



Fiscal 2005 Interim Results Presentation

November 17, 2004

ITX Corporation

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Summary

Interim Period Topics and Business Incubation Activities

■ Olympus Co., Ltd. became ITX' s parent company in September 2004 after acquiring additional ITX shares*

■ Concrete Progress With the Corporate Strategic Plan

- Execution of business integration and realignment**
- Acceleration of joint business initiatives with Olympus**

*Olympus Group holding: 59.1%; Incl. potential shares: 66.1% (as of Sep. 30, 2004)

FY05 Interim Results

(¥ 10 billion)

	FY04 Interim Results	FY05 Interim Results	YoY Change
Revenues	172.6	158.6	-14.0
Sales of investment securities for business incubation	(1.2)	(8.4)	(7.2)
Equipment sales and services	(171.4)	(150.2)	(-21.2)
Operating income (loss)	-0.2	2.6	2.8
Sales of investment securities for business incubation	(-0)	(3.2)	(3.2)
Equipment sales and services	(-0.2)	(-0.6)	(-0.4)
Ordinary income (loss)	1.3	-3.3	-4.6
Net income (loss)	-2.6	-2.5	0.1

- Higher revenues and earnings from sales of investment securities for business incubation
- Lower revenues and earnings from sales of mobile phones
- Higher other expenses

FY05 Full-Year Forecasts

(¥ 10 billion)

	FY04 Full-Year Results	FY05 Full-Year Forecasts	YoY Change
Revenues	412.0	325.0	-87.0
Sales of investment securities for business incubation	(14.7)	(14.0)	(-0.7)
Equipment sales and services	(397.3)	(311.0)	(-86.3)
Operating income (loss)	7.9	7.7	-0.2
Sales of investment securities for business incubation	(7.8)	(7.0)	(-0.8)
Equipment sales and services	(0.1)	(0.7)	(0.6)
Ordinary income (loss)	9.4	0.7	-8.7
Net income	0.6	1.0	0.4

Achieving full-year forecasts: key points

- Sales of investment securities for business incubation
- Recapture share in the mobile phone retailing market and maintain first-half profits

**1. Overview of FY05 Interim Results
(Consolidated)**

FY05 Interim Results

(¥ 10 billion)

	FY04 Interim Results	FY05 Interim Results	YoY Change
1) P/L			
Revenues	172.6	158.6	-14.0
Sales of investment securities for business incubation	(1.2)	(8.4)	(7.2)
Equipment sales and services	(171.4)	(150.2)	(-21.2)
Operating income (loss)*	-0.2	2.6	2.8
Sales of investment securities for business incubation	(-0)	(3.2)	(3.2)
Equipment sales and services	(-0.2)	(-0.6)	(-0.4)
Ordinary income (loss)	1.3	-3.3	-4.6
Net income (loss)	-2.6	-2.5	0.1
2) B/S			
1. Interest-bearing debt	90.3	74.5	-15.8
2. Shareholders' equity	22.8	25.0	2.2
3. Total assets	194.1	144.4	-49.7

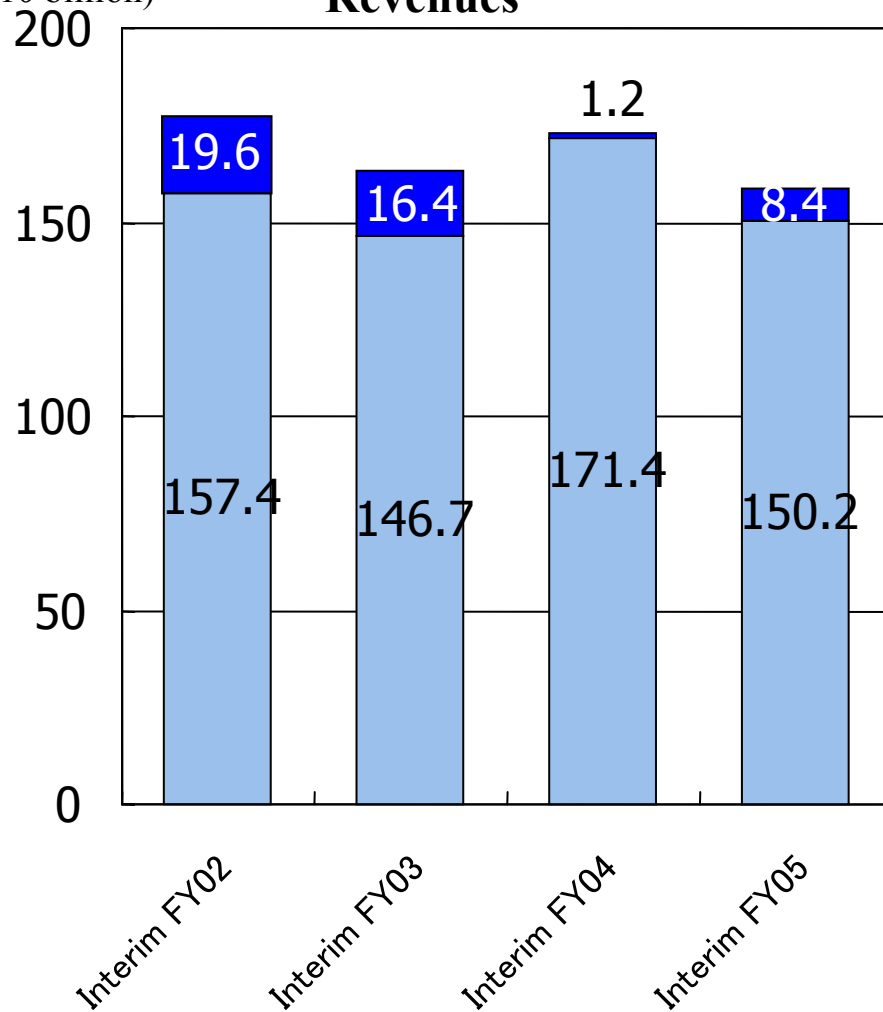
*Nonconsolidated SG&A expenses are split evenly between investment securities for business incubation and equipment sales and services.

*For more details on B/S items, please refer to pages 24~28 of the Supplementary Materials.

Interim Revenues and Operating Income

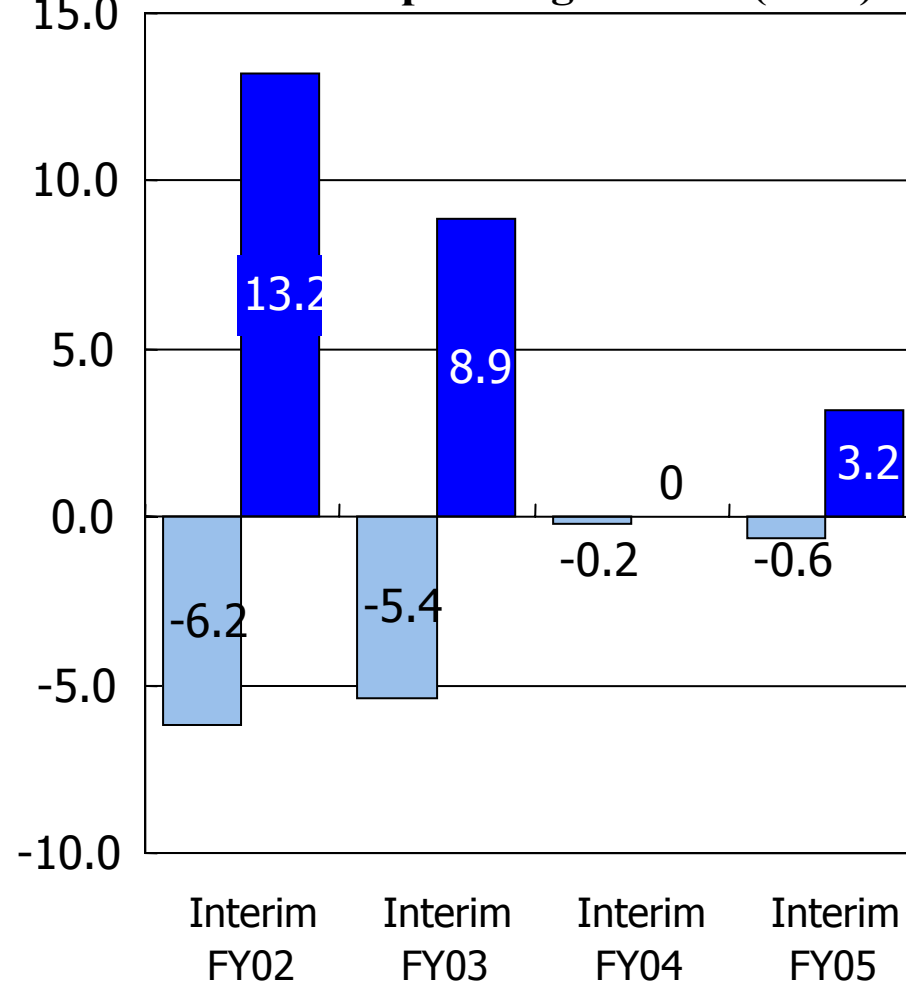
(¥ 10 billion)

Revenues



(¥ 10 billion)

Operating Income (Loss)



: Sales of investment securities for business incubation
 : Equipment sales and services

*Nonconsolidated SG&A expenses are split evenly between investment securities for business incubation and equipment sales and services.

*For more details, please refer to pages 3~8 of the Supplementary Materials.

FY05 Interim Period Key Points (1)

- **Revenues: ¥158.6 billion, down ¥14.0 billion YoY (Investment securities for business incubation: ¥8.4 billion, up ¥7.2 billion YoY; equipment sales and services: ¥150.2 billion, down ¥21.2 billion YoY)**
- **Operating income (loss): ¥2.6 billion, up ¥2.8 billion YoY (Investment securities for business incubation: ¥3.2 billion, up ¥3.2 billion YoY; equipment sales and services: ¥0.6 billion, ¥0.4 billion worse YoY)**

Main Factors

- **Sales of investment securities for business incubation by ITX Corporation Shares in U's Communications (UCOM) and other investees sold (ITX holding in UCOM: 27.9% ⇒ 10.0%)**
- **Deconsolidation of NISSHO ELECTRONICS (and FUSION COMMUNICATIONS) following sale of shares in this company (NISSHO ELECTRONICS (including FUSION COMMUNICATIONS) posted revenues of ¥39.9 billion and an operating loss of ¥0.5 billion in interim FY04)**
- **Higher sales of PC peripheral equipment (Up ¥13.5 billion YoY)**
- **Lower revenues and profits at IT Telecom (Revenues and operating income were down ¥4.1 billion and ¥0.1 billion, respectively, compared to the April ~ September period in 2003)**

FY05 Interim Period Key Points (2)

■ Other expenses: ¥5.9 billion (¥7.4 billion higher YoY)

【Main Factors】

● **Loss on swap transactions: ¥1.0 billion**

(¥2.9 billion higher YoY)

● **Equity in losses at UCOM and other companies: ¥4.2 billion**

(¥4.1 billion worse YoY)

■ Extraordinary gains: ¥1.5 billion (up ¥4.8 billion YoY)

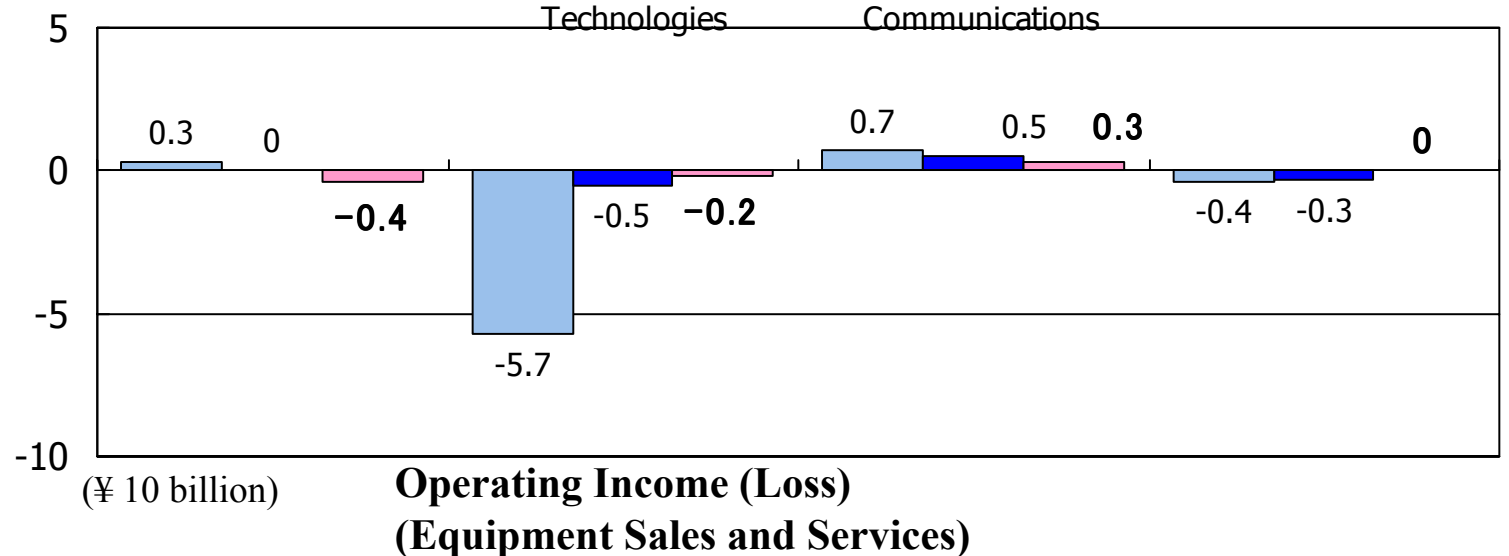
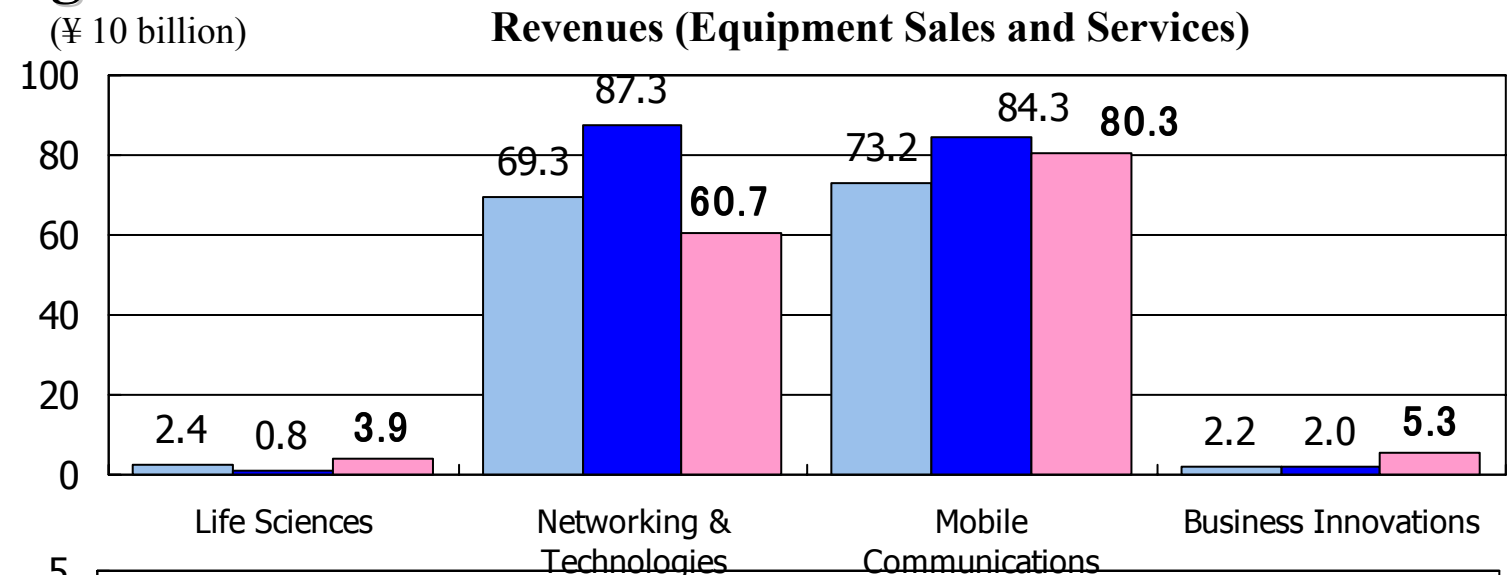
【Main Factors】

● **Gains on sale of shares in affiliates (NISSHO ELECTRONICS and NGC):**

¥1.6 billion

(In interim FY04 ITX booked ¥2.6 billion for provision of allowance for doubtful accounts)

Equipment Sales and Services: Interim Revenues and Operating Income by Segment



*Revenues and operating income from sales of investment securities for business incubation not included.

*Nonconsolidated SG&A expenses are split evenly between investment securities for business incubation and equipment sales and services.

■ Interim FY03
■ Interim FY04
■ Interim FY05

*FY03 interim results for IT Telecom in Mobile Communications are for the period January ~ June 2002.

*For more details, please refer to pages 5~8 of the Supplementary Materials.

**2. FY05 Full-Year Forecasts
(Consolidated)**

FY05 Full-Year Forecasts

(¥ 10 billion)

	FY04 Full-Year Results	FY05 Full-Year Forecasts	YoY Change
1) P/L			
Revenues	412.0	325.0	-87.0
Sales of investment securities for business incubation	(14.7)	(14.0)	(-0.7)
Equipment sales and services	(397.3)	(311.0)	(-86.3)
Operating income*	7.9	7.7	-0.2
Sales of investment securities for business incubation	(7.8)	(7.0)	(-0.8)
Equipment sales and services	(0.1)	(0.7)	(0.6)
Ordinary income	9.4	0.7	-8.7
Net income	0.6	1.0	0.4
2) B/S			
Interest-bearing debt	85.7	70.1	-15.6
Shareholders' equity	28.2	24.5	-3.7
Total assets	155.5	143.6	-11.9

*Nonconsolidated SG&A expenses are split evenly between investment securities for business incubation and equipment sales and services.

*For more details, please refer to pages 9~23 of the Supplementary Materials.

Achieving Full-Year Forecasts: Key Points

Key points:

■ Sales of investment securities for business incubation

【FY05 second half】

Sales amount : ¥5.7 billion

Operating income : ¥3.8 billion

■ IT Telecom

【FY05 second half】

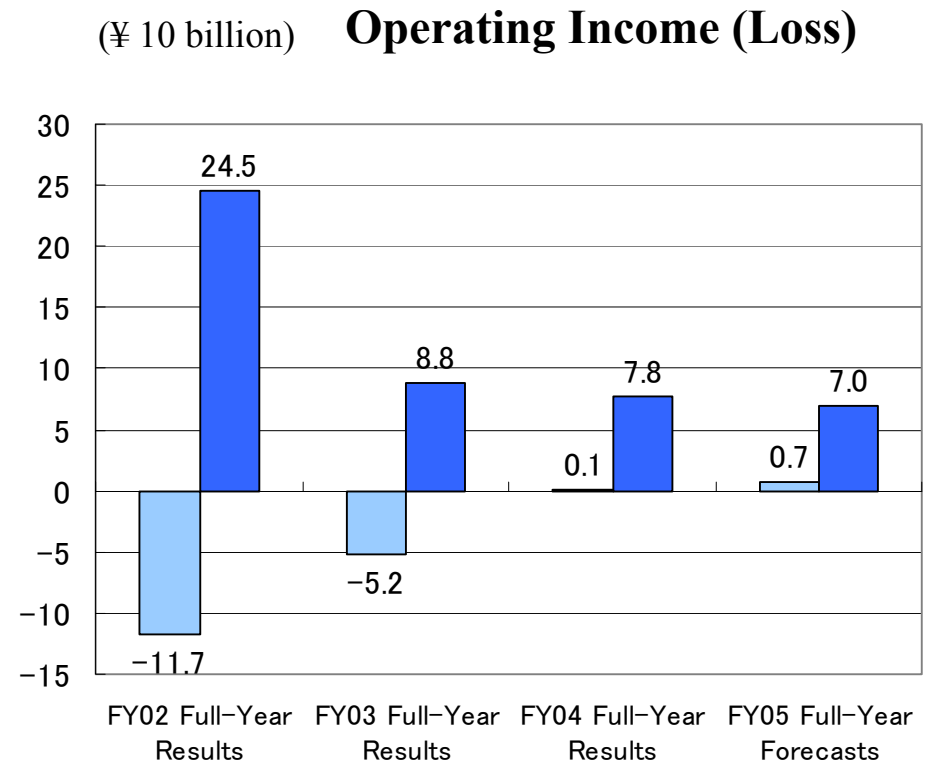
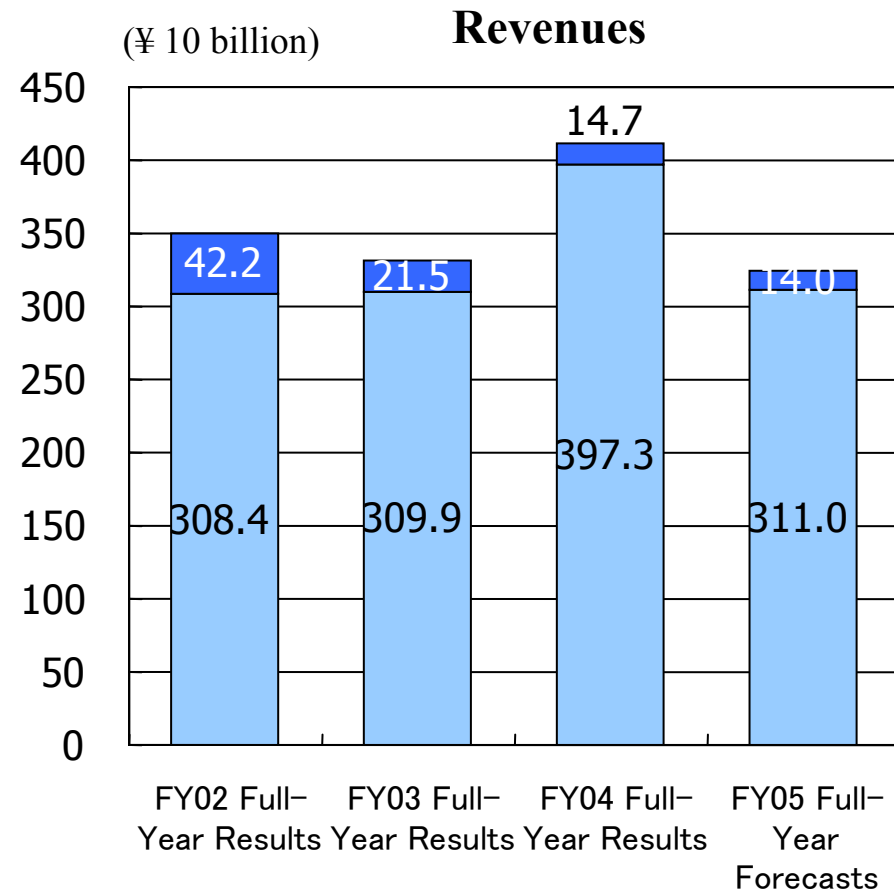
Revenues : ¥93.6 billion

Operating income : ¥1.1 billion


Net income : ¥0.6 billion

*For more details, please refer to pages 9~23 of the Supplementary Materials

Revenues and Operating Income: Full-Year Results and Forecasts



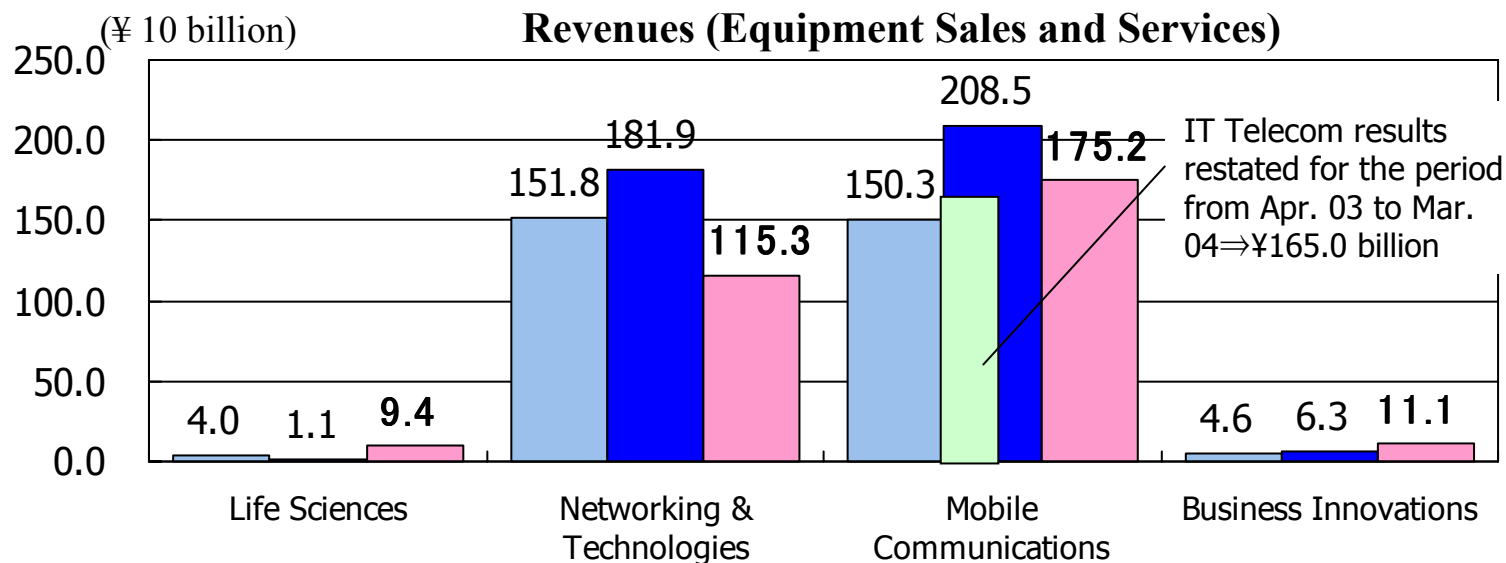
 : Sales of investment securities for business incubation

 : Equipment sales and services

*Nonconsolidated SG&A expenses are split evenly between investment securities for business incubation and equipment sales and services.

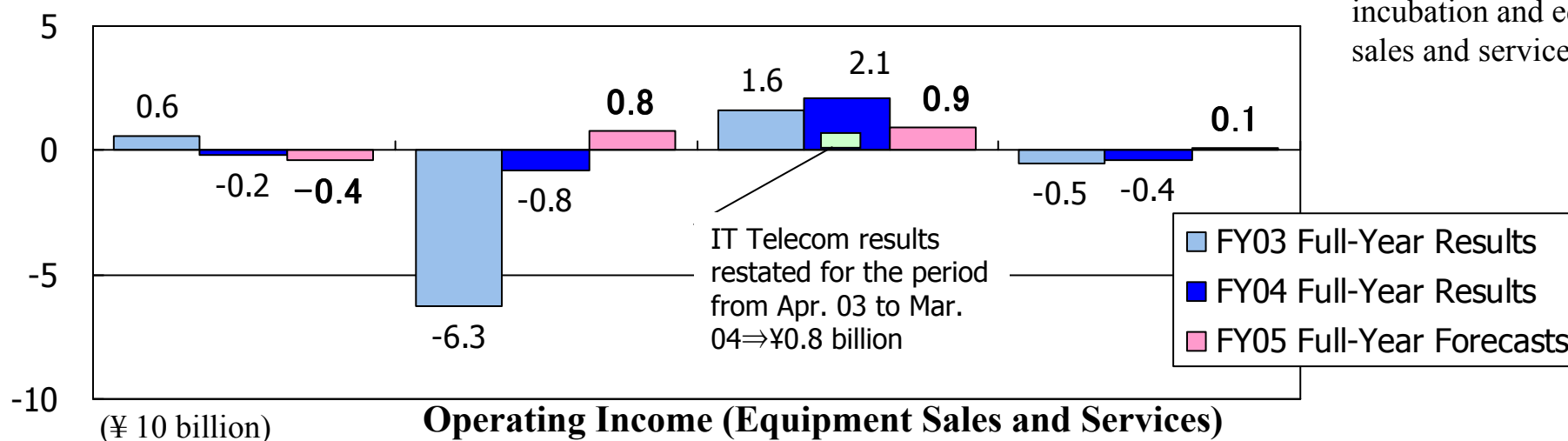
*For more details, please refer to pages 9~23 of the Supplementary Materials.

Equipment Sales and Services: Full-Year Revenues and Operating Income by Segment (Full-year results for FY03, FY04, and full-year forecasts for FY05)



*Revenues and operating income from sales of investment securities for business incubation not included.

*Nonconsolidated SG&A expenses are split evenly between investment securities for business incubation and equipment sales and services.



*Data for Mobile Communications for FY04 includes 15 months of results at IT Telecom (Jan. 03 ~ Mar. 04) due to a change of fiscal year-end at this company.



3. Corporate Strategic Plan: Status

(Medium-Term Management Plan)

Management Goals and Basic Policy

ITX has added the following management goals and basic policy to its Corporate Strategic Plan

- **Aim to reduce nonconsolidated interest-bearing debt (excluding convertible bonds) to ¥30.0 billion by the end of FY07**

Make new investments of ¥35.0~¥50.0 billion in the 3-year period up to the end of FY07

- **Aim to list on the TSE as soon as possible to bolster ITX's operating base**

This will: boost recognition of company and ITX brand, enhance trust, help secure skilled personnel and lead to more business opportunities.

- **Aim to launch IPOs for the following subsidiaries by the end of FY07**

- **IT Telecom**

- **TechMatrix**

- **Atlux**

- **Net Protections**

- **Quattro Media**

- **Promotions**

Group Management (Performance so far in FY05)

■ Business integration and realignment

- ITX back-office functions transferred to Nippon Outsourcing Corporation
- Shares in NISSHO ELECTRONICS and NGC sold ⇒ management resources channeled into core business fields

■ Examples of successful investees

- Investee IPOs
 - Stock listings of Mamezou, GDH and FoxHollow (US) confirmed (FoxHollow lists in Oct., Mamezou and GDH list in Nov.)

■ Overseas strategy

- Investment in projects in China (ITX makes first investment in a Chinese company)
 - ITX invests in Chinese firm developing non-invasive medical devices

■ Financial developments

- Commitment line contract concluded
 - ITX arranges a commitment line of ¥22.0 billion to enable it to respond more flexibly to funding needs such as new investments

Core Business Fields (1) (Performance so far in FY05)

【Life Sciences】

■ Acquired Olympus AVS (now AVS)



- AVS to become the core company in ITX's medical business
- ITX transferred its low/non-invasive medical device sales business to this company in Oct. 04

■ Tmedix established



- Provides consultant services to medical institutions to optimize the medical care environment, processes and costs
- Develops and provides services such as value per procedure (VPP) programs to support the introduction of endoscope equipment
- Target for VPP contracts by the end of FY07: ¥20.0 billion

【Business Innovations】

■ Acquired OLYMPUS SOGO SERVICES (OSS)

- OSS merged with comprehensive outsourcing service firm Nippon Outsourcing Corporation in Nov. 04
- Service menu for the Olympus Group expanded

Core Business Fields (2) (Performance so far in FY05)

【Mobile Communications】

■ Quattro Media established (Oct. 04)



- Established by integrating the mobile service-related businesses of IT Telecom, ITX E-Globaledge and Gismo Plus
- Company to develop presence in the mobile content, commerce and solutions fields

【Quattro Media's Strengths】

- ◆ Has planned and operated more than 30 mobile content sites
- ◆ Software engineering capabilities that enable software integration
- ◆ Mobile commerce business based on partnering with retailers selling unique products

(New site for three mobile phone carriers launched in Nov. 04, in partnership with Takara and Takara Mobile Entertainment)

- ◆ Provision of services combining mobile content, commerce and solutions
- ◆ Poised to accelerate business growth through dynamic M&A activity



New Investments in Interim FY05 (Investments by ITX and US investment subsidiaries)

●Investments in the first half of FY05: ¥5.3 billion (New investments: ¥1.8 billion; Follow-up investments: ¥3.5 billion)

	Interim FY05 investments	Strategic investment field	Project
Life Sciences	New ¥0.8 billion	<ul style="list-style-type: none"> ▪ Medical business ▪ Biotechnology 	Acquisition of Olympus AVS (now AVS) Tmedix and other companies established Investments in GeneExcel and Acologix
Networking & Technologies	New ¥0 billion	<ul style="list-style-type: none"> ▪ Network solutions ▪ Broadband ▪ Internet services ▪ Next-generation semiconductors and electronic devices 	
Mobile Communications	New ¥0.1 billion	<ul style="list-style-type: none"> ▪ Mobile business 	Investment in Takara Mobile Entertainment
Business Innovations	New ¥0.9 billion	<ul style="list-style-type: none"> ▪ Business innovations ▪ CVC 	Acquisition of OLYMPUS SOGO SERVICE (Merged with Nippon Outsourcing Corporation in Nov. 04) Investments in AMNIOTEC, aRigen, FOI, Terminus Technology, Molecular Medicine Design Laboratory and others
Total	¥1.8 billion		

*For more details, please refer to pages 29~34 of the Supplementary Materials

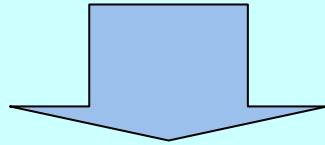
**4. Strengthening the ITX-Olympus
Strategic Alliance**

Bolstering Capital Ties

The ITX-Olympus capital tie-up

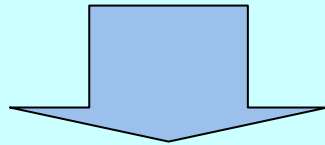
- The ITX-Olympus capital tie-up

Olympus invests in ITX on its establishment in March 2000



- Acquires additional shares in January 2003

Purchases ¥10.0 billion in convertible bonds issued by ITX

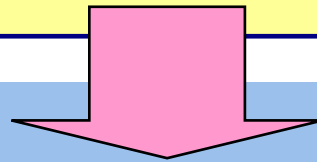


- Becomes ITX's parent company in September 2004 after acquiring further shares in the company*

*Olympus Group holding: 59.1%; Incl. potential shares: 66.1% (as of Sep. 30, 2004)

ITX's Position in the Olympus Group

ITX will maintain its unique identity and role as an IT business creation company and become a new business creation engine in the Olympus Group



■ Basic Strategies

- Establish multiple businesses capable of generating consistently high earnings independently and through cooperation with Olympus
- Independently enhance presence as a Market Accelerator
- Carry out new business creation for the Olympus Group through the commercialization of Olympus technologies, new business model planning and development and other methods
- Create joint business ventures with other strategic shareholders

New Business Startups With Olympus

Join hands with Olympus to create new businesses and speed up the pace of business incubation to create new companies capable of generating consistently high earnings

■ Olympus Medical Systems:

- **New medical business model centered on Tmedix (Aiming to secure VPP contracts worth ¥20.0 billion by the end of FY07)**
- **Other endoscope-related businesses**

■ Olympus Imaging Systems:

- **Imaging network solutions**
- **Joint planning for consumer businesses**

■ Link up with Olympus' Life Science Company, Industrial Company, and R&D Center

- **Biotechnology and regenerative medicine**
- **Development of next-generation semiconductors at AOI Technology**
- **Development of new image sensors at AltaSens**

Statements made in this document with respect to ITX's current plans, estimates, strategies and beliefs and other statements that are not historical facts are forward-looking statements about the future performance of ITX. These statements are based on management's assumptions and beliefs in light of the information currently available. Readers are cautioned that a number of important factors could cause actual results to differ materially from those discussed in this document, including, but not limited to, changes in the operating environment, ITX's competitive position, and market conditions.

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