

Fiscal 2007 Interim Results

November 14, 2006

ITX Corporation

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ITX Corporation

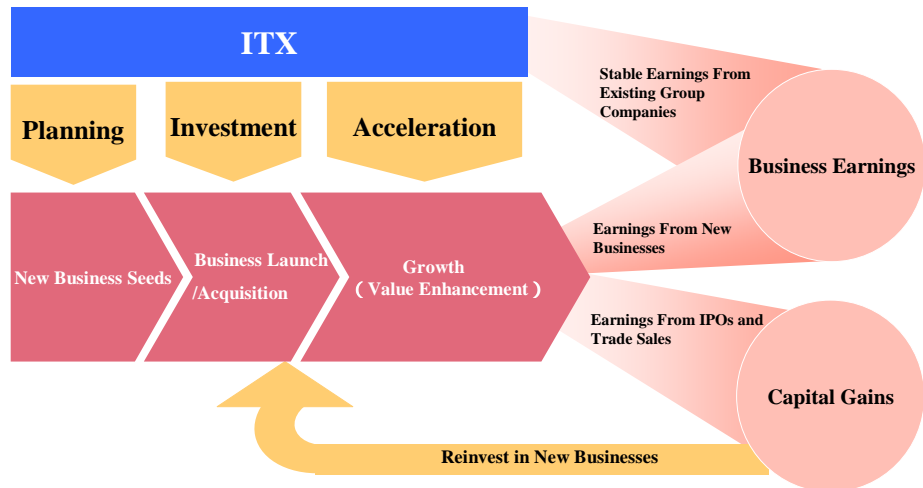
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Business Model and Earnings Structure

ITX invests to create new enterprise value by playing a central role in the management of investees.

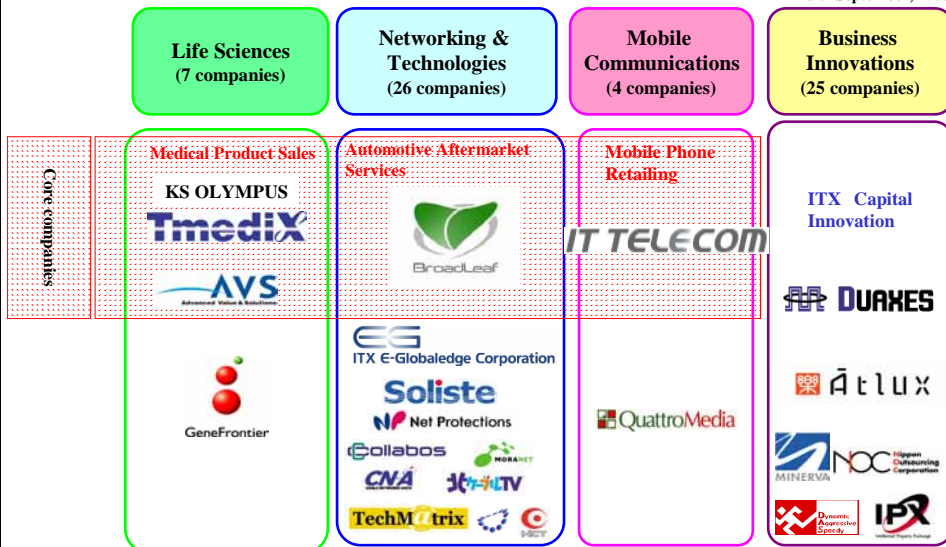
ITX generates earnings in two ways:

1. Stable business earnings from consolidated subsidiaries
2. Capital gains from investee IPO and M&A



ITX Group Operating Fields of Group Companies

As of September, 2006



*Companywide segment includes U.S.-based ITX International Holdings, Inc. and two other companies.

*Please refer to the separate publication, ITX Major Group Companies, for further details about each business.

2. Overview of FY07 Interim Results

FY07 Interim Results

(¥ billion)

	FY06 Interim Results	FY07 Interim Results	YoY Change
1) P/L (Consolidated)			
Revenues	183.7	153.5	-30.2
Sales of investment securities for business incubation	(3.6)	(0.5)	(-3.1)
Equipment sales and services	(180.1)	(152.9)	(-27.2)
Operating income *1	1.8	-0.4	-2.2
Sales of investment securities for business incubation	(2.3)	(-0.5)	(-2.8)
Equipment sales and services	(-0.5)	(0.2)	(0.7)
Net income	1.2	-4.4	-5.6
2) B/S			
1. Interest-bearing debt (Consolidated)	82.4	90.5	8.1
(Non consolidated)	63.1	73.3	10.2
2. Net Assets *2 (Consolidated)	27.2	26.0	-1.2
3) Performance Indicators			
1. Debt-equity ratio *3 (Consolidated)	2.0	3.0	1.0
(Non consolidated)	1.4	2.2	0.8

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

*2 Effective from the interim period under review, ITX adopted the "Accounting Standard for the Presentation of Net Assets on the Balance Sheet"

*3 Debt-equity Ratio = net interest-bearing debt (interest-bearing debt - cash and cash equivalents) ÷ (net assets - minority interests - stock options)

FY07 Interim Period Key Points

Revenues: ¥ 153.5 billion (Investment securities for business incubation : ¥ 0.5 billion, equipment sales and services : ¥ 152.9 billion)

-¥30.2 billion YoY

(investment securities for business incubation : -¥3.1 billion YoY; equipment sales and services: -¥27.2 billion YoY)

Main factors for YoY change

· Increase:

- Broadleaf (newly consolidated) +¥8.3 billion
- IT Telecom (increase in market share) +¥4.8 billion, etc.

· Decrease:

- ITX Corp. (termination of OEM sales of peripheral PC equipment*) -¥44.8 billion
- TechMatrix (deconsolidated to become equity-method affiliate) -¥3.6 billion, etc.

*These activities were transferred to ITX-EG in the second half of 2005; at the same time, a new OEM business standard was adopted whereby the value of the services provided is booked under revenues.

Operating loss: ¥0.4 billion (Investment securities for business incubation: (-¥0.5 billion, equipment sales and services: ¥0.2 billion)

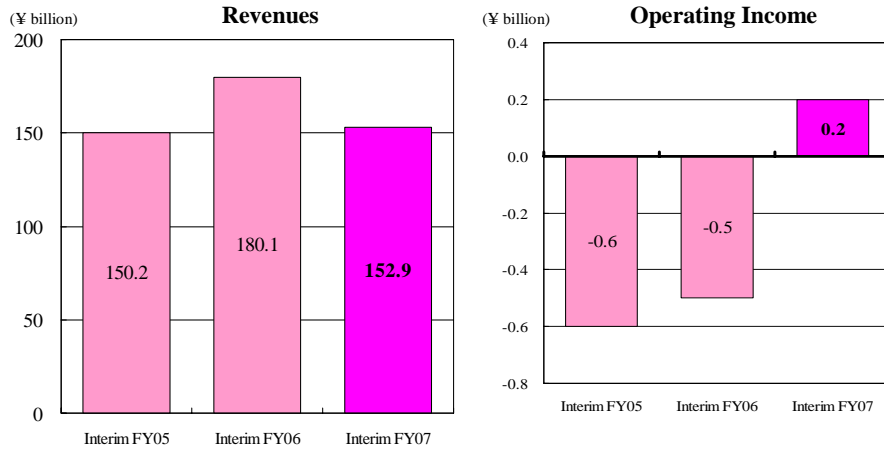
-¥2.2 billion YoY (investment securities for business incubation: -¥2.8 billion YoY; equipment sales and services: +¥0.7 billion YoY)

Equipment sales and services profitable on operating income basis in the interim period for the first time

Main factors for YoY change

- Increase: Broadleaf, +¥0.5 billion, IT Telecom, +1.1 billion, etc.
- Decrease: ITX Corp., -¥1.3 billion, U.S. investment subsidiary, -¥0.7 billion, TechMatrix, -¥0.3 billion, etc.

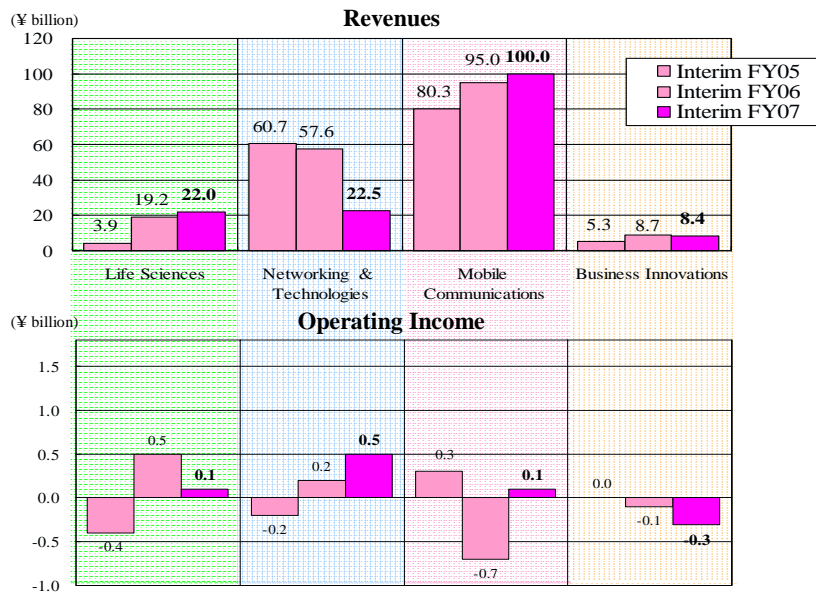
Equipment Sales and Services—Interim Results



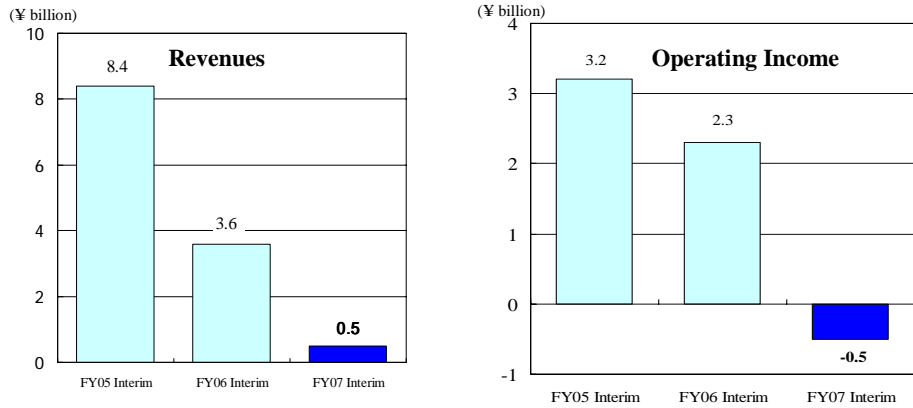
* Non consolidated SG&A expenses are split evenly between investment securities for business incubation and equipment sales and services

* Operating income includes companywide management expenses

Equipment Sales and Services—Interim Revenues by Segment



Investment Securities for Business Incubation—Interim Results



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

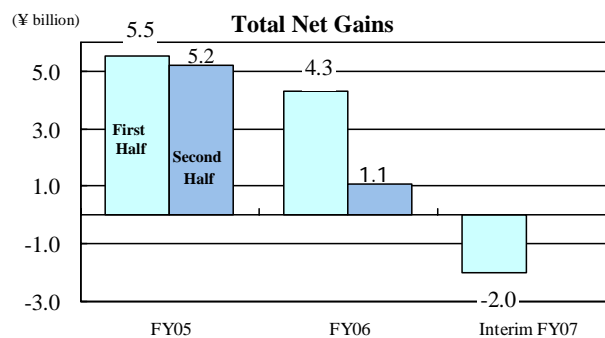
¥ billion (No. of companies shown in parenthesis)

	IPO-related share sales	M&A-related share sales	Other	Total
Interim FY05	- (-)	6.6 (1)	1.7 (4)	8.4 (5)
Interim FY06	0.9 (1)	2.6 (2)	0.0 (2)	3.6 (5)
Interim FY07	- (-)	0.1 (2)	0.4 (5)	0.5 (7)

Interim Net Gains on Exit From Investments

(No. of companies)

	Sales of investment securities for business incubation	Sales of other securities	Total
Interim FY05	5	6	11
FY05	13	12	25
Interim FY06	5	6	11
FY06	8	15	23
Interim FY07	7	4	11



*Total net gains reflect gains on sales of investment securities for business incubation, investment securities and investment securities in subsidiaries and affiliates, as well as impairment losses and other items

Business Acceleration Initiatives and Goals

Progress in actively reviewing business portfolio in line with the 2006 Corporate Strategic Plan

Key Investment Fields

- Businesses that offer the potential to move into peripheral fields of ITX's three core businesses (mobile phone retailing, medical and automotive aftermarket services businesses)
- Advanced medical device venture companies through U.S. investment subsidiary
- Domestic corporate venture capital (CVC) investments

[ITX's CVC investments]

Emphasis on generating capital gains rather than investing in companies that contribute to consolidated earnings or that create synergies with existing ITX Group companies. Scope of investments extended to late-stage companies.

ITX's CVC investment business also plays the role of identifying new investment opportunities.

Active Review of Current Investment Assets

Investees divided into three categories. Investees must be complete, standalone businesses; exit considered if the chances of generating synergies with the ITX Group and other investee businesses are low.

Recent New Investments

[Life Sciences]

Rubicor Medical, Inc

Development and sales of devices for definitive diagnosis of breast cancer
--devices capable of simultaneously extracting multiple specimens without the need for incision, and large-scale biopsy devices

Location: U.S.

Investment: US\$5 million (equity stake: 7.76%), August 2006

[Business Innovations]

Japan Market Intelligence K.K.

Market surveys and consulting

--Combining the latest technologies in the IT field with market research, the company has significantly reduced the number of processes and time needed to gather specific market data

Location: Tokyo, Japan

Investment: ¥746 million (equity stake: 52.96%), August 2006

Interim Investment Performance (Including U.S. investment subsidiary and domestic funds)

Total investments made in FY07 interim period: ¥ 2.9 billion
 (including ¥2.5 billion in new investments)

	Interim FY06 Investments	Core Business Fields	Investment Projects
Life Sciences	¥ 0.7 billion (¥ 0.6 billion)	◆Medical Devices ◆Biotechnology	Fluid Medical ImaRx Therapeutics
Networking & Technologies	¥ 0.2 billion (¥0.1 billion)	◆Next-generation Semiconductors and Electronic Devices	Ambarella
Mobile Communications	¥ -billion (¥ -billion)		
Business Innovations	¥ 2.0 billion (¥1.8 billion)	◆Corporate Venture Capital (CVC)	Japan Market Intelligence, Rfstream, Mobile Technika, Dent House and others
Total	¥ 2.9 billion (¥2.5 billion)		

* New investments shown in parenthesis

3. FY07 Full-year Forecasts

FY07 Full-year Forecasts: Summary

(¥ billion)

	FY06 Results	FY07 Forecasts	YoY Change
1) P/L (Consolidated)			
Revenues	346.9	339.0	-7.9
Sales of investment securities for business incubation	(5.9)	(13.0)	(7.1)
Equipment sales and services	(341.0)	(326.0)	(-15.0)
Operating income *1	2.9	6.0	3.1
Sales of investment securities for business incubation	(2.9)	(4.3)	(1.4)
Equipment sales and services	(0.0)	(1.7)	(1.7)
Net income	1.3	1.3	0.0
2) B/S			
1. Interest-bearing debt (Consolidated)	90.8	83.6	-4.5
(Non consolidated)	70.7	70.6	-0.1
2. Net Assets *2 (Consolidated)	26.9	30.2	3.3
3) Performance Indicators			
1. Debt-equity ratio *3 (Consolidated)	2.7	2.2	-0.5
(Non consolidated)	2.0	1.6	-0.4

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

*2 Effective from the interim period under review, ITX adopted the "Accounting Standard for the Presentation of Net Assets on the Balance Sheet"

*3 Debt-equity Ratio = net interest-bearing debt (interest-bearing debt - cash and cash equivalents) ÷ (net assets - minority interests - stock options)

Comparison of Initial and Revised Forecasts

(¥ billion)

	Initial FY07 Forecasts	Revised FY07 Forecasts	Change
1) P/L (Consolidated)			
Revenues	355.0	339.0	-16.0
Sales of investment securities for business incubation	(10.0)	(13.0)	(3.0)
Equipment sales and services	(345.0)	(326.0)	(-19.0)
Operating income *	6.2	6.0	-0.2
Sales of investment securities for business incubation	(3.2)	(4.3)	(1.1)
Equipment sales and services	(3.0)	(1.7)	(-1.3)
Net income	2.3	1.3	-1.0

•Lower-than-expected equipment sales and services

(IT Telecom: -¥10 billion, Broadleaf: -¥6.3 billion)

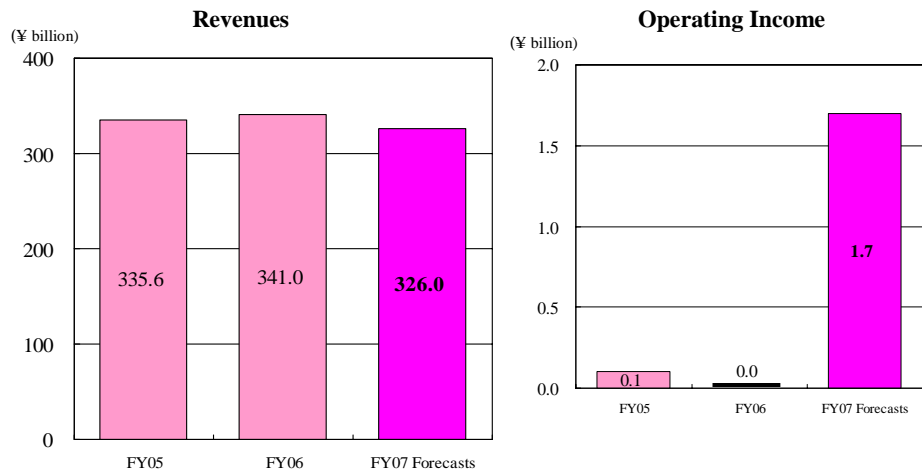
•Increase in sales of investment securities for business incubation

Supports operating income

Drop in net income due to impact of booking losses on the write-down of investment securities in the interim period

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

Equipment Sales and Services—Full-year Results and Forecasts

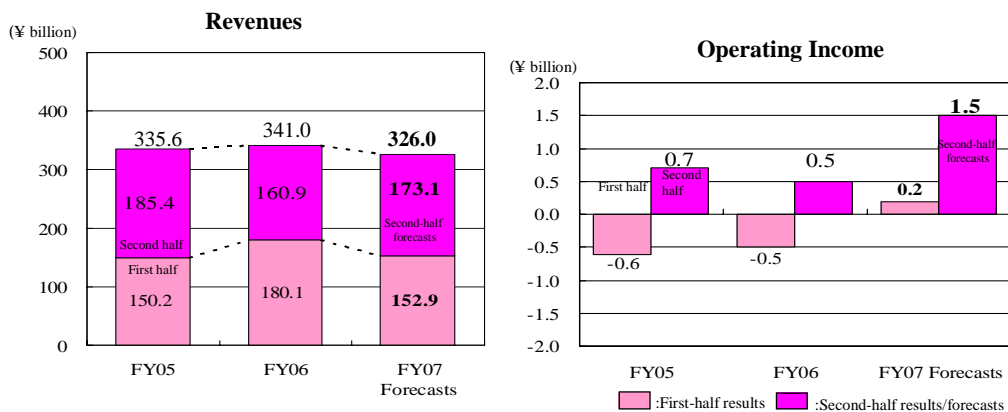


Significant growth in operating income supported by three core businesses

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

*2 Operating income includes companywide expenses.

Equipment Sales and Services—Attaining Full-year Forecasts



Concrete progress in three core businesses: mobile phone retailing, medical and automotive aftermarket services businesses

IT Telecom

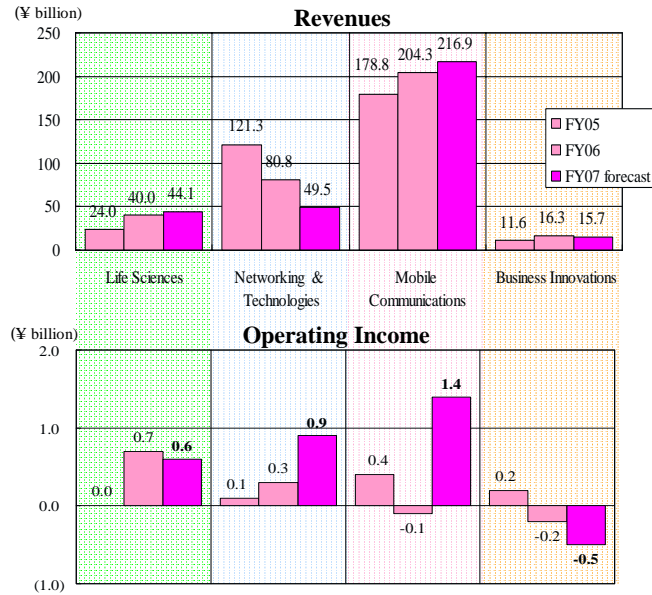
- Secure more customers by taking advantage of increased liquidity in the market due to the introduction of mobile number portability (MNP)

- Peak sales for mobile phones: December ~ January and March

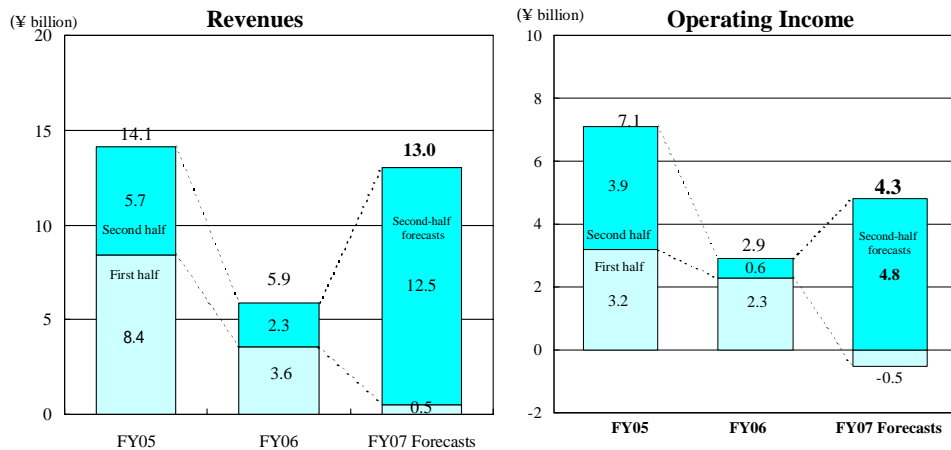
B2B-related business tendency for earnings to concentrate in 4Q

Key Factors in Attaining Forecasts

Equipment Sales and Services—Full-year Forecasts by Segment



Investment Securities for Business Incubation—Full-year Results and Forecasts



Key Factors in Attaining Forecasts

Ensure sales of investment securities for business incubation

Second-half sales: ¥12.5 billion

Second-half operating income: ¥4.8 billion

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

4. Overview of Core Businesses—Medical Business

KS OLYMPUS' Strengths and New Businesses

KS OLYMPUS

Centered on Olympus products, operations primarily focused on the Tohoku and Kanto areas

Aiming to move into new product and service fields by maximizing existing business base such as sales channels and marketing capabilities

◆ **Recent Achievements**

1. Efforts to win package orders from newly opened hospitals and clinics

Secured order for all clinical departments, primarily surgery departments, at the new Tokyo Women's Medical University Yachiyo Medical Center

Offered comprehensive proposals and won new orders from some of the rapidly increasing number of private medical clinics

KS OLYMPUS' New Businesses

2. KS OLYMPUS proprietary products—Launched sales of operating room system, incorporating world's first digital forensic system, via own sales channels Begin to roll out nationwide

Developed through joint research with Division of General and Gastrointestinal Surgery, School of Medicine, Keio University

An operating room system incorporating world's first digital forensic system (provides legal basis for medical lawsuits). The operating room system simultaneously records video and biometric data and is a part of the Medical Forensic System (MFS) series.



3. Launched sales of KS OLYMPUS proprietary medical supplies Began nationwide sales of KS_i tube products, connecting tubes for endoscopes and arthroscopes

To secure field of view for transurethral tissue removal, and induce drug solutions for arthroscopic surgery



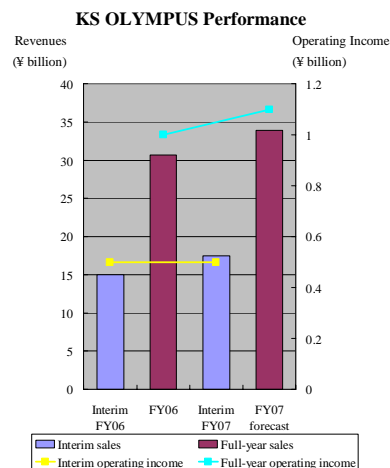
Interim Results and Full-year Forecasts—KS OLYMPUS

Summary of FY07 Interim Period

Growth in medical and industrial sectors
Strong sales of gastrointestinal supplies
Robust performance in Kanto area
Wider choice of KS OLYMPUS proprietary products

Outlook for FY07 Full-year

Stable growth in medical equipment and industrial machinery products
Work to win package orders and offer proprietary products nationwide
Expected to feed through to results from the next fiscal year



	Interim FY06	FY06	Interim FY07	FY07 forecast
Revenues	15.0	30.7	17.5	33.9
Operating Income	0.5	1.0	0.5	1.1

Overview of Core Businesses— Mobile Phone Retailing Business

IT Telecom's Strengths and Features

IT TELECOM

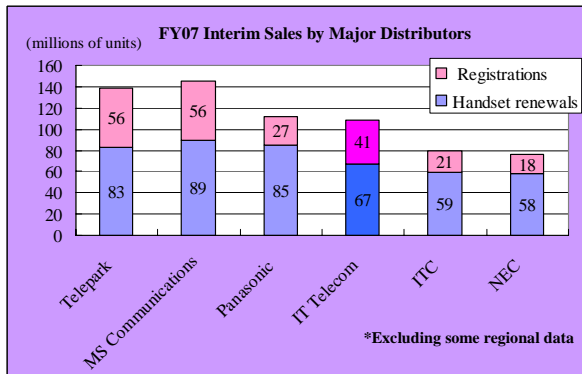
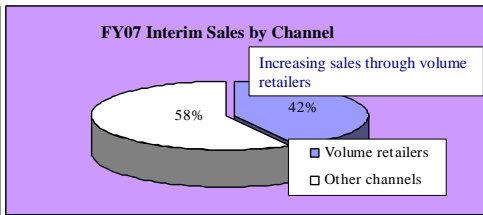
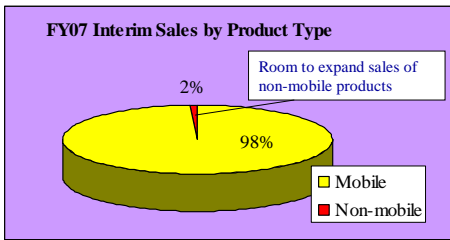
IT Telecom, Inc.

A total of 223 stores nationwide (as of September 30, 2006) centered on outlets for each mobile phone carrier

Handles products for all mobile phone carriers; ratio of carrier products handled by IT Telecom similar to respective carrier market shares

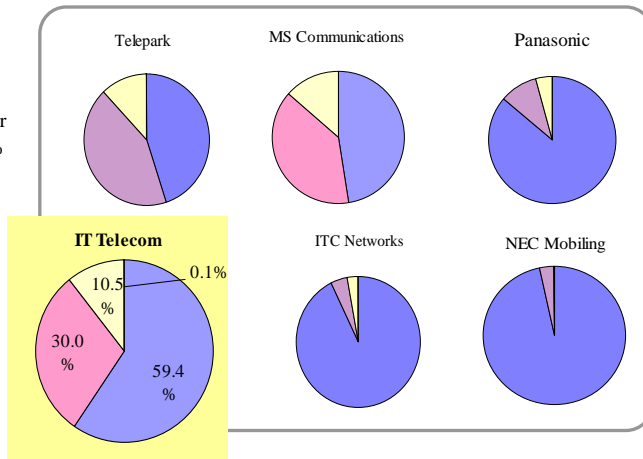
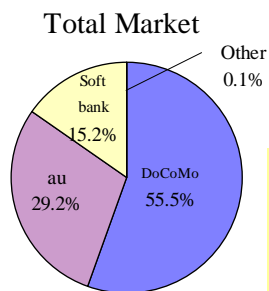
One of leading shares in the mobile phone retailing sector

IT Telecom's Market Performance



IT Telecom Growth Strategy

FY07 Interim Sales



- Following the introduction of MNP in the fall, aim to maintain a well-balanced carrier share close to their respective market shares
- Aim to become a vital partner for communications carriers by boosting sales volume and increasing market share

Interim Results and Full-year Forecasts—IT Telecom

Summary of FY07 Interim Period

Robust growth in mobile phone sales

Registrations—down 5% YoY

Handset renewals—up 7% YoY

Sales growth at volume retailers—up 8% YoY

Marked improvement in operating income

1. Increase in gross profit due to thorough control of incentive schemes

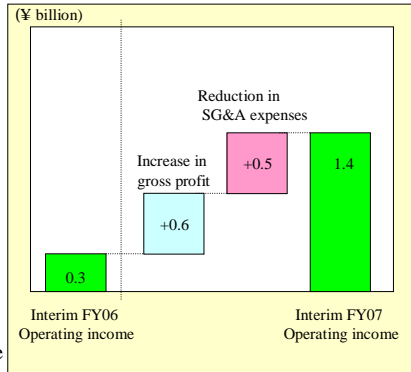
Improved from 9.7% 9.9% YoY

2. Reduction in SG&A expenses

Closure/merger of unprofitable stores

Improved efficiency in introducing support staff to sales areas

Expand fixed-line (optic-fiber) sales to corporate users/Increase marketing to corporate users



Sales Volume		Apr. ~ Sep. 05	Apr. ~ Sep. 06
Total Market	New handsets	7.97 million	6.90 million
	Handset renewals	13.80 million	14.60 million
IT Telecom	New handsets	0.45 million (5.6% share)	0.42 million (6.1% share)
	Handset renewals	0.65 million (4.7% share)	0.70 million (4.8% share)

Down 13% YoY

Increase in market share

Interim Results and Full-year Forecasts—IT Telecom

Outlook for FY07 Full-year

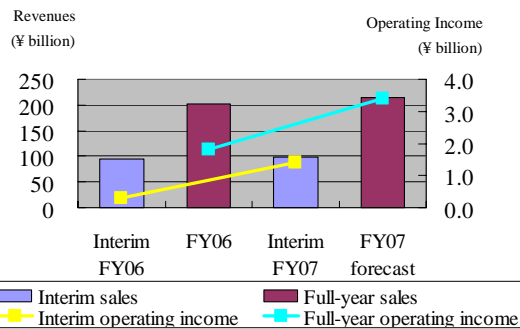
Maintain growth in market share

Key steps to achieve targets

1. Boost sales during peak sales period of December, January and March

2. Continue active steps to cut costs

IT Telecom Performance



	Interim FY06	FY06	Interim FY07	FY07 forecast
Revenues	94.0	202.1	98.8	214.1
Operating Income	0.3	1.8	1.4	3.4

Overview of Core Businesses— Automotive Aftermarket Services Business

Broadleaf's Strengths and Features



Broadleaf Co., Ltd.

(Becomes ITX Group company in January 2006; company name changed from ITX Tsubasa Net Co., Ltd. the following August)

Development and sales of packaged software for automotive aftermarket services: maintenance, repair, panel-beating, etc.

A dominant market share underpinned by one of the biggest component databases in the automotive sector

Development and sales of packaged software specifically designed for sectors other than the automotive aftermarket

High market share in packaged software systems for non-automotive aftermarket areas such as the machine tool and travel sectors

A powerful base of more than 30,000 customers

A nationwide network of 42 sales branches

Interim Results and Full-year Forecasts—Broadleaf



Summary of FY07 Interim Period

1. Increase in costs (approx.¥0.2 billion) due to change of company name and relocation of head office, etc.
2. Delay in scheduled early release of new mainstay product
Release delayed due to decision to expand functions of .NS Series and anticipation of purchasing restraint by customers

Outlook for FY07 Full-year

Despite release of .NS Series in September, limited impact on full-year results as sales will take approximately 6 months to get on track

(¥ billion)

	Interim FY07	FY07
Revenues	8.3	16.5
Operating Income	0.5	0.8

Business Overview and Vision

November 14, 2006



Overview of Broadleaf



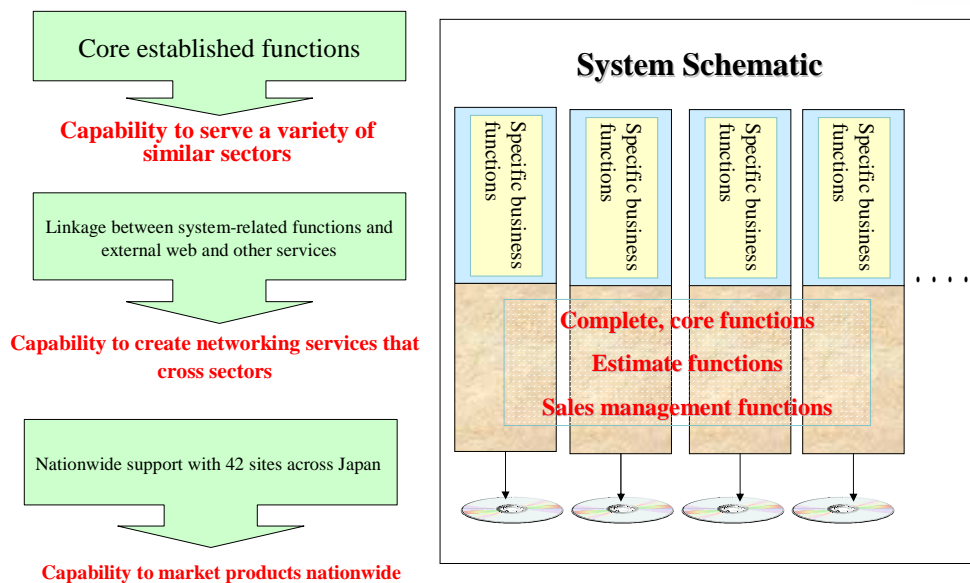
Company name: Broadleaf Co., Ltd.
Head office:
 Shinagawa Seaside West Tower, 4-12-2 Higashi Shinagawa, Shinagawa-ku, Tokyo
Phone: 81-3-5781-3100
Executives:
 Seiji Shioya, Chairman
 Kenji Oyama, President
Main business:
 1. Development and sales of business systems (packaged software) for SMEs, mainly in the automotive industry, and the provision of related support
 2. Design, development and sales of various databases
 3. Operation of "Parts Station NET", a shared inventory network for recycled automotive parts
Employees: 1,036
Offices:
 Sales and support network, 42 sites nationwide
 Development, 3 sites nationwide (Sapporo, Tokyo and Fukuoka)



Background:

- Jan. 2006 Begins operations as ITX Tsubasa Net Co., Ltd. in the ITX Group
- Jul. 2006 Head office moved from Kameido, Koto-ku to Higashi Shinagawa, Shinagawa-ku
- Aug. 2006 Company name changed to Broadleaf Co., Ltd.
- Sep. 2006 Sales of new product .NS Series begin

Broadleaf's Strengths

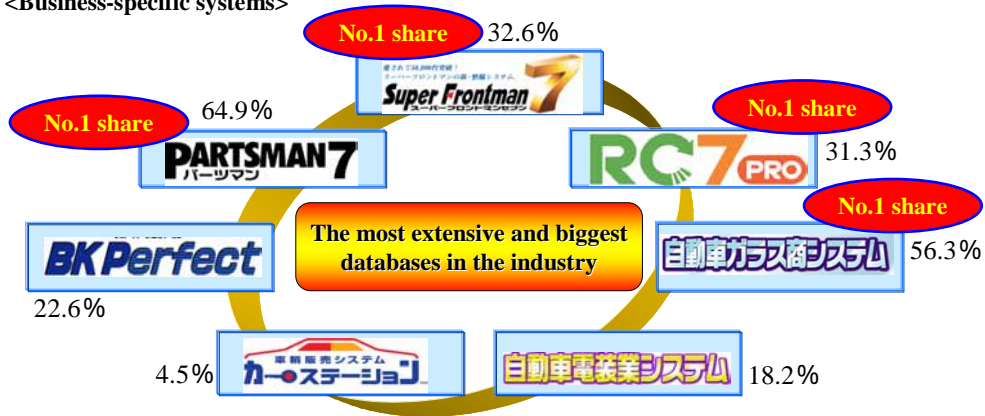


Broadleaf Overview and Features



Broadleaf's packaged software applications, including the mainstay "Super Frontman 7" for automobile mechanics, have captured high shares in the automotive aftermarket

<Business-specific systems>



Broadleaf is also targeting the No.1 share in these businesses

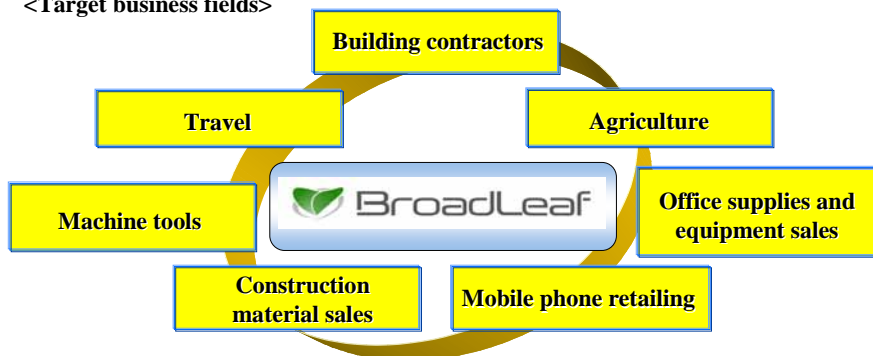
Target Sectors/Product Lineup



Broadleaf also develops and sells packaged software specifically designed for sectors other than the automotive aftermarket

High market share in packaged software systems for non-automotive aftermarket areas such as the machine tool and travel sectors

<Target business fields>



New Products and Vision



Networking Strategy

Guided by the catchphrase “Connected Systems,” Broadleaf is aiming to realize seamlessly connected business operations for customers. The first step in this strategy is the recently launched .NS Series for automotive companies in the maintenance, panel-beating and sales fields.

Anchored by an integrated database and shared operations, the .NS Series will enable companies in related business fields to link up, realizing networks across related sectors. At the same time, Broadleaf will leverage its high market share in each field through this new integrated framework, aiming to make the .NS Series the de facto standard in the industry.

