Announcement of Operating Results for the Fiscal Year Ended March 31, 2015

May 1, 2015

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 a variety of factors, including changes in the economic environment.

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Challenging Tomorrow's Changes

Higher revenues, higher profit

- ◇ Revenues rose sharply YoY, reflecting strong performances by the Telecoms, Financial & Public and Distribution Business Groups.
  All profit line items increased YoY due to higher profitability as a result of higher revenues.

- ◇ Orders received, revenues and all profit line items reached record highs.

- ◇ All profit line items exceeded the initial earning forecast due to higher revenues.

- ◇ Return on equity (ROE) climbed 1.6 points YoY (8.9%→10.5%) due to a rise in “Net income attributable to owners of the parent company.”

Performance Highlights for FY2014 (Compared with FY2013)

	FY2013 Actual		FY2014 Actual		YoY Change	
	Billions of yen	Profit margin	Billions of yen	Profit margin	Change (Billions of yen)	Change (%)
Net sales	350.5	—	381.9	—	+31.3	+8.9%
Gross profit	83.7	23.9%	91.2	23.9%	+7.5	+9.0%
Operating revenue and expenses	(59.8)	—	(61.9)	—	(2.0)	+3.4%
Operating income	23.8	6.8%	29.3	7.7%	+5.5	+23.2%
Net income attributable to owners of the parent company	14.2	4.1%	17.4	4.6%	+3.1	+22.4%
Order received	369.1	—	388.0	—	+18.9	+5.1%
Backlog	195.4	—	201.6	—	+6.1	+3.1%

Major factors

[Net sales]
Rose sharply YoY due to increase in projects for mobile carrier, postal services and convenience stores.

[Gross profit]
Increased due to higher revenues.

[Operating revenue and expenses]
Although operating revenue and expenses improved, SG&A expenses increased.

[Operating income]
Increased due to rise in gross profit.

[Net income attributable to owners of the parent company]
Increased due to rise in operating income, despite negative impact of reversal of deferred tax liabilities associated with cut in corporate tax rate of ¥1.1 billion.

[Order received]
Increased, especially orders from mobile carrier and convenience stores.

[Backlog]
Increased, especially orders from mobile carrier and transportation sector.

Performance Highlights for FY2014 (vs. forecast)

	FY2014 Forecast (May 1)		FY2014 Actual		vs. Forecast	
	Billions of yen	Profit margin	Billions of yen	Profit margin	Change (Billions of yen)	Change (%)
Net sales	365.0	–	381.9	–	+16.9	+4.6%
Gross profit	89.6	24.5%	91.2	23.9%	+1.6	+1.9%
Operating revenue and expenses	(62.6)	–	(61.9)	–	+0.6	(1.1%)
Operating income	27.0	7.4%	29.3	7.7%	+2.3	+8.7%
Net income attributable to owners of the parent company	16.5	4.5%	17.4	4.6%	+0.9	+5.5%
Order received	370.0	–	388.0	–	+18.0	+4.9%
Backlog	210.9	–	201.6	–	(9.2)	(4.4%)

Major factors

[Net sales]
More projects for certain mobile carrier and telecommunications companies affiliated with electric power companies.

[Gross profit]
Although the gross profit margin was lower than forecast mainly due to an increase in unprofitable projects, gross profit was higher than forecast due to increased revenues.

[Operating revenue and expenses]
Roughly in line with earning forecast.

[Operating income]
Increased due to rise in gross profit.

[Net income attributable to owners of the parent company]
Increased due to rise in operating income, despite negative impact of reversal of deferred tax liabilities associated with cut in corporate tax rate of ¥1.1 billion.

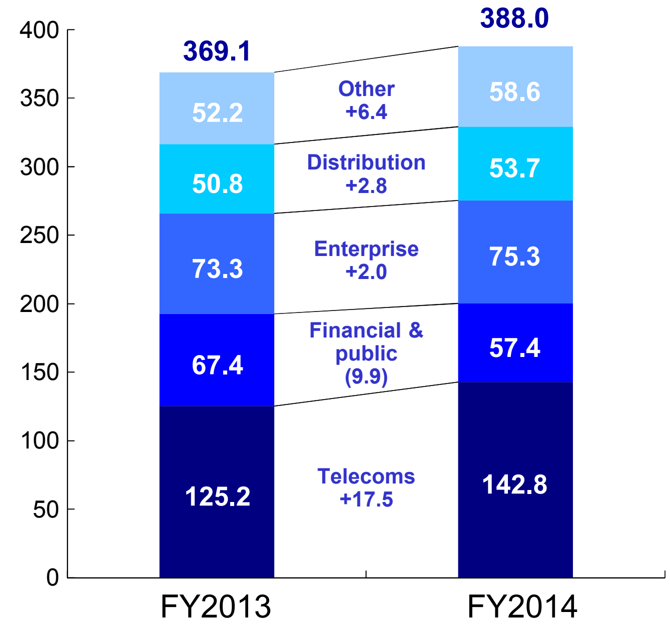
[Order received]
More projects for certain mobile carrier.

Performance by Business Group

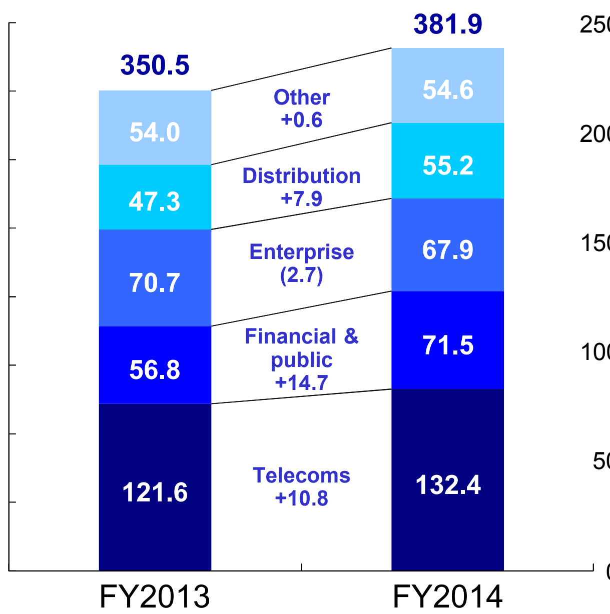
- **Telecoms:** Orders received and net sales increased due to projects to reinforce networks for mobile carriers.
- **Financial & public:** Orders received declined in the absence of projects for postal services. Net sales increased mainly due to projects for megabanks and postal services.
- **Enterprise:** Orders received increased mainly due to projects for transportation and service companies. Net sales declined in projects for manufacturing and internet service sectors.
- **Distribution:** Orders received grew, driven by projects for convenience stores and oil wholesalers. Net sales rose mainly due to projects for convenience stores.
- **Other:** Orders received increased primarily owing to two overseas subsidiaries. Net sales were virtually unchanged YoY.

(Billions of yen)

Orders Received

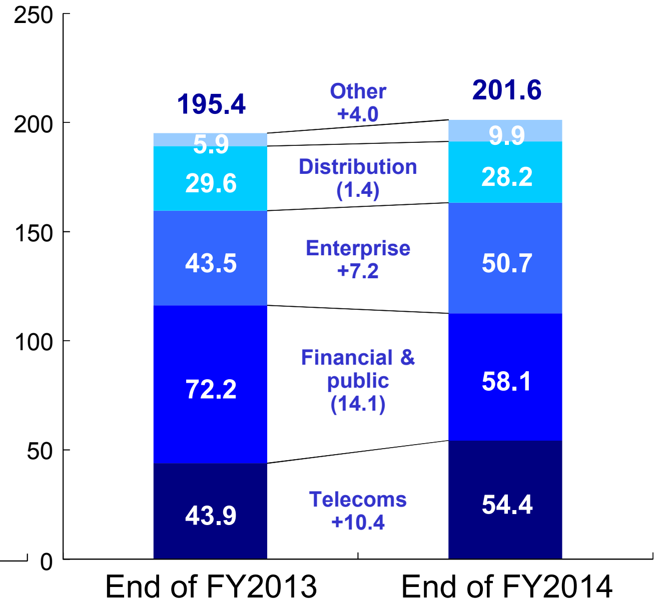


Net Sales



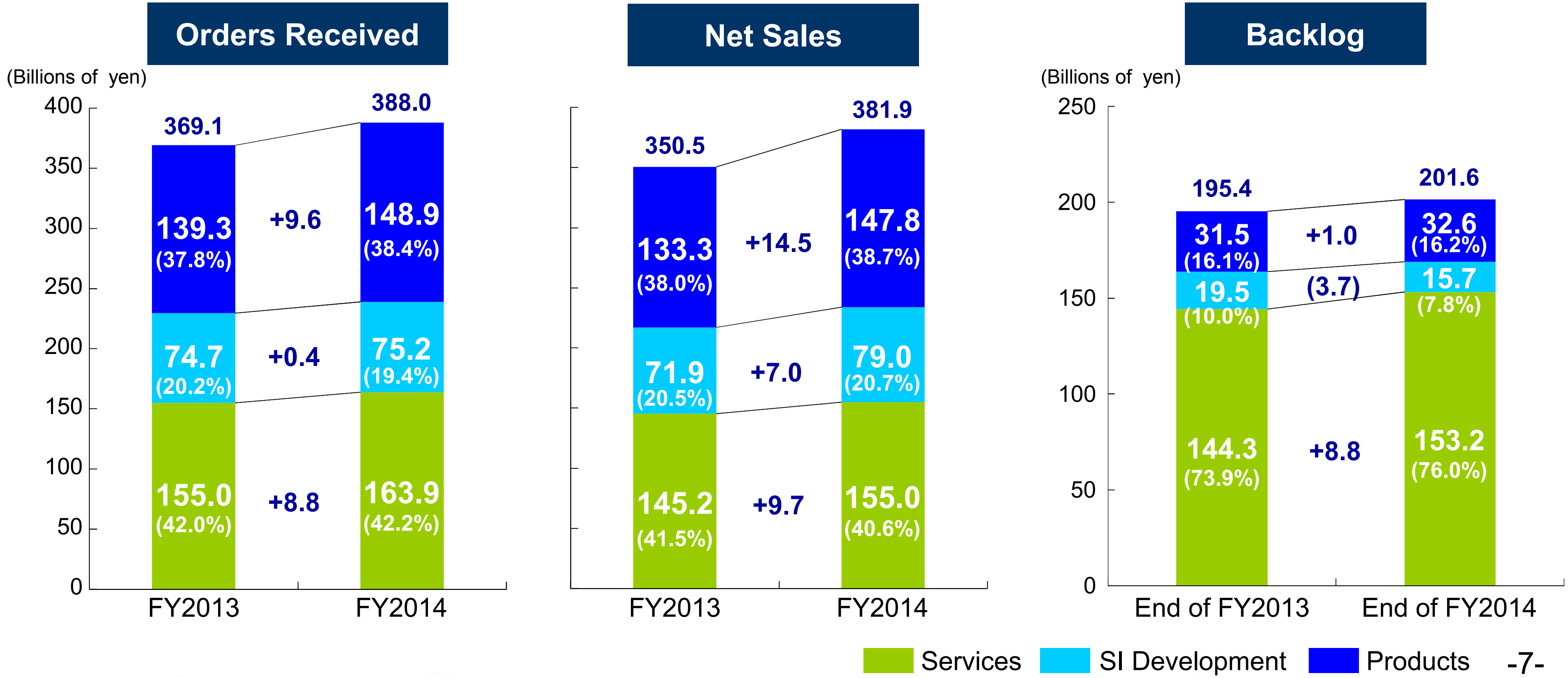
(Billions of yen)

Backlog

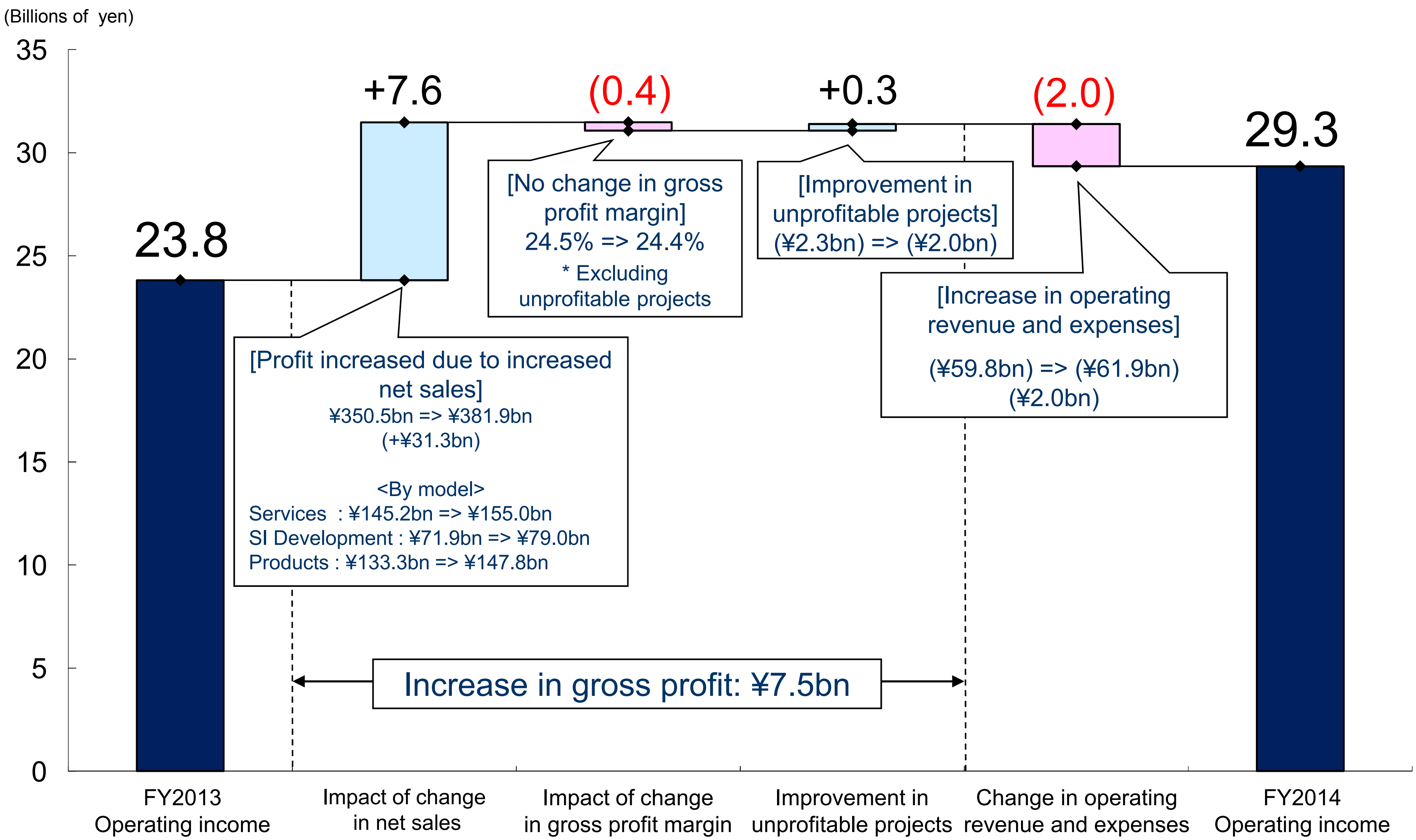


Performance by Business Model

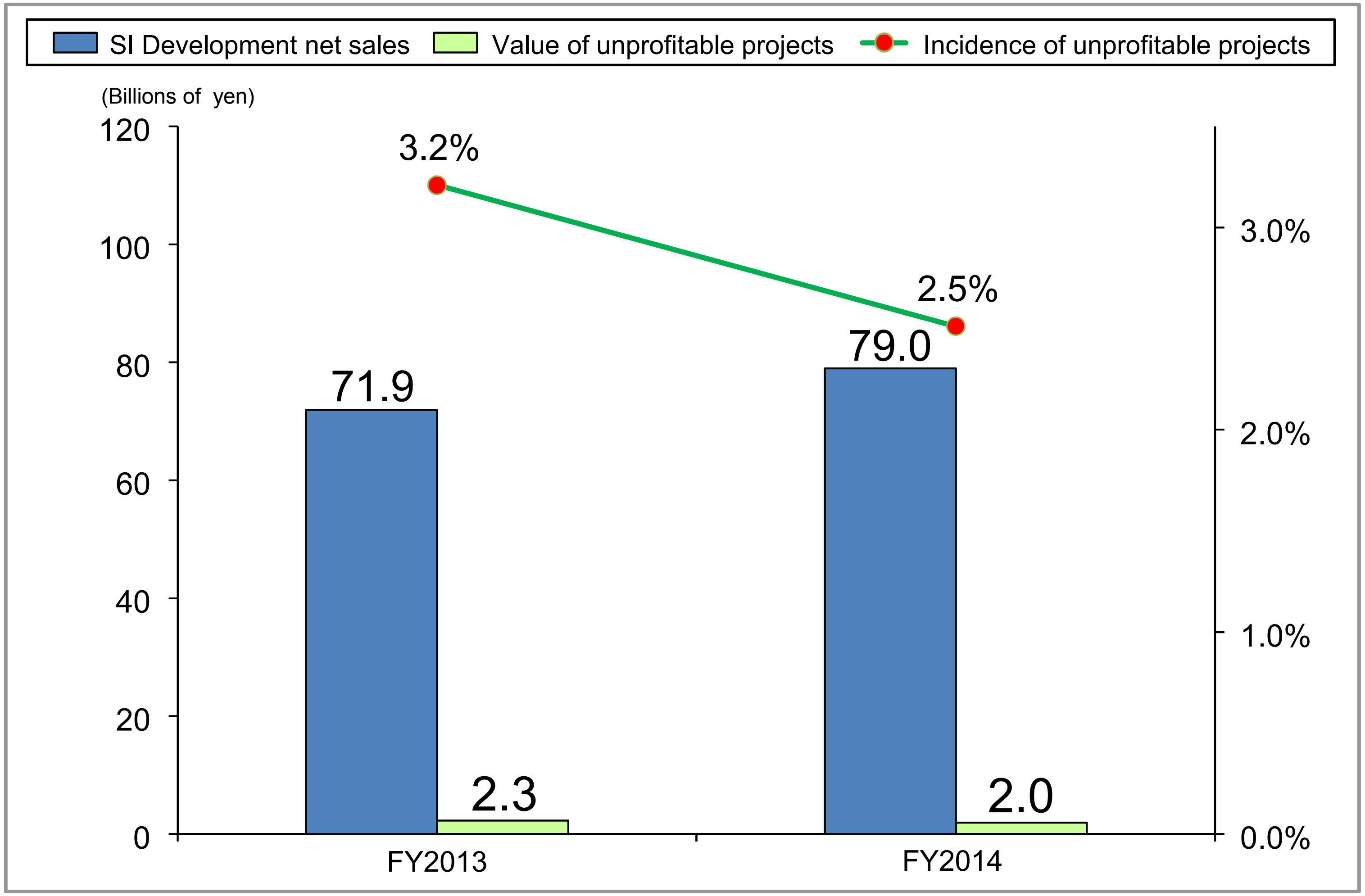
- **Services:** Orders received increased especially orders for network installation and construction from mobile carriers and orders for system operation from convenience stores.
  Net sales rose, mainly due to product maintenance for postal services in addition to the factors that drove growth in orders received.
- **SI Development:** Orders received were more or less unchanged from the year-ago level. Net sales grew, driven by development projects for megabanks and infrastructure construction projects for postal services.
- **Products:** Orders received rose, especially orders for networks from mobile carriers and telecommunications companies affiliated with electric power companies and orders for store-related equipment from convenience stores. Net sales increased mainly due to servers and databases for postal services in addition to the factors that drove growth in orders received.



Main Reasons for YoY Change in Operating Income



The ratio of unprofitable projects to net sales fell in SI Development.



For Reference:
Other Revenue (Expenses)

	FY2013 Actual (Billions of yen)	FY2014 Actual (Billions of yen)	YoY Change (Change (Billions of yen))	Major factors
Personnel expenses	(34.6)	(36.9)	(2.2)	Increase in number of employees and salary and bonuses
Outside staff expenses	(5.9)	(5.8)	+0.0	
Depreciation and amortization	(3.0)	(2.9)	+0.0	
Others	(15.6)	(16.6)	(0.9)	R&D expenses (0.2) Rent (0.1) Lease charges (0.2)
Total SG&A expenses	(59.3)	(62.5)	(3.1)	
Other revenue	0.3	1.2	+0.8	FY2014: Foreign exchange gains +0.8
Other expenses	(0.8)	(0.6)	+0.1	FY2014: DC-related loss (0.6) FY2013: Loss on litigation (0.6) Foreign exchange losses (0.1)
Operating revenue and expenses	(59.8)	(61.9)	(2.0)	

For Reference:
Consolidated Balance Sheets and Cash Flows

■ Consolidated balance sheets

(Billions of yen)

	End FY2013	End FY2014	Change
Current assets	207.1	227.2	+20.1
Non-current assets	75.5	75.4	(0.0)
Total assets	282.6	302.7	+20.0
Current liabilities	96.0	110.9	+14.9
Non-current liabilities	19.9	18.8	(1.0)
Total liabilities	115.9	129.8	+13.8
Total shareholders' equity	166.7	172.9	+6.2
Total liabilities and shareholders' equity	282.6	302.7	+20.0

Breakdown of assets and liabilities [YoY change]

■ Current assets		
Cash and cash equivalents	50.1	[-4.9]
Operating and other receivables	109.5	[+8.0]
Inventories	20.9	[-2.5]
Deposits paid	15.0	[+14.4]
Prepaid expenses	31.2	[+5.0]
■ Non-current assets		
Tangible fixed assets	34.7	[-0.8]
Intangible assets	10.5	[+0.4]
Deferred tax assets	12.2	[+0.6]
■ Current liabilities		
Operating and other debt	49.6	[+5.2]
Income taxes payable	8.6	[+2.0]
Unearned revenue	25.5	[+4.5]
■ Non-current liabilities		
Long-term lease obligations	11.9	[-0.6]
Employees' benefits (long-term)	4.2	[-0.3]
■ Shareholders' equity		
Retained earnings	121.5	[+10.3]
Treasury stock	(9.2)	[-5.0]

■ Consolidated cash flows

(Billions of yen)

	FY2013	FY2014	Change
Cash and cash equivalents at beginning of period	66.1	55.0	(11.0)
Operating activities	6.4	25.8	+19.4
Investing activities	(8.0)	(17.3)	(9.3)
Financial activities	(9.5)	(13.5)	(4.0)
Cash and cash equivalents at end of period	55.0	50.1	(4.9)
Free cash flow	(1.6)	8.4	+10.0

■ Free cash flow (FCF)

- FCF increased year on year because of an increase in net cash inflow from operating activities (increase in income before income taxes and minority interests and decrease in operating receivables and inventories), which partially offset an increase in net cash outflow from investing activities.

Major reasons for changes in cash flows

(1) Cash flow from operating activities	
Income before income taxes and minority interests	[+5.4]
Operating and other receivables	[+6.0]
Inventories	[+6.1]
(2) Cash flow from investing activities	
Acquisition of tangible fixed assets	[+3.8]
Deposits paid	[-14.5]

■ Cash flow from financial activities

Payments for acquisition of treasury stock	[-2.4]

Ⅰ FY2014

Overview of Operating Results

Ⅱ FY2015

Operating Results Forecast

Ⅲ FY 2015 ~ FY2017

Medium-Term Management Plan

FY2015 Consolidated Operating Results Forecasts

	FY2014 Actual		FY2015 Earnings forecast		YoY Change	
	Billions of yen	Profit margin	Billions of yen	Profit margin	Change (Billions of yen)	Change (%)
Net sales	381.9	—	390.0	—	+8.1	+2.1%
Gross profit	91.2	23.9%	93.6	24.0%	+2.4	+2.6%
Operating revenue and expenses	(61.9)	—	(64.1)	—	(2.2)	+3.6%
Operating income	29.3	7.7%	29.5	7.6%	+0.2	+0.5%
Net income attributable to owners of the parent company	17.4	4.6%	18.0	4.6%	+0.6	+3.4%
Order received	388.0	—	400.0	—	+12.0	+3.1%
Backlog	201.6	—	211.6	—	+10.0	+5.0%

Major factors

[Net sales]
Expected to increase on growth in Finance & Public and Enterprise.

[Gross profit]
Expected to rise due to increased sales.

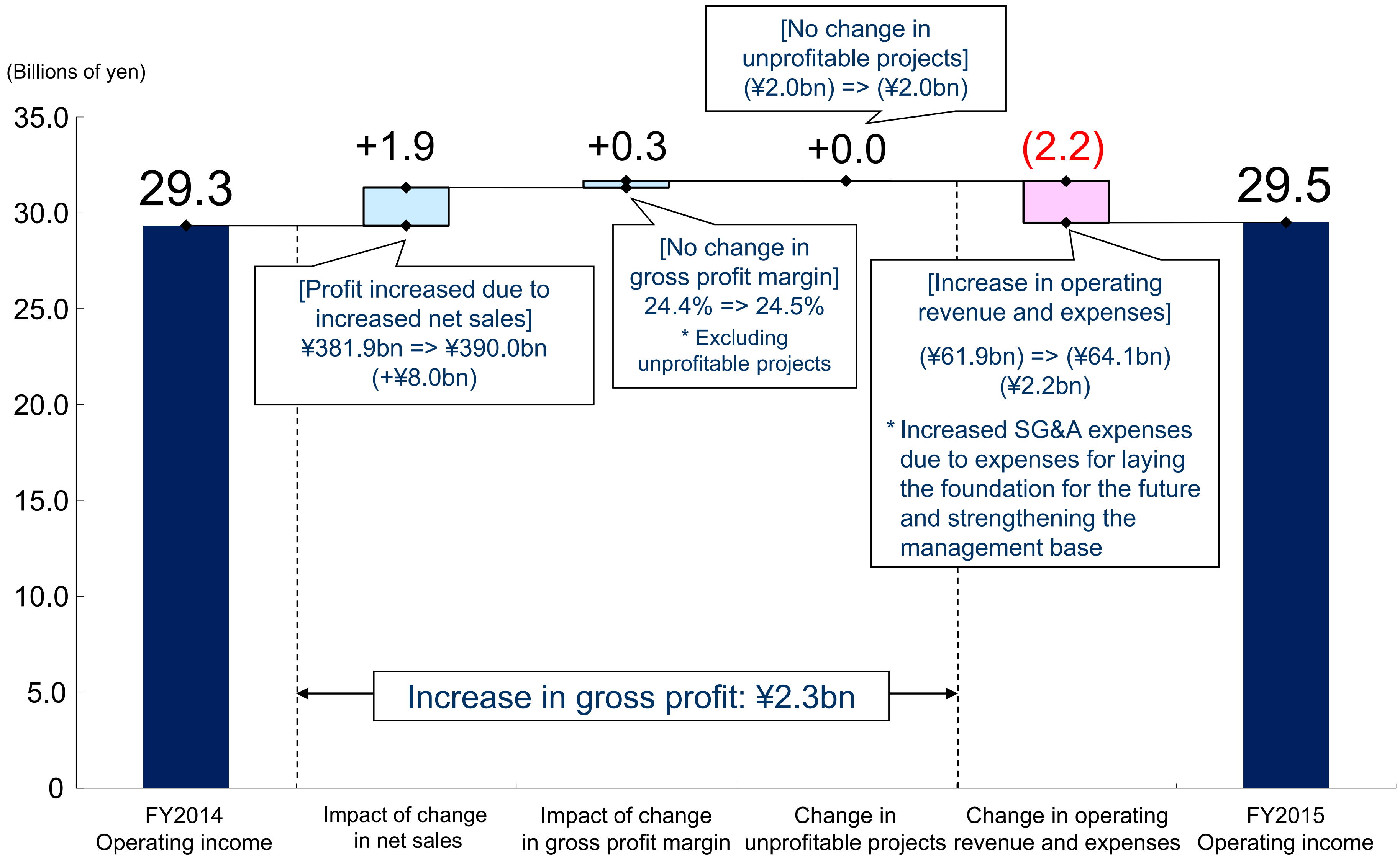
[Operating revenue and expenses]
SG&A expenses will likely rise due to expenses for laying foundations for the future and strengthening the management base.

[Operating income]
Expected to stay flat, with higher SG&A expenses offsetting higher gross profit as a result of increased sales.

[Net income attributable to owners of the parent company]
Expected to increase mainly due to lower income taxes.

[Order received]
Expected to grow, driven by Financial & Public, Enterprise and Distribution.

For Reference: Main Reasons for YoY Change in Operating Income



For Reference:
Consolidated Balance Sheets and Cash Flows

■ Consolidated balance sheets

(Billions of yen)

	End FY2014	End FY2015	Change
Current assets	227.2	232.6	+5.4
Non-current assets	75.4	78.7	+3.2
Total assets	302.7	311.3	+8.6
Current liabilities	110.9	109.8	(1.0)
Non-current liabilities	18.8	17.6	(1.2)
Total liabilities	129.8	127.5	(2.2)
Total shareholders' equity	172.9	183.7	+10.8
Total liabilities and shareholders' equity	302.7	311.3	+8.6

■ Consolidated cash flows

(Billions of yen)

	FY2014	FY2015	Change
Cash and cash equivalents at beginning of period	55.0	50.1	(4.9)
Operating activities	25.8	30.6	+4.8
Investing activities	(17.3)	(10.9)	+6.4
Financial activities	(13.5)	(8.7)	+4.8
Cash and cash equivalents at end of period	50.1	61.1	+10.9

Free cash flow	8.4	19.7	+11.2

Ⅰ FY2014
Overview of Operating Results

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Medium-Term Management Plan

Review of Previous Medium-Term Management Plan (FY2013- FY2014)

CTC
Challenging Tomorrow's Changes

Quantitative Targets

(Billions of yen)	Target	Result
Net sales	360.0	381.9
Operating income	30.0	29.3
Net income attributable to owners of the parent company	18.0	17.4

Basic Management Policies

Policy	Evaluation
Reinforce our strengths	○
Enter growth areas	○
Develop state-of-the-art and optimal technologies	○
Roll out our in-house technologies in Asia	△
Aggressively address earnings model transformation	△
Reinforce our business infrastructure	○

- Revenue far exceeded the target mainly due to growth in emerging markets.
- However, issues in areas such as improvement of profitability remained.

Review of Previous Medium-Term Management Plan (Review of Basic Management Policy (1))

Challenging Tomorrow's Changes

(Billions of yen)

Basic Management Policy	Business Group in Charge of Implementation	Sales			
		FY2012	FY2014	Growth Rate	
Reinforce our strengths	**Telecoms**	127.0	132.4	+4%	Stable growth despite investment restraint among clients
	Distribution	46.0	55.2	+20%	Successful cultivation of key clients
Enter growth areas	**Financial & public**	52.7	71.5	+36%	Expansion of business with financial and public utilities sectors

Develop state-of-the-art and optimal technologies

Innovation Promotion Office

Creation of innovation
Realization of affluent society through ICT

Cloud Innovation Center

Research into cloud technologies for IoT
Creation of next-generation IT services

Review of Previous Medium-Term Management Plan (Review of Basic Management Policy (3))

Challenging Tomorrow's Changes

Reinforce our business infrastructure

Basic Management Policy	Implemented Policies
Develop human resources	- Implemented personnel system reform - Redeveloped engineer accreditation system - Established advanced technology laboratories - Raised awareness of “working styles” amongst employees (introduced morning-focused work system)
Tighten up project management	- Stepped up initiatives against unprofitable projects - Adopted foreign exchange risk countermeasures

Medium-Term Outlook of External Environment

Challenging Tomorrow's Changes

Macro-economic trends

- While developments in the euro zone and China need to be kept under scrutiny stable world growth driven by the United States and ASEAN is expected to continue.
- The Japanese economy will likely grow at a modest pace mainly due to government stimulus and monetary stimulus, a weak yen and rising stock prices.

IT market trends

- The Japanese IT market is expected to stay flat (with the hardware market contracting, but the software market and IT services market expanding).
- The IT markets of the ASEAN-5 countries are expected to maintain high growth on the back of economic growth.

Business themes to watch

- Electricity liberalization
- "My Number" system
- Olympics
- IoT
- SNS

Medium-Term Management Plan: Vision and Themes

Vision

Take responsibility for the evolution of the IT industry, as the industry's leading company

Commitments

"Two 500 billions"

	FY2017 Targets	
Growth	Sales	¥500 billion
Profitability	Operating income	¥40 billion (Operating margin 8%)
Capital Efficiency	ROE	Exceeding 10%
	Reference Target	
Corporate Value	Market cap	Exceeding ¥500 billion (achieve as soon as possible)

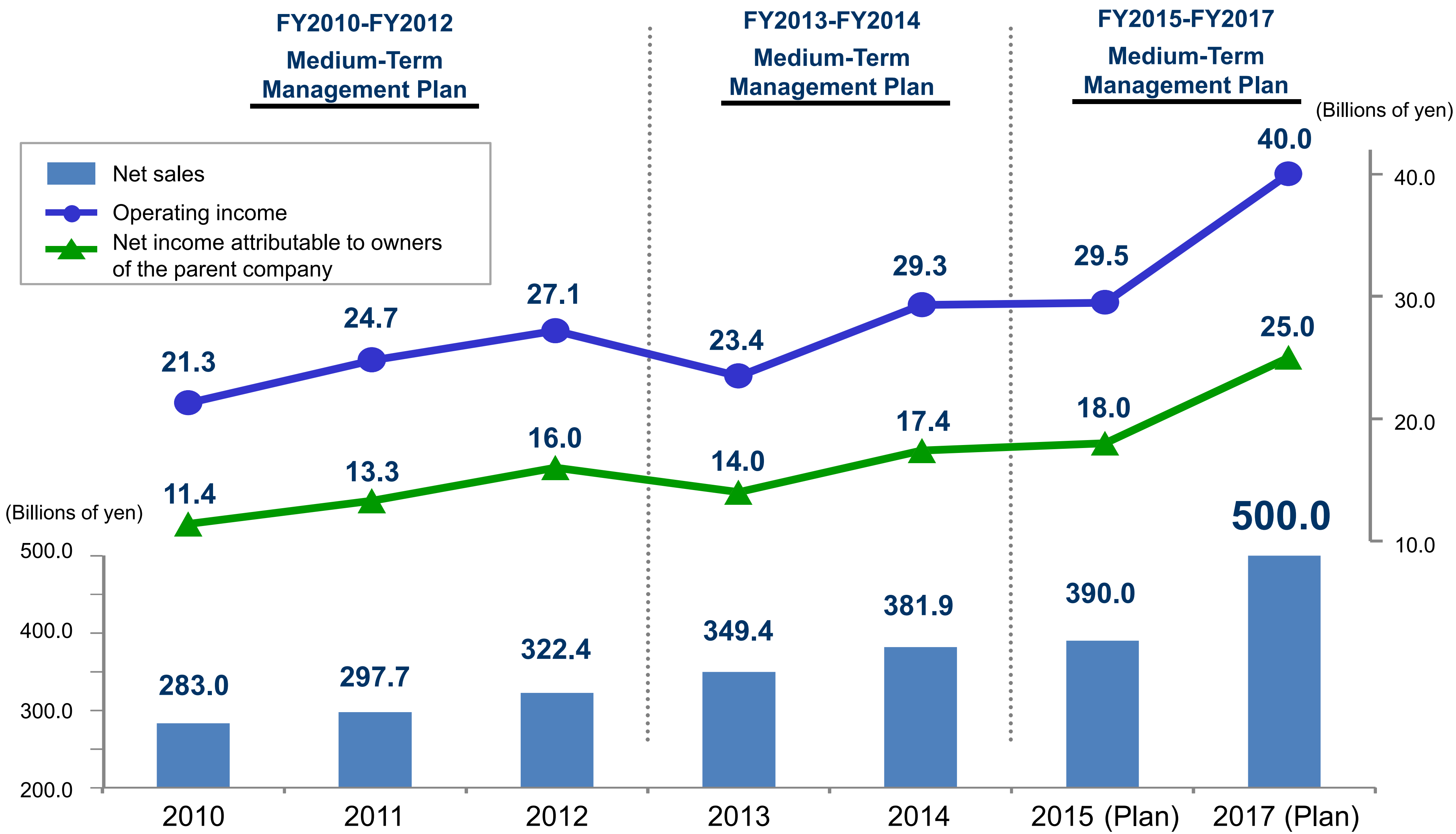
Basic Management Theme
“Three shifts”

1	**Shift to “a service-type business”.** (Bring the share of the service-type business to more than 50%.)
2	**Shift to “comprehensive” management.** (Exert comprehensive capabilities beyond the segment framework.)
3	**Shift to growth “investments”.** (Vigorously promote investments in human resources, technologies and businesses.)

Strengthen management base to support three shifts

Positioning of Medium-Term Management Plan

- Take responsibility for the evolution of the IT industry, as the industry's leading company -



(Japanese accounting standards are applied from fiscal 2010 to fiscal 2013 and IFRS are applied from fiscal 2014.)

Medium-Term Management Plan: Basic Management Policies for Each Theme

CTC Challenging Tomorrow's Changes

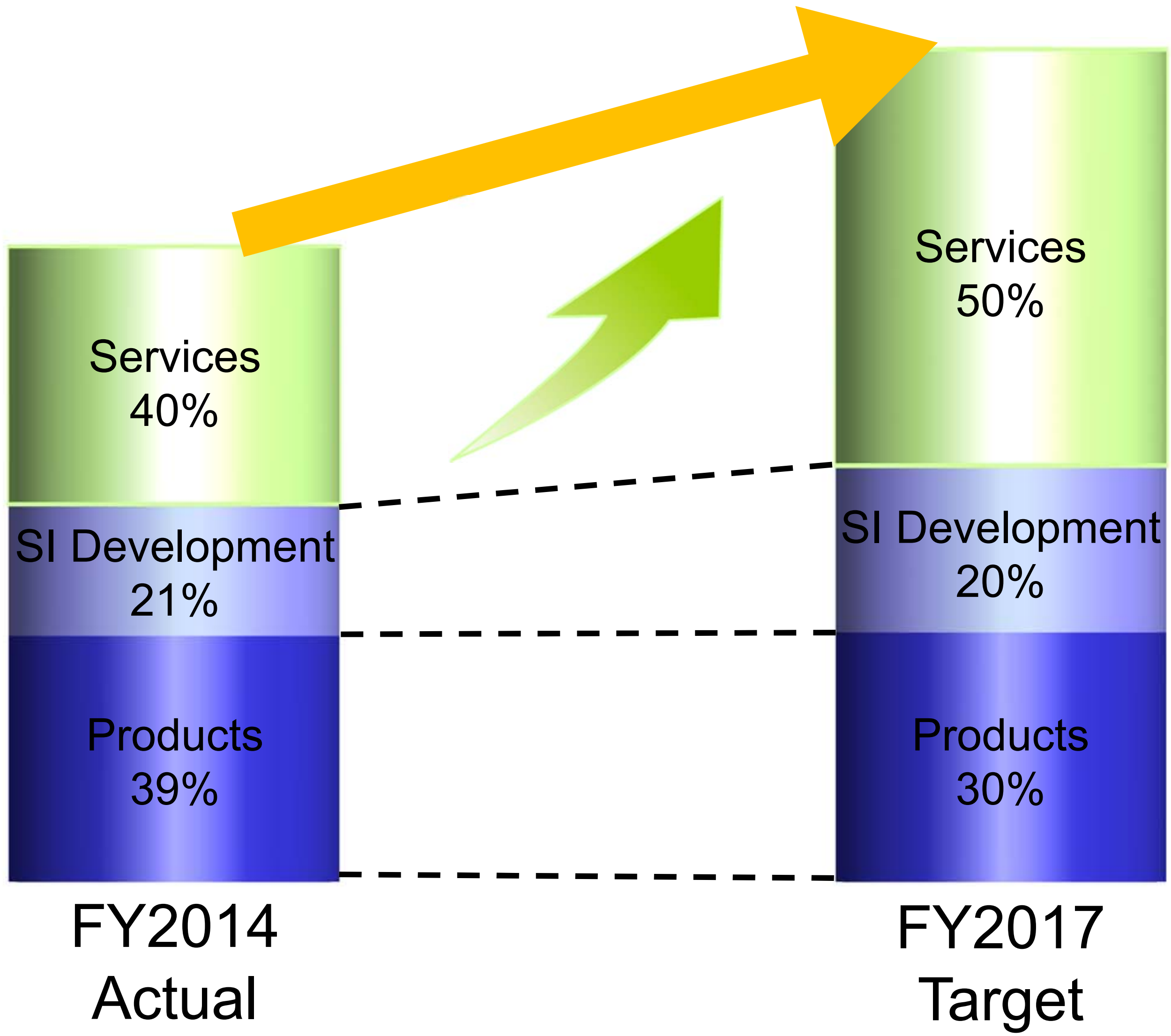
Shift 1

Shift to a service-type business

Bring the share of the service-type business to more than 50%.

1. CTC Cloud 2.0
2. New developments in operation and maintenance
3. New service businesses

For Reference:
Sales Breakdown by Business Model



Medium-Term Management Plan: Basic Management Policies for Each Theme

Challenging Tomorrow's Changes

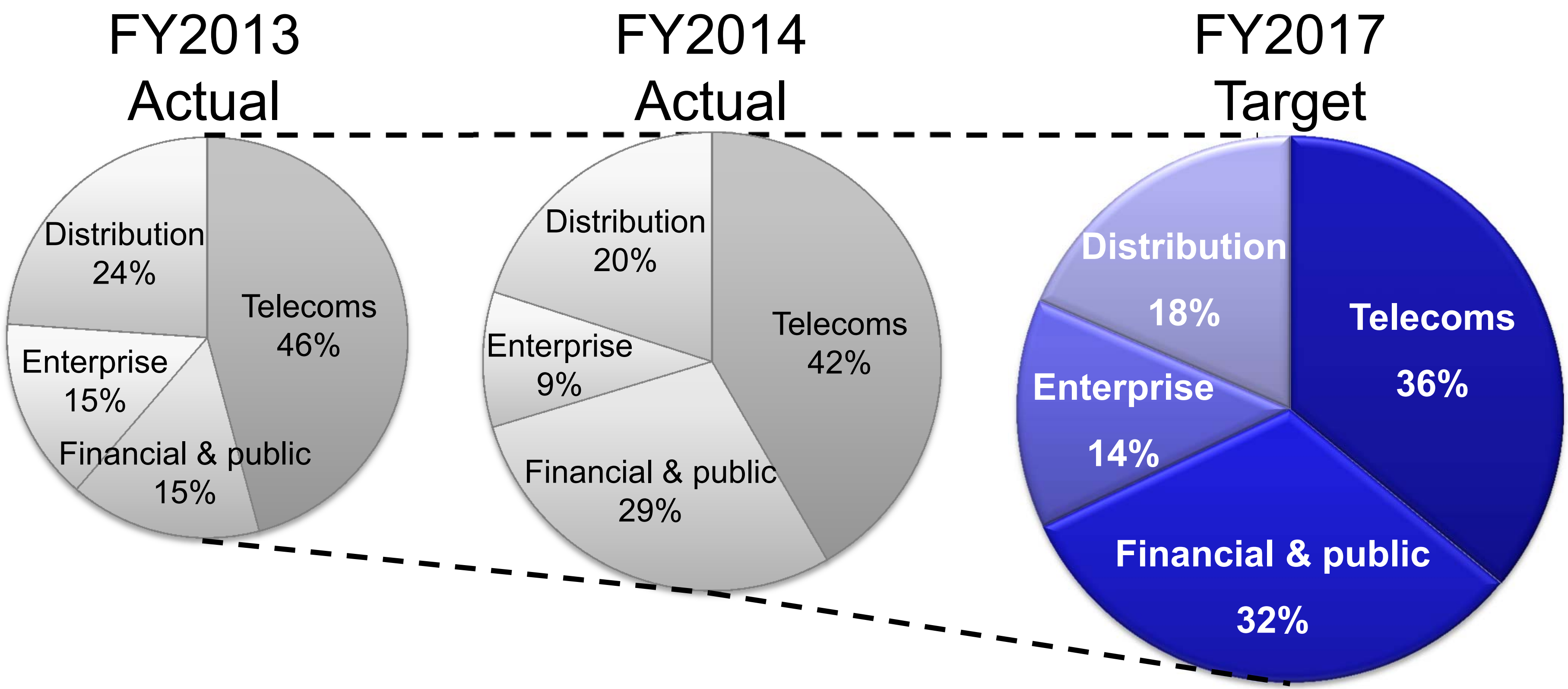
Shift 2

Shift to comprehensive management

Exert comprehensive capabilities beyond the segment framework.

1. Measures to address large projects and key clients
2. Area expansion (Global 2.0 + local creation)

For Reference: Operating Income Breakdown of Key Business Groups



Medium-Term Management Plan: Basic Management Policies for Each Theme

Shift 3

Shift to growth investments

Vigorously promote investments in human resources, technologies and businesses.

1. Investment in people and technology
2. M&A in Japan and overseas

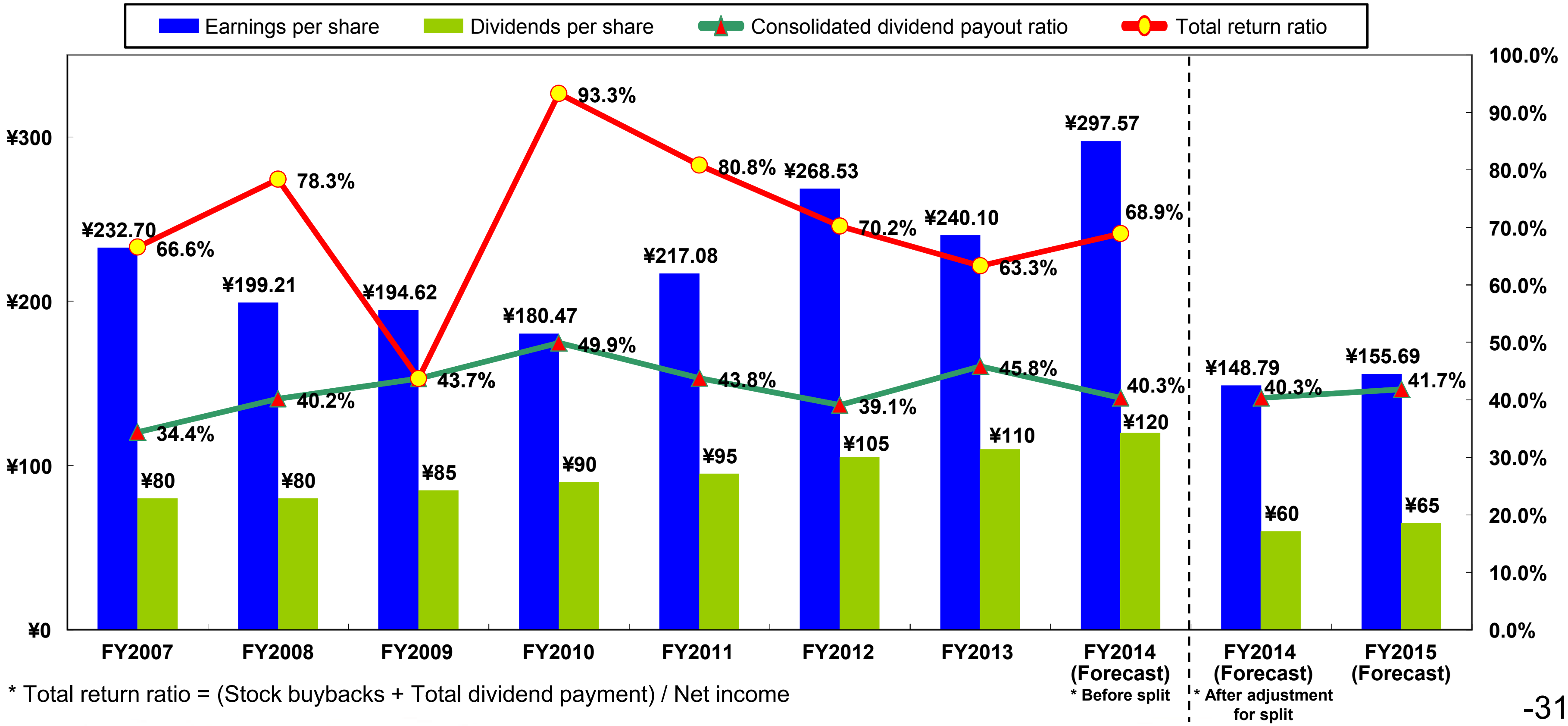
Further strengthen management base to support three shifts

1. Reduction of unprofitable development
2. Creation of appealing company
3. Flexible capital policy

Shareholder Returns Plans

Pay stable dividends mindful of linkage with performance (targeting a dividend payout ratio of 40%)
- FY2014: Planned a total annual dividend of ¥120 => a dividend payout ratio of 40.3%
- FY2015: Planning a total annual dividend of ¥65(*) => a dividend payout ratio of 41.7%

* The Company implemented a stock split, splitting common stock at a ratio of 2 for 1, effective April 1, 2015, to create an environment in which it is easier for investors to invest and to enhance the liquidity of its stock.



* Total return ratio = (Stock buybacks + Total dividend payment) / Net income

“CTC is the Answer.”

Challenging Tomorrow's Changes