

Results for FY06 / Forecasts for FY07 (Supplementary Materials)

ITX Corporation

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Forward-looking Statements

Statements made in this presentation with respect to ITX's current plans, estimates, strategies and beliefs 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 and contain inherent uncertainties, including, but not limited to, future business operations and the domestic and overseas operating environment. As such, these statements may differ materially from actual results.

Operating Results and FY07 Forecasts by Segment

FY05 / FY06 Operating Results

(¥billion)

	Life Sciences		Networking & Technologies		Mobile Communications		Business Innovations		Eliminations and Corporate		Total	
	FY05 Results	FY06 Results	FY05 Results	FY06 Results	FY05 Results	FY06 Results	FY05 Results	FY06 Results	FY05 Results	FY06 Results	FY05 Results	FY06 Results
Revenues	24.9	42.4	133.7	83.7	178.8	204.3	12.3	16.9	-	(0.5)	349.7	346.9
(Sales of investment securities for business incubation)	0.9	2.4	12.4	2.9	-	-	0.8	0.6	-	-	14.1	5.9
(Equipment sales and services)	24.0	40.0	121.3	80.8	178.8	204.3	11.6	16.3	-	(0.5)	335.6	341.0
Gross profit	4.3	8.0	13.7	8.7	18.6	20.2	2.5	4.2	-	(0.0)	39.2	41.1
(Sales of investment securities for business incubation)	0.8	1.9	7.5	2.1	(0.0)	-	0.3	0.2	-	-	8.6	4.2
(Equipment sales and services)	3.5	6.1	6.2	6.6	18.6	20.2	2.2	4.0	-	(0.0)	30.6	36.9
SG&A expenses	(3.7)	(5.6)	(6.7)	(6.7)	(18.2)	(20.3)	(2.2)	(4.3)	(1.2)	(1.2)	(32.0)	(38.2)
(Sales of investment securities for business incubation)	(0.2)	(0.2)	(0.6)	(0.4)	(0.0)	(0.0)	(0.1)	(0.1)	(0.6)	(0.6)	(1.5)	(1.3)
(Equipment sales and services)	(3.5)	(5.4)	(6.1)	(6.3)	(18.2)	(20.3)	(2.1)	(4.2)	(0.6)	(0.6)	(30.5)	(36.9)
Operating income	0.6	2.4	7.1	2.0	0.4	(0.1)	0.3	(0.1)	(1.2)	(1.2)	7.2	2.9
(Sales of investment securities for business incubation)	0.6	1.7	6.9	1.7	(0.0)	(0.0)	0.2	0.1	(0.6)	(0.6)	7.1	2.9
(Equipment sales and services)	0.0	0.7	0.1	0.3	0.4	(0.1)	0.1	(0.2)	(0.6)	(0.6)	0.1	0.0

Reference:

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

FY06 Operating Results / FY07 Forecasts

(¥billion)

	Life Sciences		Networking & Technologies		Mobile Communications		Business Innovations		Eliminations and Corporate		Total	
	FY06 Results	FY07 Forecasts	FY06 Results	FY07 Forecasts	FY06 Results	FY07 Forecasts	FY06 Results	FY07 Forecasts	FY06 Results	FY07 Forecasts	FY06 Results	FY07 Forecasts
Revenues	42.4		83.7		204.3		16.9		(0.5)	7.6	346.9	355.0
(Sales of investment securities for business incubation)	2.4		2.9		-		0.6		-	9.9	5.9	10.0
(Equipment sales and services)	40.0	46.0	80.8	55.1	204.3	227.2	16.3	19.1	(0.5)	(2.3)	341.0	345.0
Gross profit	8.0		8.7		20.2		4.2		(0.0)	3.2	41.1	58.1
(Sales of investment securities for business incubation)	1.9		2.1		-		0.2		-	4.4	4.2	4.4
(Equipment sales and services)	6.1	7.4	6.6	19.7	20.2	23.5	4.0	4.3	(0.0)	(1.3)	36.9	53.7
SG&A expenses	(5.6)		(6.7)		(20.3)		(4.3)		(1.2)	(0.6)	(38.2)	(51.9)
(Sales of investment securities for business incubation)	(0.2)		(0.4)		(0.0)		(0.1)		(0.6)	(0.5)	(1.3)	(1.2)
(Equipment sales and services)	(5.4)	(6.7)	(6.3)	(17.6)	(20.3)	(22.1)	(4.2)	(4.9)	(0.6)	(0.1)	(36.9)	(50.8)
Operating income	2.4		2.0		(0.1)		(0.1)		(1.2)	2.5	2.9	6.2
(Sales of investment securities for business incubation)	1.7		1.7		(0.0)		0.1		(0.6)	3.8	2.9	3.2
(Equipment sales and services)	0.7	0.7	0.3	2.0	(0.1)	1.5	(0.2)	(0.5)	(0.6)	(1.3)	0.0	3.0

Reference:

1. Nonconsolidated SG&A expenses are split evenly between investment securities for business incubation and equipment sales and services.
2. Segment data for investment securities for business incubation are shown in total in the Eliminations and Corporate column.

Operating Results and FY07 Forecasts by Core Subsidiary

(¥ billion)

	IT Telecom	KS Olympus	ITX Tsubasa Net	ITX-EG	AVS	Soliste	Consolidated
Revenues							
FY05 Results	177.9	(16.1)	-	12.2	7.5	6.7	349.7
FY06 Results	202.1	30.7	-	14.0	7.8	5.1	346.9
FY07 Forecasts	224.2	33.9	22.8	17.4	7.0	7.9	355.0
Operating Income							
FY05 Results	2.5	(0.5)	-	0.2	0.0	(0.0)	7.2
FY06 Results	1.8	1.0	-	0.2	0.0	(0.1)	2.9
FY07 Forecasts	3.4	1.1	2.2	0.4	(0.1)	0.1	6.2
Ordinary Income							
FY05 Results	2.4	(0.5)	-	0.4	0.0	0.0	0.8
FY06 Results	1.7	1.1	-	0.2	0.0	(0.1)	2.0
FY07 Forecasts	3.3	1.1	2.2	0.3	(0.1)	0.0	4.7
Net Income							
FY05 Results	1.1	(0.2)	-	0.2	0.0	0.0	0.6
FY06 Results	1.0	0.6	-	0.1	0.0	(0.1)	1.3
FY07 Forecasts	1.8	0.7	2.1	0.2	(0.1)	0.0	2.3

Reference:
 1. FY05 figures for KS Olympus are for the second half of the fiscal year only.
 2. ITX-EG=ITX E-Globaledge

Performance of Major Investments in FY06

Investments by ITX Corporation (new investments shown in parentheses)

(¥ billion)

Life Sciences		Networking & Technologies		Mobile Communications		Business Innovations		Total	
No. of companies	Amount	No. of companies	Amount	No. of companies	Amount	No. of companies	Amount	No. of companies	Amount
4	0.4	5	16.8	0	0.0	17	1.8	26	18.9
(2)	(0.2)	(3)	(16.1)	(0)	(0.1)	(13)	(1.3)	(18)	(17.6)

Outstanding investments by accounting category	By ITX					
	By ITX		By US investment subsidiaries		By investment fund in Japan	
	No. of companies	Amount	No. of companies	Amount	No. of companies	Amount
Core subsidiaries and affiliates	13	55.2	0	0.0	-	-
Business incubation securities in affiliates	21	25.2	1	0.1	-	-
Business incubation securities	35	6.4	10	1.0	4	0.9
Investment securities	36	5.3	3	0.0	9	0.4
Business incubation securities in affiliates (bonds)	0	0.1	0	0.0	-	-
Total	107	93.6	14	1.1	13	1.3

Outstanding investments by segment	By ITX					
	By ITX		By US investment subsidiaries		By investment fund in Japan	
	No. of companies	Amount	No. of companies	Amount	No. of companies	Amount
Life Sciences	16	5.5	9	0.9	-	-
Networking & Technologies	44	33.0	5	0.2	-	-
Mobile Communications	2	41.1	0	0.0	-	-
Business Innovations	42	6.9	0	0.0	13	1.3
Eliminations and Corporate	3	7.1	0	0	-	-
Total	107	93.6	14	1.1	13	1.3

Overview of New Investments in FY06 (ITX Corporation and US investment subsidiaries)

	Investment (millions of yen)	Equity stake	Main business
ITX Tsubasa Net	15,969	99.94%	Development and sales of packaged software for the automotive maintenance and panel repair industry
ITX-Nextream Fund No.1	289	—	Fund providing second-step support to unlisted companies
VSN	109	1.14%	Personnel staffing service focused on specialist technicians
Omeros*	103	0.89%	Development of anti-inflammatory and pain relief agents
VL*	103	5.70%	Development of VoIP software
FibroGen*	103	0.23%	Drug discovery research related to anemia and fibrosis; manufacture and sales of collagens and gelatins
Hunter-Fleming	102	2.26%	Development of drug treatments for patients with Alzheimer's and heart disease
E-Talentbank (Bonds with stock subscription rights)	100	—	Music portal site operation and online music distribution
DAS Outsourcing	100	100.00%	Provision of BPO services in collaboration with leading Chinese firm in the field
TiGenix	100	1.45%	Cartilage regeneration treatments
ESTAGE	99	10.22%	Marketing support for the apparel industry
Nippon EMC	99	1.47%	Manufacture and sales of compound semiconductor manufacturing equipment (MOVPE devices)
ACT-LSI	96	7.32%	Development of LSIs that enhance capabilities of sensors; contract development of analog LSIs
Skipper Wireless	80	10.81%	Development of ad hoc network systems and semiconductors
KEF JAPAN	76	2.94%	Fabless manufacturer of printed circuit boards and digital equipment
Umk Technologies	75	4.95%	Development of zinc oxide wafers for white LEDs
A.I.	57	13.55%	Development of speech synthesis systems
LOGIC RESEARCH	56	4.03%	Design and development of LSIs for communication applications and VDSL data pumps
C-Wave Marketing	51	8.13%	Marketing and face-to-face sales promotions
NETCLEUS Systems	51	5.45%	R&D into and manufacture of communications equipment and semiconductors
Endo Vx*	49	14.67%	Development, manufacture and sales of minimally invasive devices for obesity
Better Wave	45	10.34%	Operation of kid's play parks

*U.S. investment subsidiaries' investees

Balance Sheet Highlights

	As of March			(¥billion)		
	31, 2005	As of March 31, 2006	Change	As of March 31, 2005	As of March 31, 2006	Change
Cash and cash equivalents	26.1	19.5	(6.6)	28.3	28.4	0.1
Marketable securities	1.2	1.2	0.0	52.6	43.9	(8.7)
Other current assets	72.0	64.3	(7.7)	56.3	62.3	6.0
Total current assets	99.3	85.0	(14.3)	137.2	134.6	(2.6)
Tangible non-current assets	7.9	8.8	0.9	4.5	3.1	(1.4)
Intangible non-current assets	36.7	48.2	11.5	48.4	48.4	0.0
(Consolidated adjustment account)	33.8	45.4	11.6	(22.7)	(21.4)	1.3
Investment securities	8.0	7.1	(0.9)	1.0	0.2	(0.8)
Investment securities for business	11.7	12.4	0.7	(0.9)	(0.3)	0.6
Total non-current assets	70.7	82.0	11.3	25.9	26.9	1.0
Total assets	170.0	167.0	(3.0)	170.0	167.0	(3.0)
				28.3	28.4	0.1
				52.6	43.9	(8.7)
				56.3	62.3	6.0
				2.5	2.5	(0.0)
				139.7	137.1	(2.6)
				4.5	3.1	(1.4)
				48.4	48.4	0.0
				(22.7)	(21.4)	1.3
				1.0	0.2	(0.8)
				(0.9)	(0.3)	0.6
				25.9	26.9	1.0
				170.0	167.0	(3.0)

● Total current assets ⇒ ¥14.3 billion decrease

Factors:

Decline in cash and cash equivalents of ¥6.6 billion

- ¥2.1 billion at ITX Corporation—decline due to cash used for investment
- ¥2.7 billion at Minerva Collection Agency—significant funds required in bidding for distressed golf course business at March 31, 2005
- ¥1.5 billion at TechMatrix—excluded from consolidation following a partial sale of shares (now treated as equity-method affiliate)

Decrease in trade notes and accounts receivable of ¥5.3 billion

- ¥5.3 billion at ITX Corporation—related to termination of OEM sales of peripheral PC equipment

● Total non-current assets ⇒ ¥11.3 billion increase

Factors:

Increase in consolidated adjustment account of ¥11.7 billion

Related to acquisition of ITX Tsubasa Net

● Total liabilities ⇒ ¥8.6 billion decrease

Factors:

Decrease in trade notes and accounts payable of ¥7.6 billion

- ¥5.1 billion at ITX Corporation—related to termination of OEM sales of peripheral PC equipment

Performance of Business Incubation Investments

(¥ 100 million)

	FY01		FY02		FY03		FY04		FY05		FY06	
	Revenues	Operating income	Revenues	Operating income	Revenues	Operating income	Revenues	Operating income	Revenues	Operating income	Revenues	Operating income
Promotions												
Digital Interactive												
Dynamics												
(Investments in FY01)	0	0	2	(2)	5	(2)	9	(1)	7	(3)	5	(2)
Net Protections												
MarkAny Japan												
Collabos			0	(2)	0	(4)	2	(4)	5	(3)	10	(1)
(Investments in FY02)												
DIGITAL ARX												
GeneFrontier					1	(1)	4	(2)	3	(1)	5	0
(Investments in FY03)												
LA PLANTA												
Moranet												
AltaSens												
IPX							10	(2)	10	(4)	5	(6)
(Investments in FY04)												
Tmedix												
Quattro Media												
DUAxes												
TechnoBrain									8	0	40	(1)
(Investments in FY05)												
ITX Tsubasa Net												
DAS Outsourcing												
(Investments in FY06)												
Total	0	0	1	(2)	5	(4)	23	(8)	33	(11)	65	(12)