



Operating Results for FY05 & Forecasts for FY06

May 19, 2005

ITX Corporation

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1. Overview of FY05 Operating Results

FY05 Results: Summary

(¥ billion)

	FY04 Results	FY05 Results	YoY Change
1) P/L (Consolidated)			
Revenues	412.0	349.7	62.3
Sales of investment securities for business incubation	(14.7)	(14.1)	(0.6)
Equipment sales and services	(397.3)	(335.6)	(61.7)
Gross profit	55.7	39.2	16.5
Sales of investment securities for business incubation	(9.5)	(8.6)	(0.9)
Equipment sales and services	(46.2)	(30.6)	(15.6)
Operating income	7.9	7.2	0.7
Sales of investment securities for business incubation	(7.8)	(7.1)	(0.7)
Equipment sales and services	(0.1)	(0.1)	(0.0)
Ordinary income	9.4	0.8	8.6
Net income	0.6	0.6	0.0
2) B/S			
Interest-bearing debt	85.7	84.6	1.1
(Consolidated)			
(Nonconsolidated)	70.1	62.7	7.4
Shareholders' equity	28.2	25.9	2.3
(Consolidated)			
(Nonconsolidated)			
3) Performance Indicators			
Debt-equity ratio*	2.1	2.3	0.2
(Consolidated)			
(Nonconsolidated)	1.8	1.7	0.1
ROA	0.4%	0.4%	0%

(Ref) *Debt-equity Ratio = net interest-bearing debt (interest-bearing debt - cash and cash equivalents) ÷ shareholders' equity
Data for FY04 include 15 months of results at IT Telecom (Jan. 2003 - Mar. 2004)

FY05 Results: Key Points (1)

Revenues: ¥ 349.7 billion, down ¥ 62.3 billion YoY

(Investment securities for business incubation: ¥ 14.1 billion, down ¥ 0.6 billion YoY;
Equipment sales and services: ¥ 335.6 billion, down ¥ 61.7 billion YoY)

Operating Income: ¥ 7.2 billion, down ¥ 0.7 billion YoY

(Investment securities for business incubation: ¥ 7.1 billion, down ¥ 0.7 billion YoY;
Equipment sales and services: ¥ 0.1 billion, level YoY)

Ordinary Income: ¥ 0.8 billion

(Down ¥ 8.6 billion YoY due to other expenses of ¥ 7.2 billion: mainly equity in losses of U's Communications (UCOM) and other affiliates of ¥ 4.3 billion and loss on swap transactions of ¥ 1.0 billion)

FY05 Results: Key Points (2)

[Factors affecting revenues and operating income]

Sales of investment securities for business incubation by ITX

• Corporation Shares in UCOM, Infocom and others sold

(ITX equity holding in UCOM: 27.9% 10.0%; in Infocom: 12.7% 0.0%)

Deconsolidation of NISSHO ELECTRONICS and FUSION COMMUNICATIONS following sale of shares in these companies

(NISSHO ELECTRONICS (including FUSION COMMUNICATIONS) posted revenues of ¥ 82.6 billion and an operating loss of ¥ 1.3 billion in previous fiscal year)

Lower revenues and profits at IT Telecom*

(Revenues down ¥ 30.6 billion, operating income down ¥ 1.7 billion YoY)

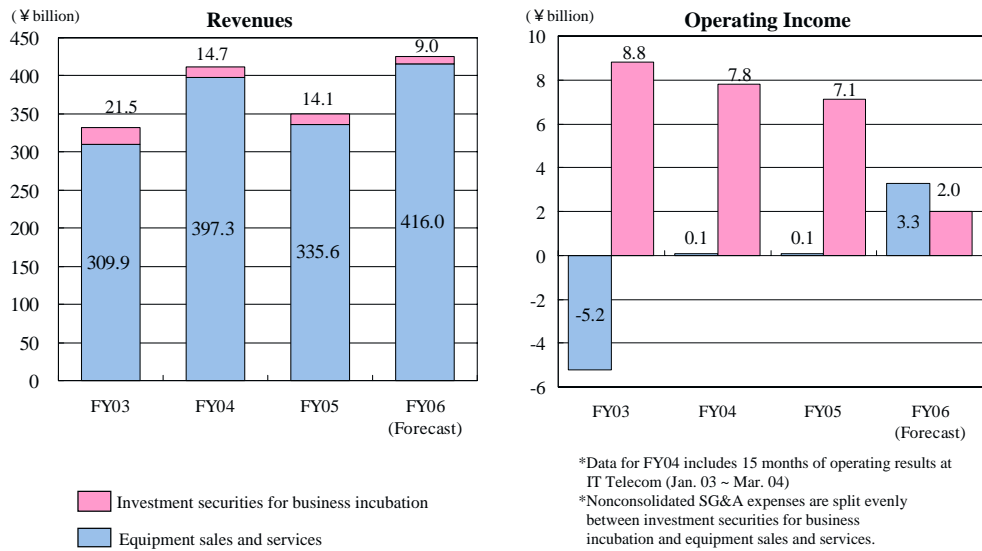
*The previous fiscal year includes 15 months of operating results due to a change in the fiscal year-end. Readjusted on a 12-month basis, revenues increased ¥ 12.9 billion and operating income fell ¥ 0.4 billion)

Higher sales of PC peripheral equipment and 5 new consolidations*

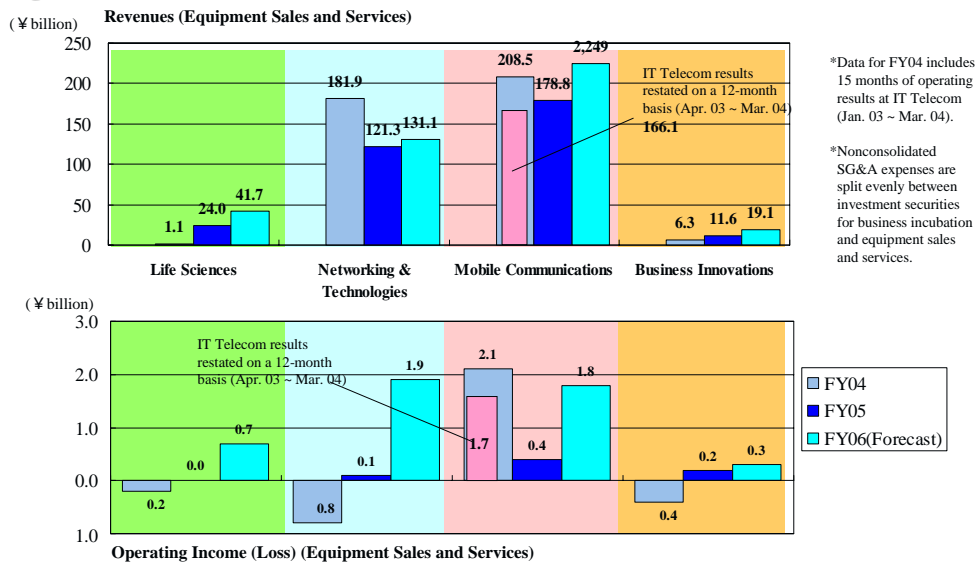
(Revenues up ¥ 28.6 billion, operating income up ¥ 1.3 billion YoY)

*AVS, KS Olympus, Olympus Sogo Service (merged with Nippon Outsourcing (NOC)), Cable Networks Akita and Kita Cable Network

Consolidated Revenues and Operating Income (Results & Forecasts)



Equipment Sales and Services: Revenues and Operating Income by Segment (Results & Forecasts)



New Investments in FY05

	Value of New Investments in FY05 (No. of companies)	Core Business Fields	Project
Life Sciences	¥ 3.7 billion (8)	<ul style="list-style-type: none"> ·Medical ·Biotechnology 	AVS acquired KS Olympus acquired Tmedix established Investment in Fox Hollow Technologies, Inc.
Networking & Technologies	¥ 0.6 billion (1)	<ul style="list-style-type: none"> ·Network Solutions ·Broadband ·Internet Services ·Next-generation Semiconductors and Electronic Devices 	Investment in CMI
Mobile Communications	¥ 0.4 billion (2)	<ul style="list-style-type: none"> ·Mobile Terminals, Solutions and Content 	Quattro Media established Investment in Takara Mobile Entertainment
Business Innovations	¥ 1.2 billion (13)	<ul style="list-style-type: none"> ·CVC ·Business Restructuring 	Olympus Sogo Service acquired (merged with NOC) TechnoBrain Company acquired Investment in JCD and others
Total	¥ 5.9 billion (24)		

Additional investments such as increase in capital at existing investees totaled ¥ 10.9 billion in 33 companies.

Investments at FY05 Year-end

(¥ billion)

ITX Investee Classification	Investment by ITX Corporation		Investment by ITX Business Innovations		Investment by US investment subsidiaries	
	Balance	No. of companies	Balance	No. of companies	Balance	No. of companies
Core subsidiaries (Consolidated subsidiaries)	58.0	14	0.0	0	0.0	0
Business incubation securities in affiliates (consolidated subsidiaries & equity-method affiliates)	10.7	22	0.4	3	0.6	2
Business incubation securities (nonconsolidated Subsidiaries)	5.7	27	0.0	0	2.3	8
Minor investments (nonconsolidated subsidiaries)	5.2	38	0.0	0	0.2	3
Total	79.7	101	0.4	3	3.0	13

2. FY06 Forecasts

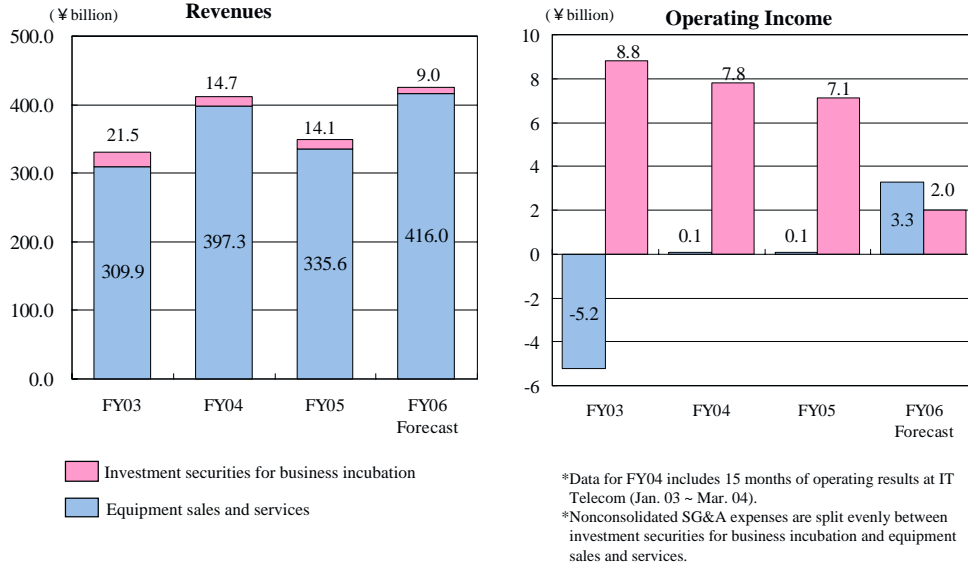
FY06 Forecasts: Summary

(¥ billion)

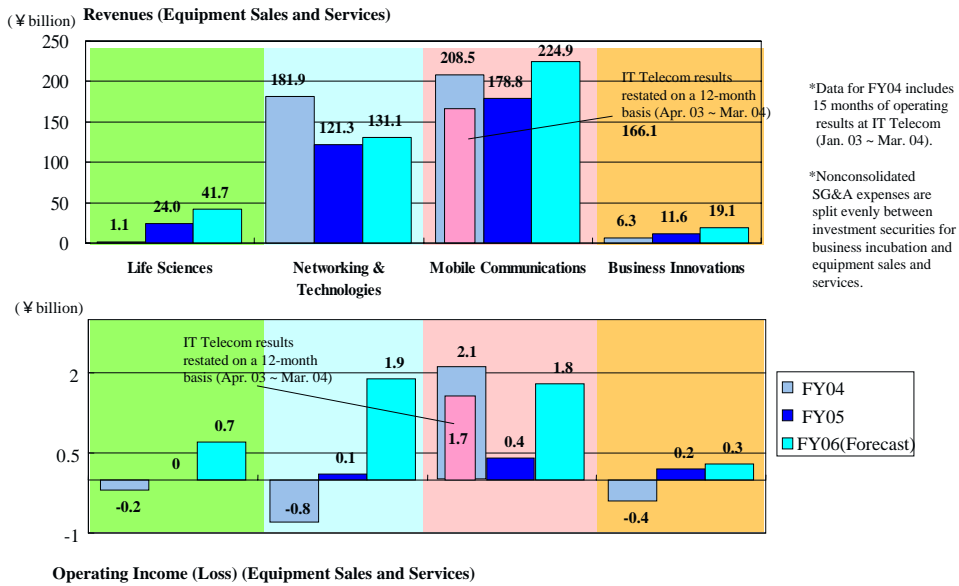
	FY04 Results	FY05 Results	YoY Change
1) P/L (Consolidated)			
Revenues	349.7	425.0	+75.3
Sales of investment securities for business incubation	(14.1)	(9.0)	(5.1)
Equipment sales and services	(335.6)	(416.0)	(+80.4)
Gross profit	39.2	48.8	+9.6
Sales of investment securities for business incubation	(8.6)	(3.7)	(4.9)
Equipment sales and services	(30.6)	(45.1)	(+14.5)
Operating income	7.2	5.3	1.9
Sales of investment securities for business incubation	(7.1)	(2.0)	(5.1)
Equipment sales and services	(0.1)	(3.3)	(+3.2)
Ordinary income	0.8	4.6	+3.8
Net income	0.6	5.0	+4.4
2) B/S			
Interest-bearing debt	84.6	82.2	2.4
(Consolidated)			
(Nonconsolidated)	62.7	59.1	3.6
Shareholders' equity	25.9	30.0	+4.1
(Consolidated)			
(Nonconsolidated)			
3) Performance Indicators			
Debt-equity ratio*	2.3	2.1	0.2
(Consolidated)			
(Nonconsolidated)	1.7	1.5	0.2
ROA	0.4%	2.9%	2.5%

(Ref) *Debt-equity Ratio = net interest-bearing debt (interest-bearing debt - cash and cash equivalents) divided by shareholders' equity

Consolidated Revenues and Operating Income (Results & Forecasts)



Equipment Sales and Services: Revenues and Operating Income by Segment (Results & Forecasts)



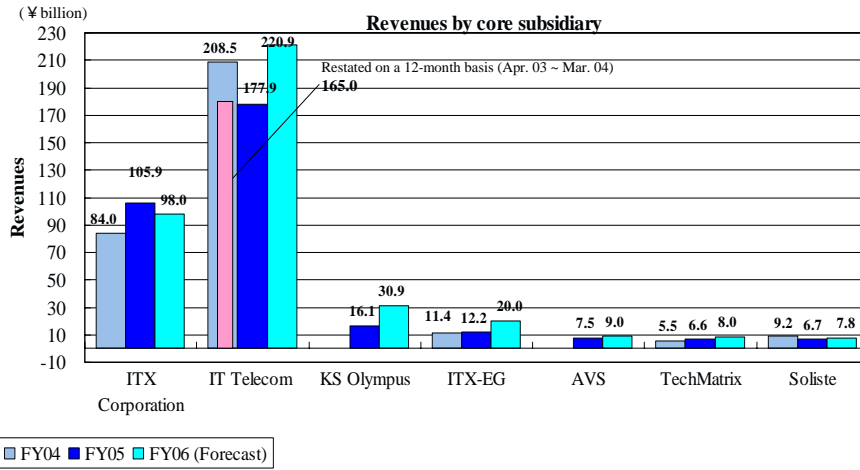
Key Factors in Achieving FY06 Targets (1)

- ◆ Sell investment securities for business incubation
- ◆ Boost profitability at key Group companies and put new investees on firm footing
- ◆ Achieve/boost profitability at startups set up after ITX was established
- ◆ Rapidly commercialize new products under development at technology companies
- ◆ Increase enterprise value by: building value chain through organic integration of companies acquired from Olympus and developing new businesses
- ◆ Implement full-scale reforms and realignment at Group companies where there has been no visible improvement/increase in profitability
- ◆ Rapidly implement measures at Group companies where enterprise value needs to be increased though performance is stable

Key Factors in Achieving FY06 Targets (2)

Boost profitability at key Group companies and put new investees on firm footing		TechMatrix ITX-EG	ITT	
Achieve/boost profitability at startups set up after ITX was established	GeneFrontier DIGITAL ARX Tmedix LA PLANTA	Collabos Net Protections Promotions MarkAny Japan MORANET DIDS	Quattro Media	IPX Minerva
Rapidly commercialize new products under development at technology companies		AltaSens		Duaxes
Increase enterprise value by: building value chain through organic integration of companies acquired from Olympus and developing new businesses	AVS KS Olympus DIGITAL ARX Tmedix			NOC (Former NOC and OSS)
Implement full-scale reforms and realignment at Group companies where there has been no visible improvement/increase in profitability	AVS	Soliste		
Rapidly implement measures at Group companies where enterprise value needs to be increased though performance is stable		Cable Networks Akita Kita Cable Network		Atlux

Revenues at Core Subsidiaries (Results & Forecasts)

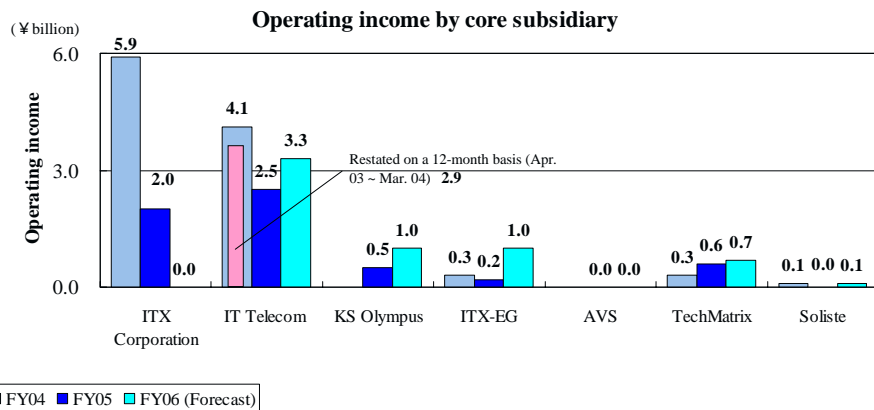


*FY04 data for IT Telecom includes 15 months of operating results (Jan. 2003 ~ Mar. 2004) due to a change in fiscal year-end.

*Due to space constraints, ITX E-Globaledge has been abbreviated to ITX-EG in the above graph.

*Data for KS Olympus has been included from the second half of FY05 (the 6-month period from Oct. 2004 to Mar. 2005)

Operating Income at Core Subsidiaries (Results & Forecasts)



*FY04 data for IT Telecom includes 15 months of operating results (Jan. 2003 ~ Mar. 2004) due to a change in fiscal year-end.

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3. Status of Corporate Strategic Plan

(Medium-term Management Plan)

Targets and Basic Policy (1)

Rapidly list subsidiaries

TechMatrix listed on the JASDAQ market in February 2005

IPO market buoyant.Strategic Plan has been implemented with a focus on reinforcing the consolidated earnings base using Group companies; rapid listing of Group companies also now an option.

ITX aims to conduct IPOs for the following 5 companies and ITX E-Globalede in FY07

- IT Telecom
- Quattro Media
- Atlux
- Promotions
- Net Protections

ITX aims to achieve the plan's target of net income of ¥10 billion including capital gains

	FY06 Forecasts	FY07 Plan
Revenues	425.0	500.0
Operating Income	5.3	20.0
Net Income	5.0	10.0

Targets and Basic Policy (2)

Create Specific Markets Where ITX Can Lead

1. Intellectual Property Business (IPX)

Provision of a range of consulting services related to intellectual property, including patent and technology evaluation and support in patent infringement lawsuits, as well as royalty monitoring services, technology transfer services and patent management and research tools

2. Next-generation Imaging Devices (AltaSens)

Design, development and sale of CMOS (Complementary Metal Oxide Semiconductor) image sensors for hi-vision broadcast cameras, consumer video cameras and high-performance digital cameras; currently developing a new product with the same performance as CCD devices but with low power consumption

Cultivate a Team of Skilled Professionals

ITX aims to secure skilled personnel through employing the following performance-based evaluation systems

- Abolish seniority-based systems and create new compensation system based on performance achieved by employee's business development skills
- Introduce new one-year renewable employment contracts for management personnel
- Plan to introduce stock options

Targets and Basic Policy (3)

Aim to reduce nonconsolidated interest-bearing debt to ¥30 billion in FY07(excluding corporate bonds)

- Planned investments of ¥35~50 billion in the three-year period ending March 2007

(¥ billion)

	At March 31, 2004	At March 31, 2005	At March 31, 2006 (Forecast)
Interest-bearing debt	60.0	52.7	49.1
Net interest-bearing debt	44.3	46.4	42.8
New investments	14.3	10.9	15.0

*Net interest-bearing debt = interest-bearing debt – cash and cash equivalents

Aim to list on the TSE in the near term in order to reinforce management base

Core Business Fields (Track Record) (1)

[Life Sciences]

Acquired Olympus AVS (Now AVS) and KS Olympus

- To develop both companies as the core in ITX's medical business
- Transfer ITX Corporation's low- and non-invasive medical device sales business to AVS

Established Tmedix

- Provide consulting services to medical institutions to optimize the medical care environment, processes and costs
- Develop and provide services such as value per procedure (VPP) programs to support the introduction of endoscope equipment
- FY07 target for VPP contracts: ¥20.0 billion

[Networking & Technologies]

Current situation of AltaSens' development of CMOS image sensor for video cameras

- Started shipments of sensors to security camera manufacturers get underway
- Aim shipments of sensors for TV conferencing system and broadcast cameras during FY06

Core Business Fields (Track Record) (2)

[Mobile Communications]

Established Quattro Media (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

[Key new services developed after establishment:]

- ◆ Mobile phone shopping website Garage Mobile (With Takara and Takara Mobile Entertainment)
- ◆ Provide update software for mobile phones
- ◆ Billboard Mobile ringtone melodies (With Hanshin Contents Link)

[Business Innovations]

IPOs using corporate venture capital (CVC)

- IPOs conducted for investees Mamezou and capital gains secured GDH

Launched new businesses in the Business Innovations field

- Golf course restructuring business with Minerva Collection Agency
- Aptitude assessment business and EAP (Employee Assistance Program) business with Atlux Humanage

4. New Management Team and Organization

Biography of New President & CEO

Name and Background of New President & CEO

- **New Position:** Representative Director, President and CEO
- **Former Position:** Currently Representative Director and President, IT Telecom, Inc.
- **Name:** Tetsuhiko Takei
- **Date of Birth:** September 24, 1945
- **Background:** April 1970: Joined Olympus Optical Co., Ltd. (Now Olympus Corporation)

April 1999: Appointed General Manager, Planning Department of Imaging Business Division

April 2002: Appointed President and Representative Director of Olympus Opto-Technology Co., Lt

June 2003: Appointed Responsible Head of the Olympus Tatsuno Facility

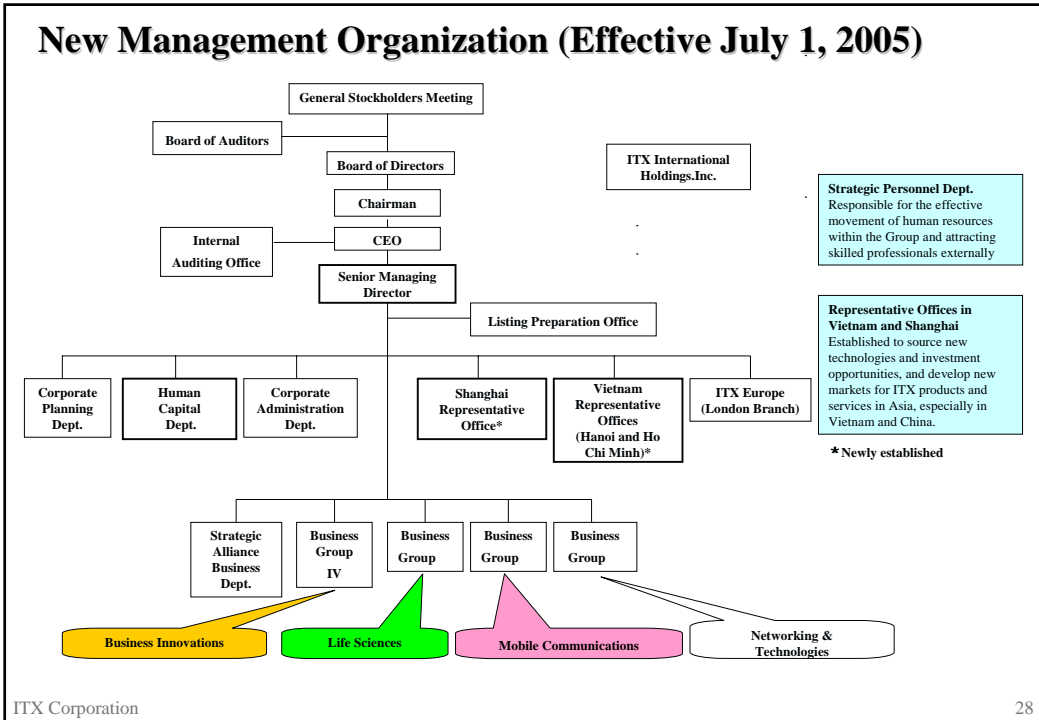
October 2003: Joined IT Telecom

December 2003: Appointed Director of IT Telecom

January 2004: Appointed President and Representative Director of IT Telecom

Scheduled effective date of appointment: June 23, 2005

New Management Team (Scheduled to take effect June 23, 2005)				
	Name	Remarks		Responsibility/Current Position
Director & Chairman	Tsuyoshi Kikukawa	New Appointment	Part time	Representative Director & President, Olympus Corporation (Continuing post)
Representative Director, President & CEO	Tetsuhiko Takei	New Appointment		
Senior Managing Director	Seiji Shioya			
Director & CTO	Tatsuo Nagasaki			General Manager, Strategic Alliance Business Dept. (Concurrent post) (Director responsible for this dept. from July 1, 2005)
Director & CFO	Shoichi Hanzawa	New Appointment		General Manager, Corporate Administration Dept.(Concurrent post)
Director	Makoto Nakatsuka	New Appointment	Part time	In charge of Corporate Planning Dept. and Listing Preparation Office; Division Manager of Administration Div., Olympus Corporation (Retained post)
Director	Yoshiteru Okawa	New Appointment	Part time	Representative Director & President, IT Telecom (New appointment)
Auditor	Shinichi Hayashi			
Auditor	Akitaka Inoue		Part time	
Auditor	Junichi Hayashi	New Appointment	Part time	(CEO, Ultima Partners, Inc. (Continuing post)
Auditor	Shigemi Sugimoto	New Appointment	Part time	Assistant General Manager, Finance Dept., Olympus Corporation (Continuing post)
Special Advisor	Akinobu Yokoo	New Appointment	Part time	Executive Officer, Olympus Corporation, responsible for China Business (Scheduled to take position on June 29, 2005)
Executive Director	Ryuichi Kumagai			Leader, Business Group III
Executive Director	Akira Hagiwara			Leader, Business Group IV
Executive Director	Hirokuni Hibi	New Appointment		General Manager, Corporate Planning Dept. & Listing Preparation Office (To be seconded to Olympus Corporate Planning Div. on July 1, 2005 as special advisor)



5. IT Telecom Business Strategy

Corporate Overview of IT Telecom

Company Name:	IT Telecom, Inc.
Head Office:	24F, NTV Tower, 6-1 Higashi Shinbashi 1-chome, Minato-ku, Tokyo 105-7424
Established:	NI Telecom Corporation established in January 1988 Nichimen Telecom Inc. established in November 1988 Both companies merged to form IT Telecom in October 2000
Capital:	¥ 545 million
Representative:	Tetsuhiko Takei, Representative Director and President
Full-time Directors:	Yoshiteru Okawa, Managing Director Takanori Michida, Director Masaya Ogihara, Director Kunio Ohashi, Director
Employees:	2,352 (As of March 31, 2005)
Shareholder:	ITX Corporation (100%)
Telephone:	+81-3-3574-3555 Fax:+81-3-3574-3550
Business Locations in Japan:	Tokyo Head Office; Tokyo Metropolitan Area, Kansai, Tokai and Tohoku branch offices; Hokkaido, Hokuriku, Chugoku, Shikoku and Kyushu branch stores
URL:	www.it-telecom.co.jp

IT Telecom Business Operations

➤ With its focus centered on the mobile and broadband fields, IT Telecom aims to become a **comprehensive communications systems provider** that meets the needs of all customers by creating value that is useful in people's lives and the business environment

Mobile Communications Retailing Business

This is the company's largest business. As the mobile communications market approaches maturity in Japan, IT Telecom will seek to take advantage of the shift to Mobile Number Portability (MNP), scheduled for the fall of 2006, by reinforcing this profitable business as the source of investment for new businesses. In response to the maturing market, IT Telecom will also actively use its portal site Pivot to leverage its customer base.

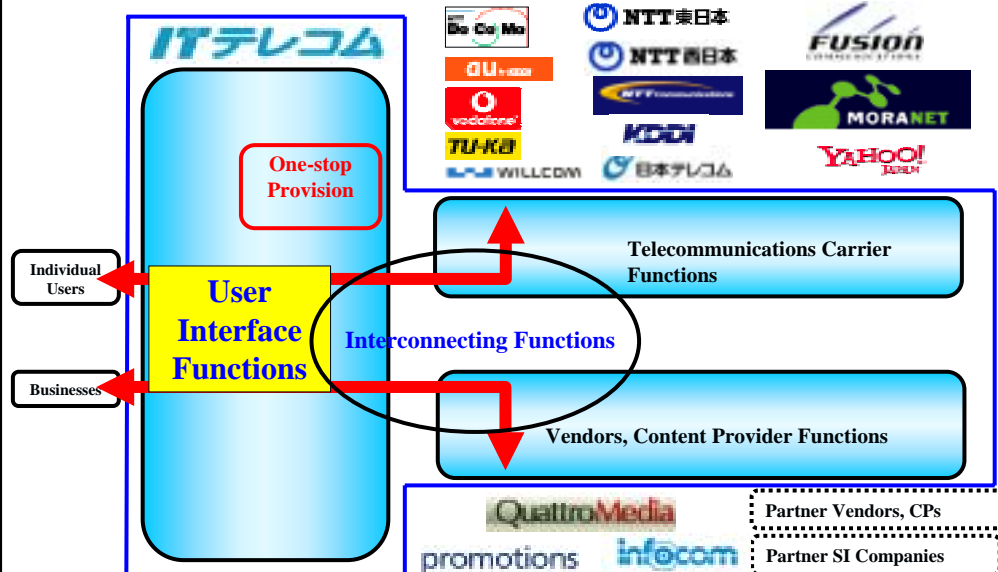
Corporate Solutions Marketing Business

Primarily targeting businesses through the provision and sale of hybrid product and service solutions, including mobile and fixed-line applications, this business is working to secure high-quality corporate customers by rapidly responding to the fast pace of technological innovation in the communications environment.

New Business Startups and Development

As an indispensable element of future business expansion, IT Telecom is setting up and developing new high value-added businesses centered on the solutions field. In the current fiscal year, IT Telecom will launch its directly operated portal site Pivot, leveraging the site's users to help establish and build new businesses.

IT Telecom-The Comprehensive Communications Systems Provider

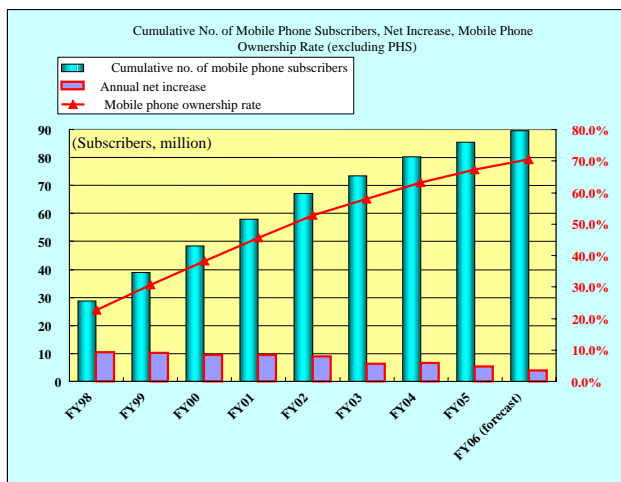


IT Telecom's Domestic Network



Mobile Communications Business-Market Trends

Although the mobile communications market is approaching maturity in Japan with more than 70% of penetration rate, uses for mobile phones are evolving and model changes are increasing



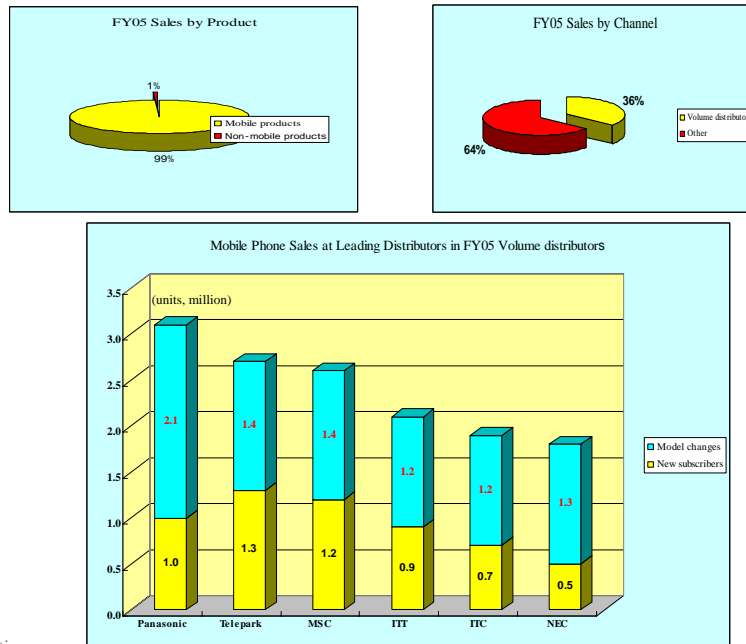
The Maturing Mobile Communications Market

Nationwide chains of leading mobile phone distributors are at an advantage in the market. Carriers and distributors alike are actively trying to hold on to existing customers.

Introduction of Mobile Number Portability

Scheduled for fall of 2006. Expected to lead to changes in mobile phone carrier market shares

Mobile Communications Business-Market Position



Mobile Communications Business-Strategy

Expansion of mobile phone sales business

Capture larger market share by boosting sales

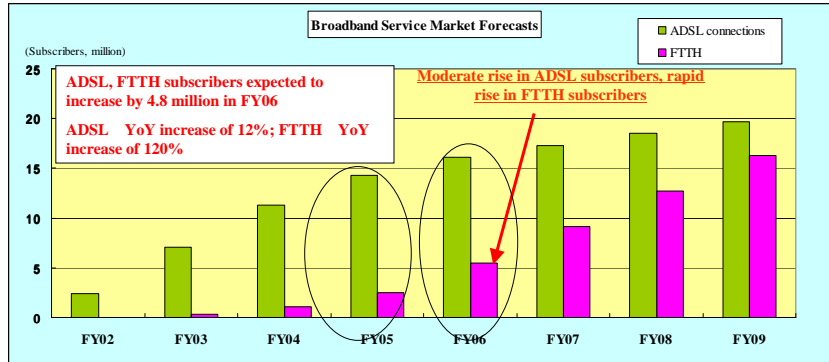
- Increase sales through M&As
- **Grow sales in volume distributor sales channel** with establishment of Volume Sales Marketing Div. in April 2005
- Bolster sales at carrier stores and actively secure trading rights

Enclose existing customer base

- Channel customers through Pivot portal site
- Leverage existing customer base by providing value-added services support creation of new businesses

Non-mobile Communications-Market Trends (1)

Broadband in fixed-line market is shifting from ADSL to FTTH



<Telecom Magazine forecasts, March 2004)

Cumulative no. of subscribers as of Dec. 04 = 16.80 million

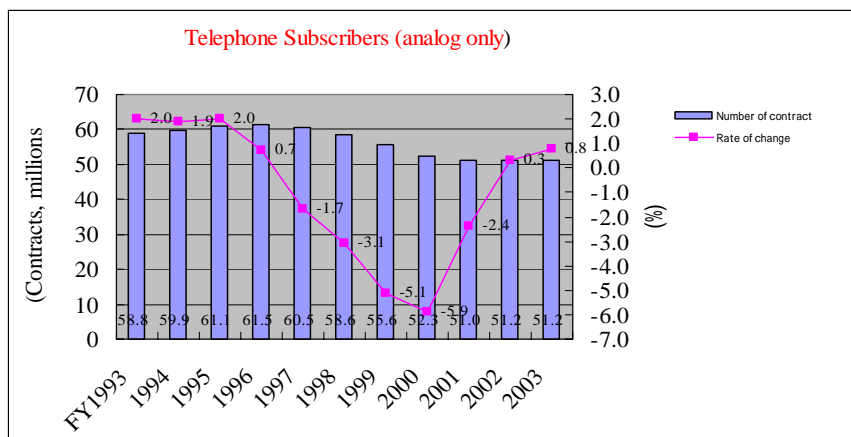
	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
ADSL	2.38	7.02	11.30	14.30	16.10	17.30	18.50	19.70
FTTH	0.03	0.31	1.10	2.50	5.50	9.10	12.70	16.30

(Subscribers, million)

Rising broadband and ISP sales

Non-mobile Communications-Market Trends (2)

More "dry copper" and shift to IP in fixed-line market



Competition for 50 million "dry copper" fixed lines

Non-mobile Communications-Strategy

Expand business outside mobile phone retailing domain

Grow sales channels for fixed-line products

- Offer one-stop mobile and fixed-line communications solutions with Fixed Mobile Convergence (FMC) products and other hybrid products

Grow sales of broadband and ISP products

- Develop and expand application scheme for combined broadband line and ISP products

FY06 Forecasts

(¥ billion)

	FY05 Results	FY06 Forecasts
Revenues	177.9	220.9
Operating income	2.5	3.3
Net income	1.1	1.7