, “Finance”, “Enterprise”, “Distribution”, “Cloud Platform”, and “Support & Service”.

Please refer to the “First Half Consolidated Financial Summary for the Fiscal Year Ending March 31, 2013 (April 1, 2012 – September 30, 2013)” published on the Company’s website today for details on business results by reportable segment.