

**Results for FY08 Interim Period**  
**Progress of “Corporate Strategic Plan 06” and Full-Year Plan**

November 13, 2007  
 ITX Corporation

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ITX Corporation

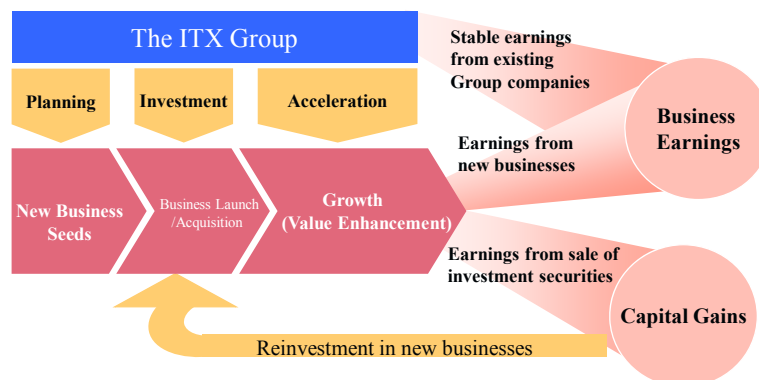
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# 1. Business Overview

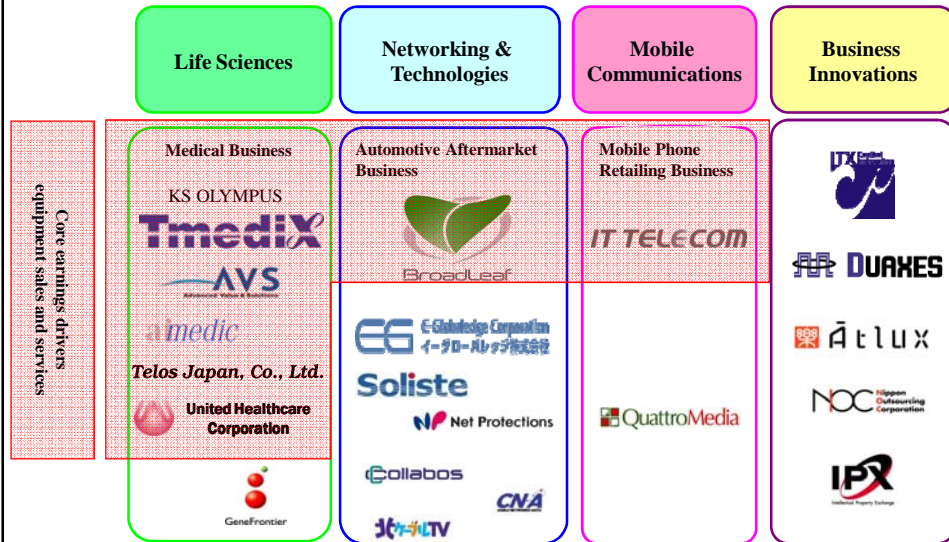
## ITX Group: Business Model and Earning Structure

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. Secure capital gains when business values are high**

### Business Model



# ITX Group Operating Fields of Group Companies



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

## 2. FY08 Interim Results

## FY08 Interim Results: Summary

¥ billion

	FY07 Interim Results	FY08 Interim Results	YoY Change
<b>1) P/L (Consolidated)</b>			
Revenues	153.5	158.3	4.8
(Sales of investment securities for business incubation)	(0.5)	(0.8)	(0.3)
(Equipment sales and services)	(152.9)	(157.4)	(4.5)
Operating Income *1	- 0.4	1.4	1.8
(Sales of investment securities for business incubation)	( - 0.5)	( - 0.1)	(0.4)
(Equipment sales and services)	(0.2)	(1.5)	(1.3)
Ordinary Income	- 1.2	0.9	2.1
Net Income	- 4.4	0.6	5.0
<b>2) B/S</b>			
1. Interest-bearing debt (Consolidated)	90.5	92.0	1.5
(Nonconsolidated)	73.3	66.2	- 7.1
2. Net Assets (Consolidated)	26.0	40.0	14.0
<b>3) Performance Indicators</b>			
1. Debt-equity ratio*2 (Consolidated)	3.0	1.8	- 1.2
(Nonconsolidated)	2.2	1.1	- 1.1

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

\*2. Debt-equity ratio = net interest-bearing debt (interest-bearing debt - cash and cash equivalents) / shareholders' equity

## FY08 Interim Results: Key Points

### ◆ PL

#### ■ Revenues: ¥158.3 billion

(Sales of investment securities for business incubation: ¥0.8 billion, Equipment sales and services: ¥157.4 billion)  
(up ¥4.8 billion YoY, Sales of investment securities for business incubation: up ¥0.3 billion YoY, Equipment sales and services: up ¥4.5 billion YoY)

#### ● The Three Core Businesses—up ¥5.6 billion YoY

Because IT Telecom—up ¥2.6 billion YoY and KS OLYMPUS—up ¥1.2 billion YoY, etc.

#### ■ Operating Income: ¥1.4 billion

(Sales of investment securities for business incubation: -¥0.1 billion, Equipment sales and services: ¥1.5 billion)  
(up ¥1.8 billion YoY, Sales of investment securities for business incubation: up ¥0.4 billion YoY, Equipment sales and services: up ¥1.3 billion YoY)

#### ● The Three Core Businesses—up ¥0.8 billion YoY

Because IT Telecom—up ¥0.2 billion YoY and Broadleaf—up ¥0.4 billion YoY, etc.

■ Significant growth in revenues and operating income by three core businesses  
→ Progress on building a consolidated earnings structure

### ◆ BS

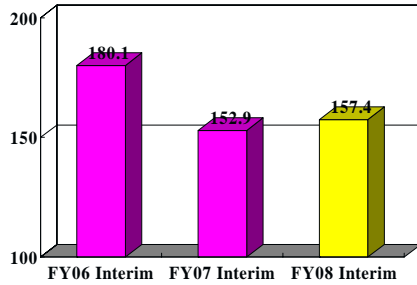
#### ■ Improvement of Financial Platform: Issuing new shares for private placement whereby the recipient is Olympus and lowering our interest-bearing debt.

● Improvement of debt-equity ratio(times) : 1.8 (Consolidated) 1.1 (Nonconsolidated)  
(FY07 Interim Results: 3.0 (Consolidated) 2.2 (Nonconsolidated))

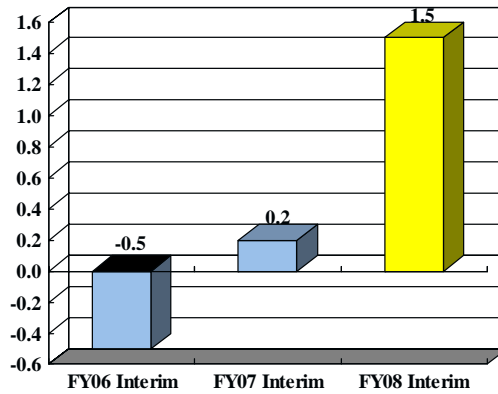
## FY08 Interim Results: Equipment Sales and Services: Consolidated Revenues and Operating Income

### Revenues

¥ billion



### Operating Income

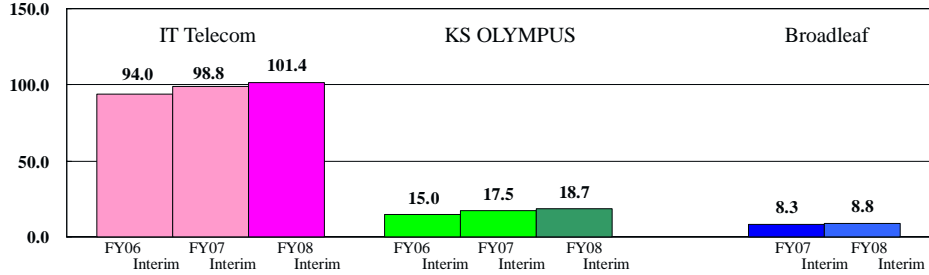


\*Nonconsolidated SG&A expenses are split evenly between investment securities for business incubation and equipment sales and services.

## FY08 Interim Results: Equipment Sales and Services by Core Subsidiary

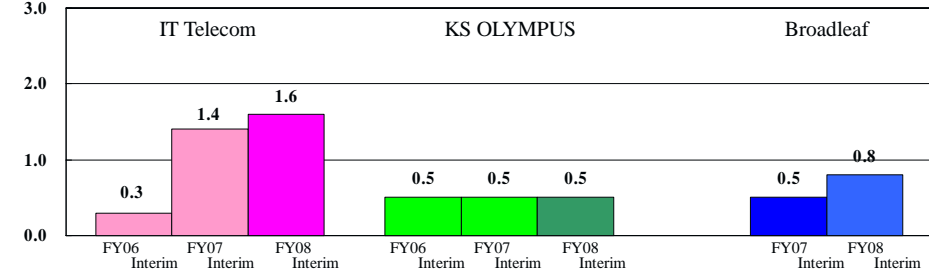
¥ billion

### Revenues



¥ billion

### Operating Income



## FY08 Interim Results: Investment Securities for Business Incubation

### (1) Revenues from Sales of Investment Securities for Business Incubation

(No. of companies shown in parenthesis)

¥ billion	IPOs	M&As	Other	Total
FY06 Interim	0.9(1)	2.6(2)	0.0(2)	3.6(5)
FY07 Interim	- (-)	0.1(2)	0.4(5)	0.5(7)
FY08 Interim	0.4(1)	- (-)	0.4(1)	0.8(2)

### (2) Investments

¥ billion	Investments	Companies	(New Investments)	(New Companies)
FY06 Interim	1.8	18	(0.9)	(12)
FY07 Interim	2.7	16	(2.3)	(11)
FY08 Interim	4.2	12	(4.0)	(7)

## Performance Compared to Forecasts released in July

	FY08 Interim Forecasts (Released in July 2007)	FY08 Interim Results	¥ billion Variance
P/L (Consolidated)			
Revenues	156.0	158.3	2.3
(Sales of investment securities for business incubation)	(2.3)	(0.8)	(- 1.5)
(Equipment sales and services)	(153.7)	(157.4)	(3.7)
Operating Income *	1.4	1.4	0.0
(Sales of investment securities for business incubation)	(0.3)	(- 0.1)	(- 0.4)
(Equipment sales and services)	(1.1)	(1.5)	(0.4)
Ordinary Income	1.0	0.9	- 0.1
Net Income	0.7	0.6	- 0.1

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

- Exceeded the forecast of revenues and operating income in Equipment sales and services  
(due to a stable business outcome of the three core businesses)
- Fell below the forecast in sales of investment securities for business incubation  
(But we sold the nonattainment volume in October)

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### **3. Progress of “Corporate Strategic Plan 06”**

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#### **3-1. Further Implementation of Building a Stable Consolidated Earnings Structure**

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## Results of Three Core Businesses: IT Telecom

IT TELECOM

### 【Business Overview】

Primary Distributor of Mobile Phones. Distribution of various communication services to enterprises.

◆267 shops in Japan (As of the end of Sep. 2007)

◆Enhance its presence beyond mobile phone market as a total communications system solution service company.

### 【Topics of FY08 Interim】

#### ●Greatest on record volume in mobile phone sales

Total sales: about 1.22 million mobile phones (106% YoY)

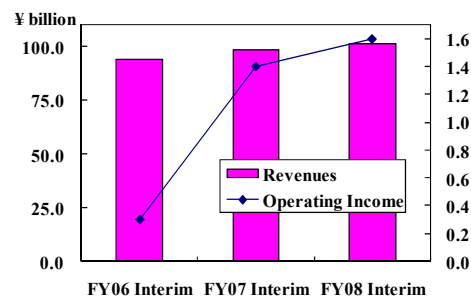
#### ●Number of shops: Increase by 47

220 Shops (As of the end of Sep. 2006) → 267 Shops (As of the end of Sep. 2007)

#### ●Effect by strengthening of sales force for enterprises

Robust growth of sales results → Mobile phones: Up about 20% YoY

¥ billion	FY06 Interim	FY07 Interim	FY08 Interim
Revenues	94.0	98.8	101.4
Operating Income	0.3	1.4	1.6



## Forecasts of the Three Core Businesses: IT Telecom

IT TELECOM

### 【FY08 Full-year Forecasts: Key points】

◆Further aggressive promotion to change independent primary distributors into IT Telecom secondary distributors

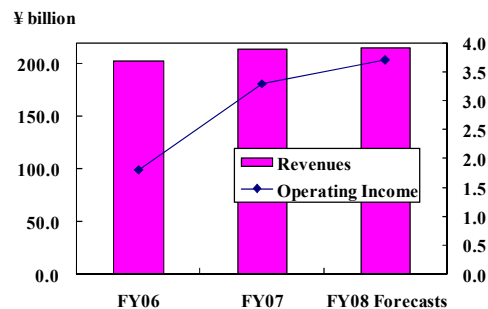
◆Strengthening volume incentive acquisition

◆Increase of operating income ratio by increase of the sales ratio at shops and by reduction of SG&A Expenses(Operating income ratio: 1.5% FY07 → 1.7% Full-Year Plan of FY08)

### 【Risk Factor】

•Structural change in the mobile phone market due to new calling plans

¥ billion	FY06	FY07	FY08 Forecasts
Revenues	202.1	214.0	215.4
Operating Income	1.8	3.3	3.7



## Results of Three Core Businesses: KS OLYMPUS

### 【Business Overview】

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

### 【Topics of FY08 Interim】

#### ● Steady growth in sales of medical equipment in the digestive organ area

Steady growth in sales of main products: LUCERASPECTRUM, Clinos, and intranasal endoscopes

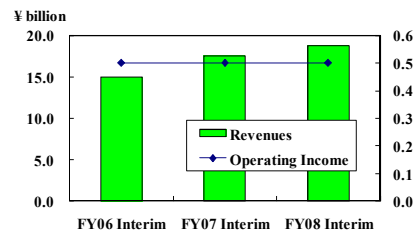
#### ● A new large-size agreement in surgical field

Successfully reached a new large-size agreement of ¥270 million for operating rooms of Keio University Hospital

#### ● New sales expansion of KS original products

Successful sales expansion of digital forensic system that simultaneously records video and biometric data (for five facilities) and KSi tubes (for 21 facilities)

¥ billion	FY06 Interim	FY07 Interim	FY08 Interim
Revenues	15.0	17.5	18.7
Operating Income	0.5	0.5	0.5



## Forecasts of the Three Core Businesses: KS OLYMPUS

### 【FY08 Full-year Forecasts: Key points】

◆ Medical equipment: Strengthen structure for maintaining of growth and high-profit system in digestive organs, medical treatment apparatus and surgeries businesses.

◆ Scientific equipment: Reinforce sales of main product, microscope

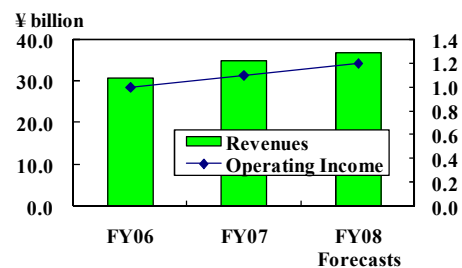
◆ Industrial equipment: Improve new customer acquisition rate

### 【Issues】

→ Advance the cooperation with ITX group companies in the medical business field

→ Expand lineup of KS original products

¥ billion	FY06	FY07	FY08 Forecasts
Revenues	30.7	34.9	36.7
Operating Income	1.0	1.1	1.2



## Results of Three Core Businesses: Broadleaf



### 【Business Overview】

Development and sales of packaged software for automotive aftermarket business: 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 market areas such as the machine tool and travel sectors

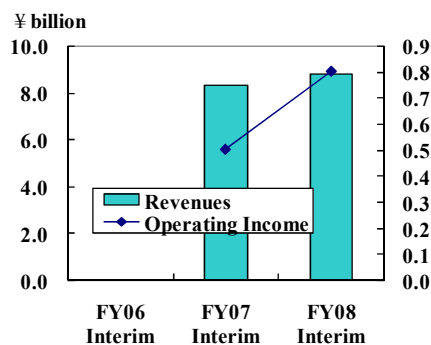
### 【Topics of FY08 Interim】

● Meeting replacement demands of the existing customers by the new “.NS” series

→Improvement of profitability

● Development of software designed for sectors other than the automotive aftermarket

¥ billion	FY06 Interim	FY07 Interim	FY08 Interim
Revenues	–	8.3	8.8
Operating Income	–	0.5	0.8



## Forecasts of the Three Core Businesses: Broadleaf



### 【FY08 Full-year Forecasts: Key points】

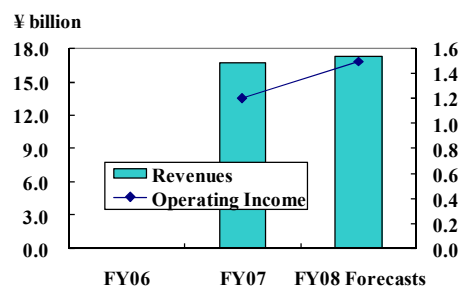
◆ Promote sales of new products

→”MK.NS” (Network system for sales management of mobile phones)

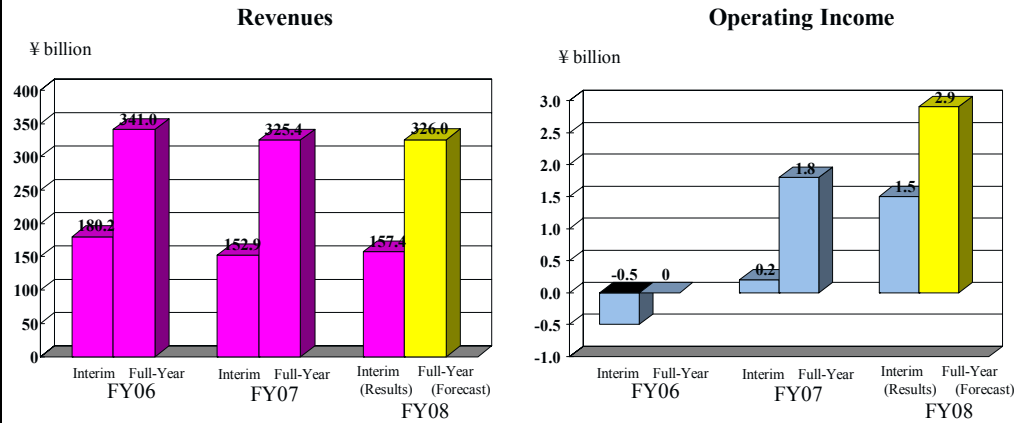
→”VX.NS” (Network system for distribution support in the automotive sector)

◆ Ensure the steady accomplishment of results in the automotive aftermarket business

¥ billion	FY06	FY07	FY08 Forecasts
Revenues	–	16.7	17.3
Operating Income	–	1.2	1.5



## Equipment Sales and Services: Trend of Revenues and Operating Income (Full-Year)



■ Operating income forecast: ¥2.9 billion (up 61% YoY)

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

## New Investment in Medical Business

<May 2007> Newly established "United Healthcare Corporation," to engage in the hospital administration contracting business

<June 2007> Made Ai-medical Co., Ltd. and Telos Japan, Co., Ltd. who engage in the development of orthopedic surgery implant business its subsidiaries

### ◆ United Healthcare Corporation

• Business Overview  
Hospital administration contracting and consulting businesses

• Investment Amount  
About ¥ 0.25 billion

### ◆ Ai-medical Co., Ltd.

### ◆ Telos Japan, Co., Ltd.

• Business Overview  
Manufacturing, importing and selling medical devices for orthopedic surgery

• Investment Amount  
Total amount of outstanding shares assigned from the two companies: About ¥ 2.8 billion

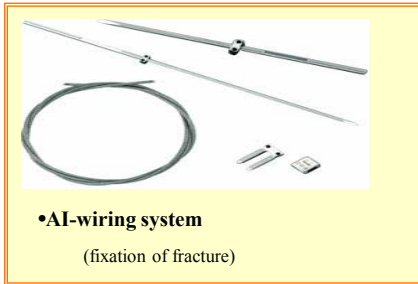
### 【Future Expansion Plans】

1. Further expanding medical business that is one of the three core businesses
2. Exploit ITX's know-how in business incubation and business network
3. Pursue synergies with other medical business companies of ITX Group and Olympus

## New investment in Medical Business: Orthopedic Surgery Implant Business

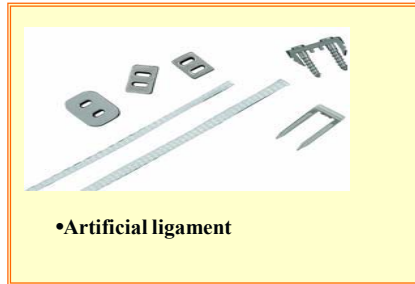
■ Orthopedic surgery implant market: Expected to strongly grow with the advent of the "silver society."

■ Examples of main products of Ai-medic Co., Ltd. and Telos Japan, Co., Ltd.



•AI-wiring system

(fixation of fracture)



•Artificial ligament

\*Final stages in the development of artificial joint as new products

## 3-2. Continually Optimize the Business Portfolio by Accelerating the Investment Cycle

■ Estimate ¥10.0 billion full-year revenues from sales of investment securities for business incubation

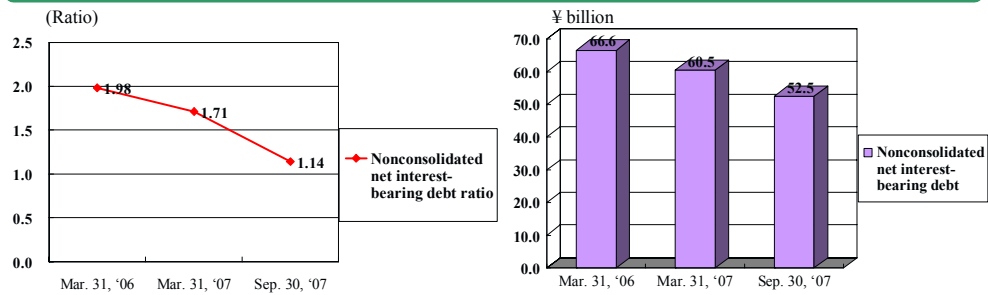
■ Promotion of EXIT for investment in other securities

■ Securing of new investment capital for the Company, by combining the cash provided by the above activities with the increased capital of ¥10.0 billion.

### 3-3. Improvement of Financial Platform

(1) Issuing new shares for private placement of about ¥10.0 billion whereby the recipient is Olympus

(2) Reduce nonconsolidated interest-bearing debt



■ Achieved the target to lower nonconsolidated net interest-bearing debt ratio to 1.5 times or lower

## 4. FY08 Full-Year Forecasts

## FY08 Full-Year Forecasts Compared to Forecasts released in July

¥ billion

	Forecasts released in July	FY08 Forecasts(revised)
<b>Revenues</b>	<b>338.0</b>	<b>336.0</b>
(Equipment sales and services)	(332.6)	(326.0)
(Sales of investment securities for business incubation)	(5.4)	(10.0)
<b>Operating Income</b>	<b>4.5</b>	<b>4.7</b>
(Sales of investment securities for business incubation)	(3.6)	(2.9)
(Equipment sales and services)	(0.9)	(1.8)
<b>Ordinary Income</b>	<b>3.8</b>	<b>3.8</b>
<b>Net Income</b>	<b>1.5</b>	<b>1.5</b>

## FY08 Second-Half Forecasts: Key Points and Issues

### 【Key Points】

- Steadily achieving the full-year plan of three core businesses (Mobile Phone Retailing Business, Automotive Aftermarket Business and Medical Business) continuing from FY08 first-half
- Achieving the full-year forecast in sales of investment securities for business incubation

### 【Issues】

- Conduct more new investment for three core businesses and their peripheral areas
- Strengthen the system of cooperation with Olympus and its Group