



INFORMATION DEVELOPMENT CO., LTD.

Financial results of Apr. 2014-Mar. 2015

June 2015

President and Representative Director
Masaki Funakoshi

TSE 1st section
Code:4709

1. Performance overview
2. The 3-Year Plan of ID Group
(Structural reform)
3. Appendix

1. Performance overview

Change or Die!

Increase in both revenue and profit Dividend Increase

■ Strong sales

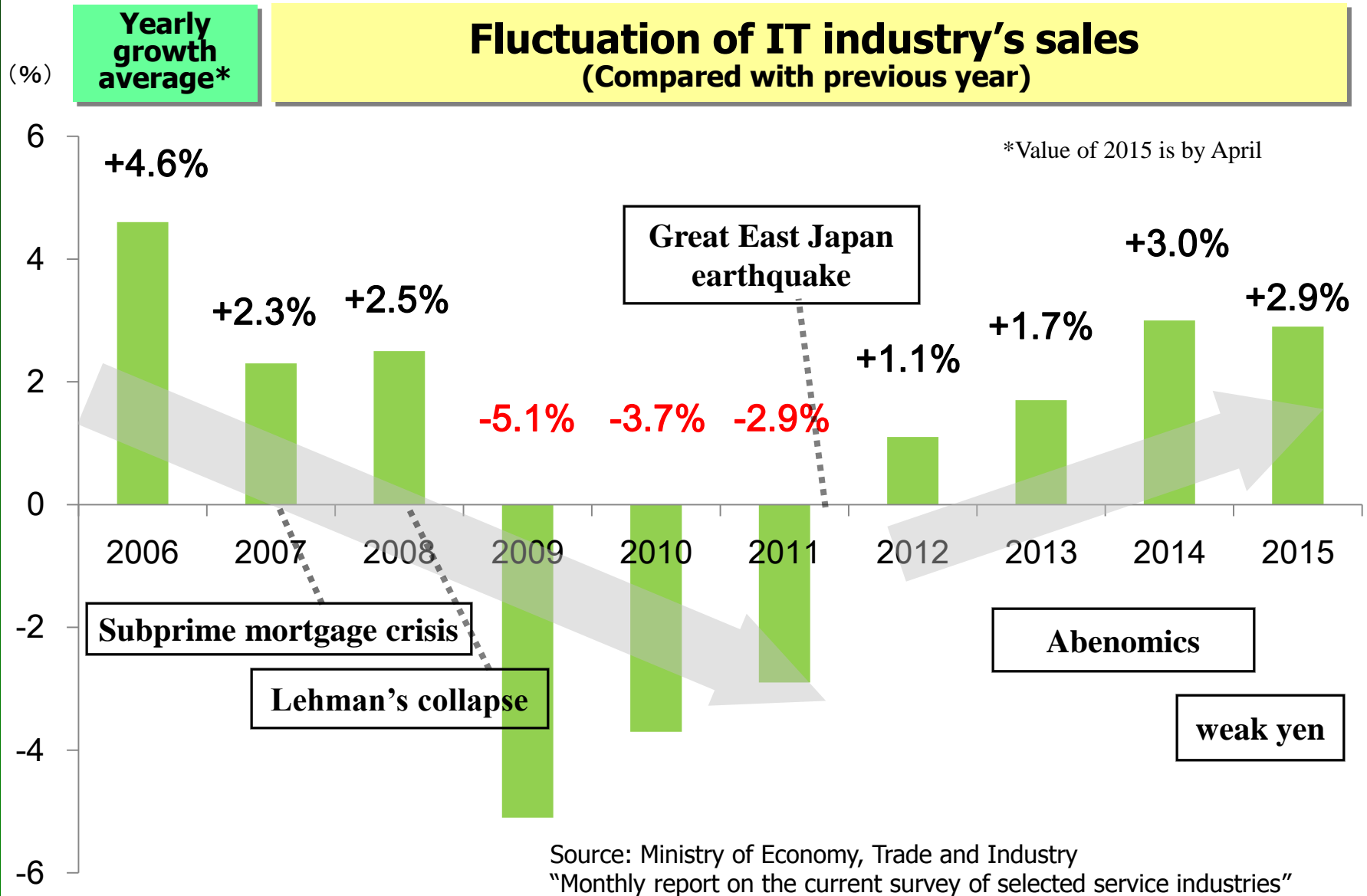
- Increase sales in system operation management business and software development business

■ Substantial increase of profit

- Increase of sales
- Decrease of labor costs rate due to productivity improvement

■ Increase of dividend

- Increase of the ordinary dividend from 24 yen per share to 28 yen per share
- Special dividend of 2 yen per share in commemoration of listing on the First section of TSE and the 45th anniversary of our founding



Financial Results① (consolidated)



(JPY million)	Mar. 2014	(% of revenue)	Mar. 2015	(% of revenue)	Diff.	YoY
Revenue	17,578	-	18,868	-	+1,289	+7.3%
Cost of Sales	14,306	81.4	15,219	80.7	+913	+6.4%
Gross Profit	3,272	18.6	3,649	19.3	+376	+11.5%
SG&A Expenses	2,536	14.4	2,682	14.2	+145	+5.8%
Operating Profit	735	4.2	966	5.1	+230	+31.3%
Recurring Profit	765	4.4	998	5.3	+233	+30.6%
Net Profit	372	2.1	508	2.7	+136	+36.8%

Financial Results② (consolidated)



Change or Die!

(JPY million)	Mar. 2015	(% of revenue)	Mar. 2015 (forecast)	(% of revenue)	Diff.
Revenue	18,868	-	18,730	-	+0.7%
Operating Profit	966	5.1	940	5.0	+2.8%
Recurring Profit	998	5.3	940	5.0	+6.3%
Net Profit	508	2.7	540	2.9	-5.8%

Quarterly Results



		Apr - Jun	Jul - Sep	Total (Apr - Sep)	Oct - Dec	Jan - Mar	Total (Apr - Mar)
(JPY million)							
Mar. 2014	Revenue	4,160	4,313	8,473	4,535	4,569	17,578
	Operating Profit	219	135	354	200	180	735
	OPM	5.3%	3.1%	4.2%	4.4%	4.0%	4.2%
Mar. 2015	Revenue	4,502	4,596	9,098	4,719	5,050	18,868
	Operating Profit	210	201	412	298	255	966
	OPM	4.7%	4.4%	4.5%	6.3%	5.1%	5.1%
YoY	Revenue	+341	+282	+625	+184	+480	+1,289
	Operating Profit	-8	+66	+57	+97	+75	+230
	OPM	-0.6pp	+1.3pp	+0.3pp	+1.9pp	+1.1pp	+0.9pp

Financial Results of Consolidated Subsidiaries

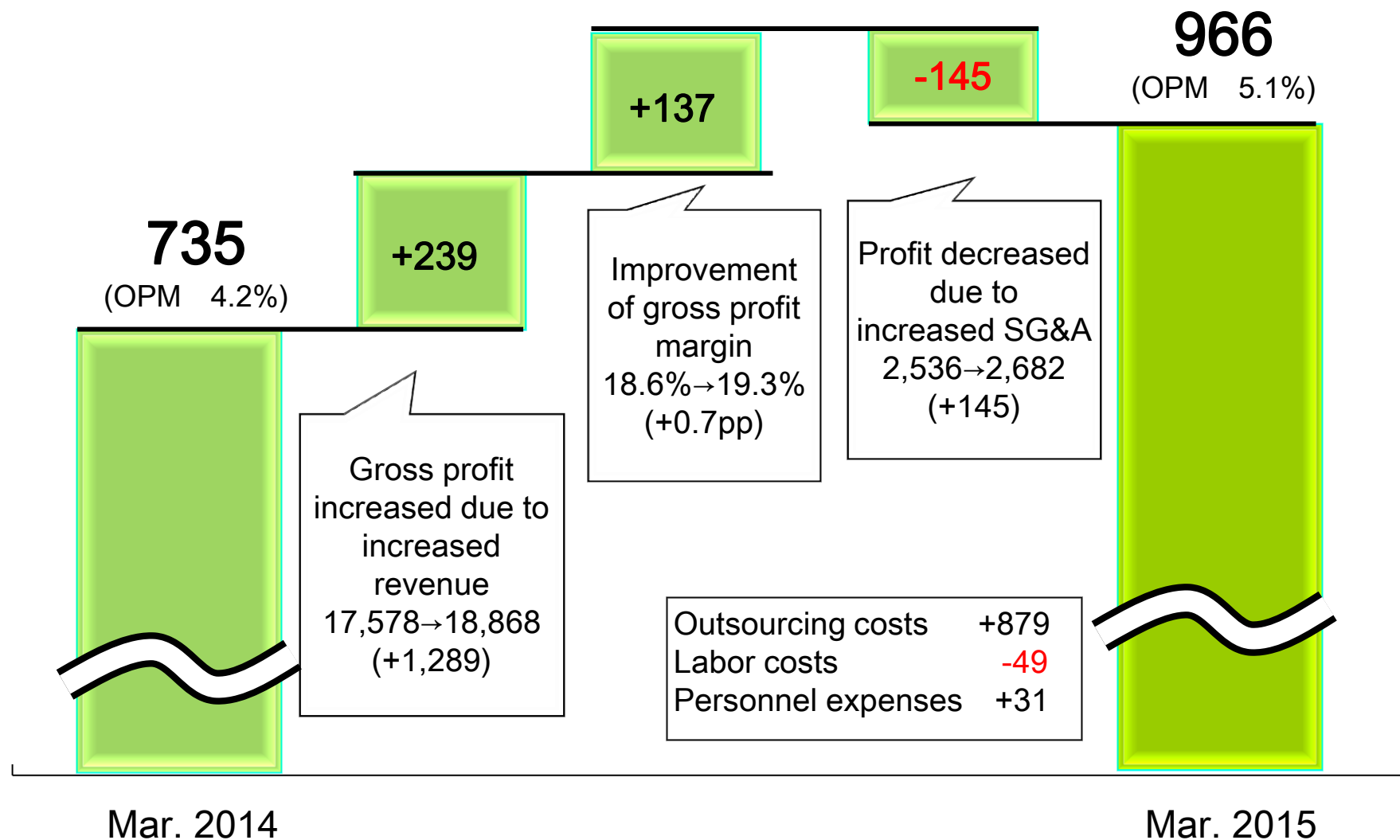


(JPY million)	Revenue				Operating Profit			
	Mar. 2014	Mar. 2015	Diff.	YoY	Mar. 2014	Mar. 2015	Diff.	YoY
CS	1,993	2,138	+144	+7.3%	206	243	+36	+17.6%
SD	835	882	+47	+5.6%	37	49	+12	+34.2%
PURAIIDO	274	319	+44	+16.3%	19	46	+27	+142.5%
ID Wuhan	452	573	+120	+26.7%	10	34	+24	+235.1%
ID Singapore	17	36	+19	+117.1%	-25	-49	-23	-
ID America	16	25	+9	+57.8%	-13	-32	-19	-
AI FACTORY	0.07	1	+1	-	-8	-30	-21	-

*Figures for each company are on a non-consolidated basis, so the total does not equal consolidated figures

Operating Profit Analysis (consolidated)

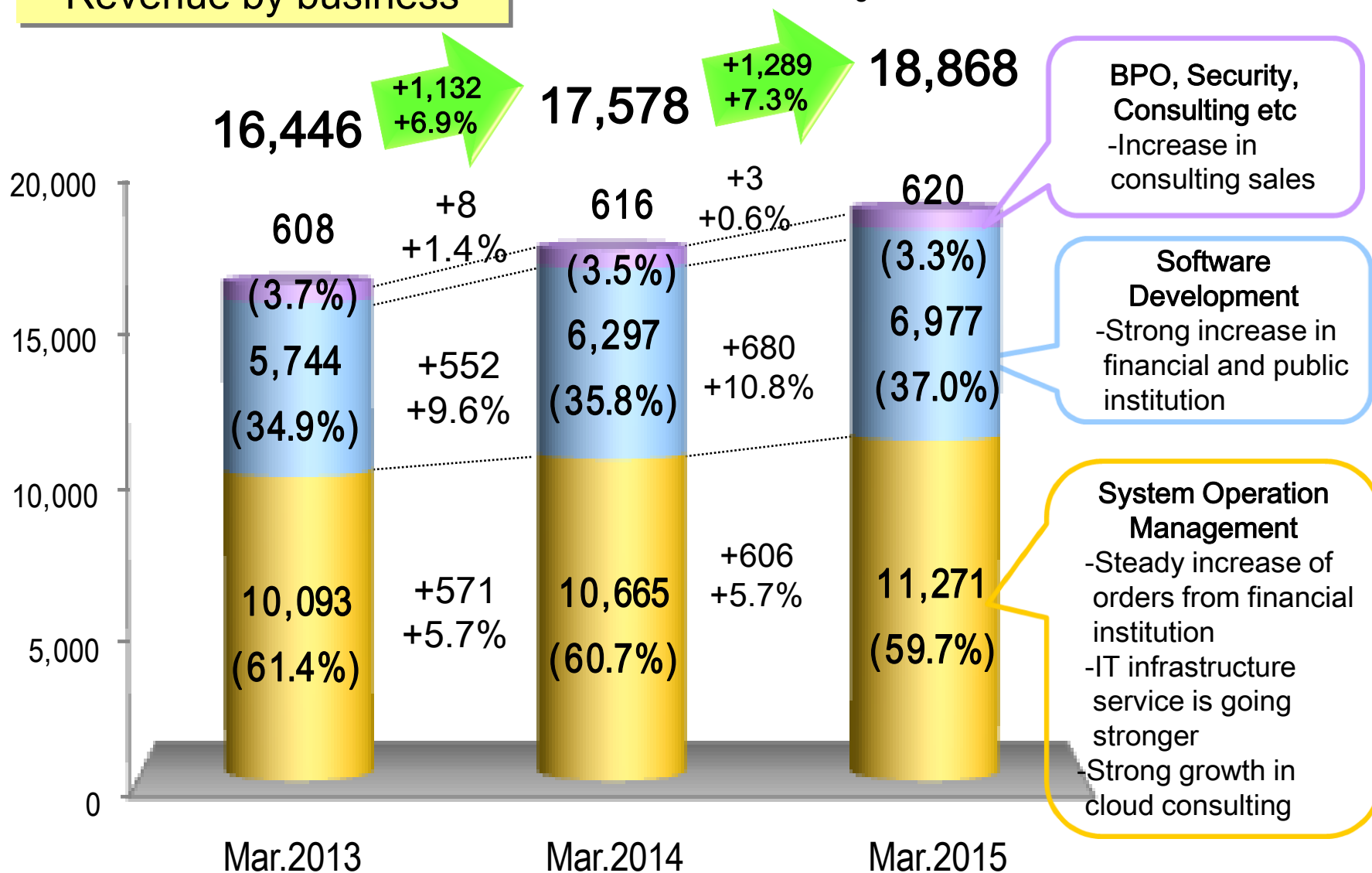
(JPY million)



Feature of ID Group 1

Revenue by business

(JPY million) *Figures in brackets indicate % of revenue.

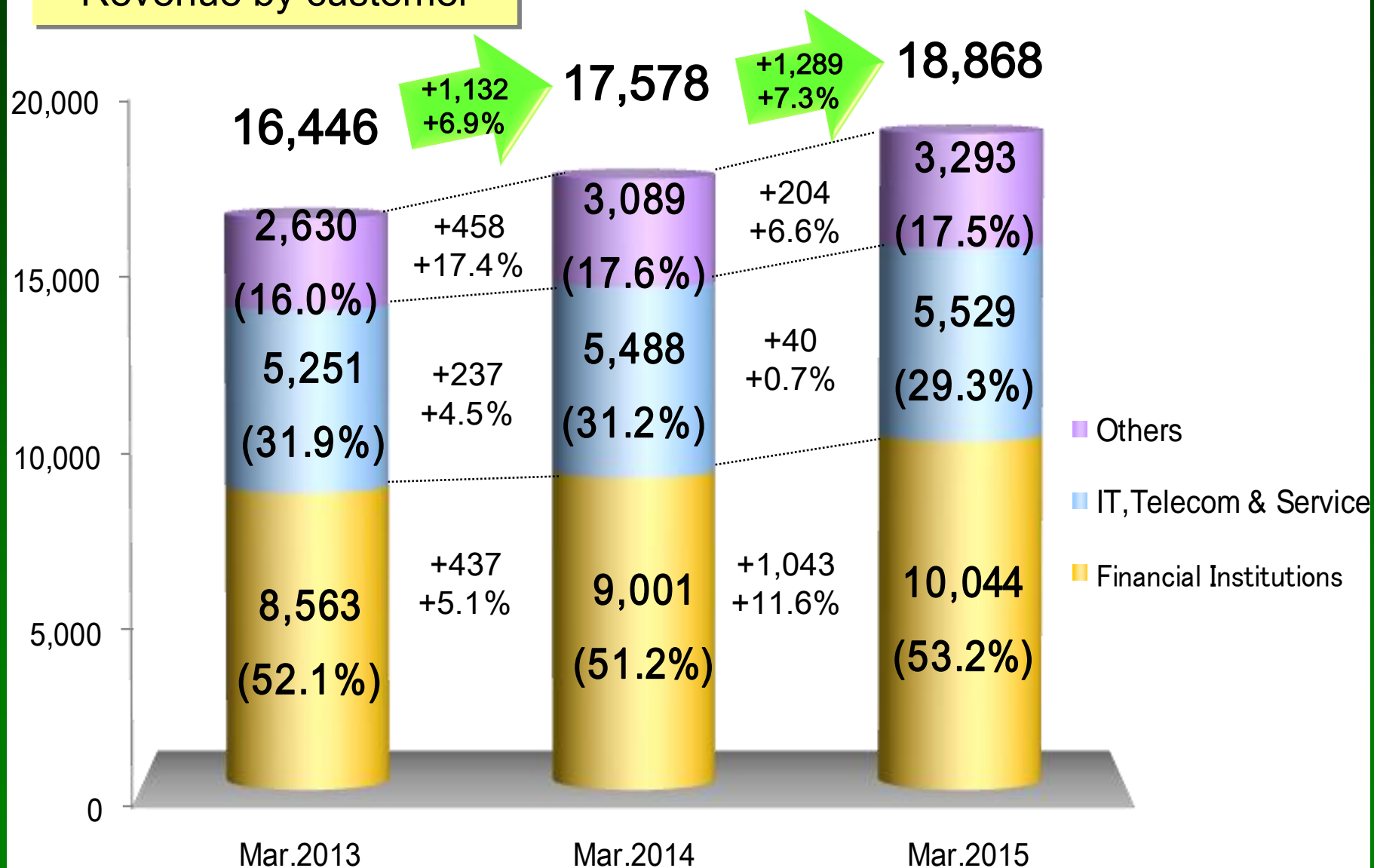


Feature of ID Group 2

Revenue by customer

(JPY million)

*Figures in brackets indicate % of revenue

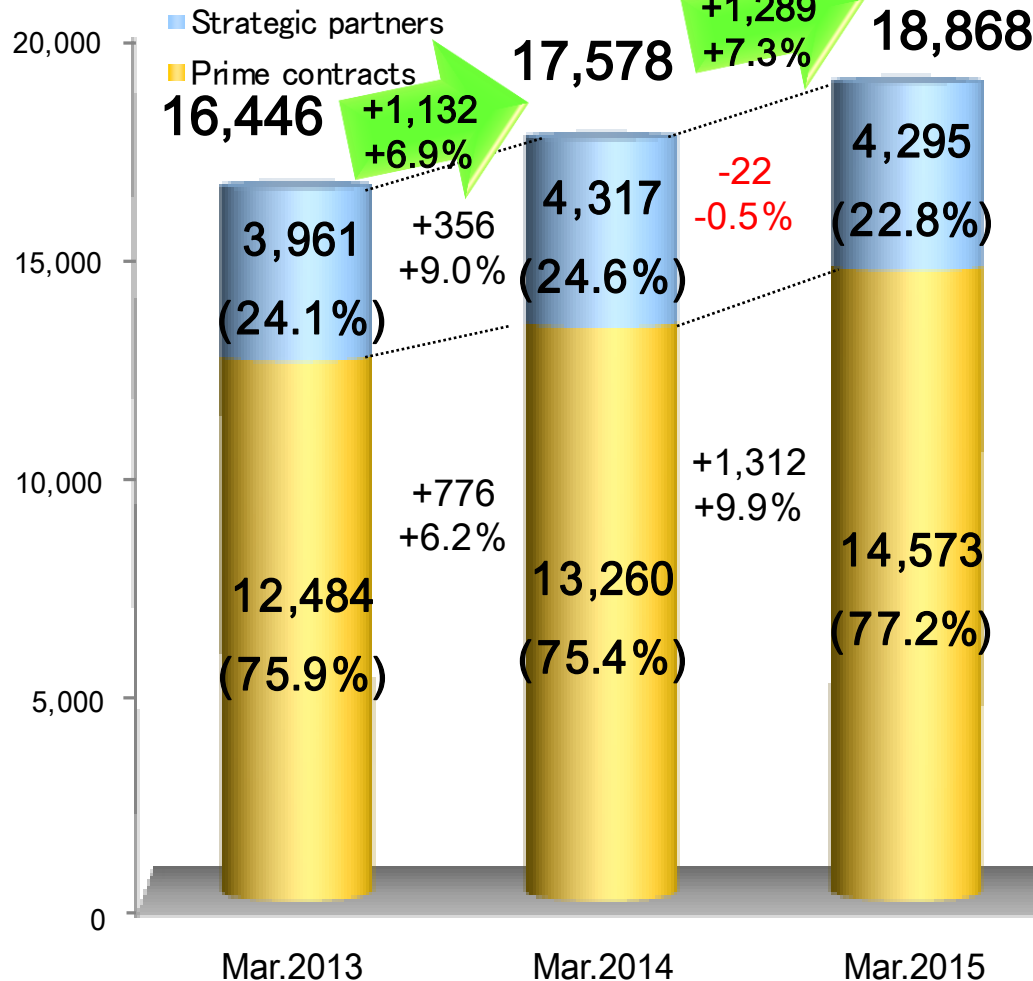


Feature of ID Group 3

Revenue by contract

(JPY million)

*Figures in brackets indicate % of revenue



About 50 customers are among the top 500 in the Forbes Global 2000

< Major customers >

Prime contracts

- Financial Institution
- IT, Telecom & Services
- Others
(Manufacturing, Transportation, Public Office, Utility etc.)

Strategic partners

- Major IT Vendors

Financial Position (consolidated)



(JPY million)	Mar. 2014	Mar. 2015	Diff.	Main reasons
Current assets	6,399	6,731	+332	-Increase in notes and accounts receivable (+472) -Increase in investment securities (+175)
Fixed assets	3,270	3,571	+300	
Total assets	9,670	10,303	+632	
Current liabilities	2,928	3,331	+403	-Increase in trade payables (+90) -Increase in accrued consumption taxes (+325) -Decrease in retirement benefit expenses (-434)
Fixed liabilities	655	210	-445	
Total liabilities	3,584	3,542	-41	
Total net assets	6,085	6,760	+674	-Increase in net profit (+508) -Decrease by payment for dividends (-178)
Total liabilities and net assets	9,670	10,303	+632	

Consolidated Cash Flows

Change or Die!

(JPY million)	Mar. 2014	Mar. 2015	Diff.
Operating activities	-15	506	+522
Investing activities	-106	-430	-324
Financial activities	-324	-272	+51
Yoy of cash and cash equivalents	-402	-109	+293
Cash and cash equivalents at beginning of period	2,997	2,594	-402
Cash and cash equivalents at end of period	2,594	2,485	-109

【Breakdown of Mar. 2015】

■Cash flow from operating activities

- Income before income taxes +998
- Depreciation +126
- Increase in notes and accounts receivable -454
- Increase in accrued consumption taxes +325
- Income taxes paid -465

■Cash flow from investing activities

- Increase in time deposits -50
- Purchase of property, plant and equipment -52
- Purchase of intangible assets -50
- Loans -55
- Guarantee deposits -196

■Cash flow from financing activities

- Net increase in short-term loans payable +100
- Repayments of long-term loans payable -60
- Cash dividends paid -176
- Purchase of shares of subsidiary -149

Order Backlog

(JPY million)	Orders received	YoY	Backlog	YoY
System operation management	11,303	+5.0%	614	+5.6%
Software development	6,915	+11.0%	122	-33.5%
BPO, Security, Consulting etc.	44	-4.1%	16	+6.4%
Total	18,263	+7.1%	753	-3.6%

Mar. 2016 Forecast

(JPY million)	Mar. 2015	(% of revenue)	Mar. 2016 (Forecast)	(% of revenue)	Diff.	YoY
Revenue	18,868	-	20,000	-	+1,131	+6.0%
Operating Profit	966	+5.1%	1,040	5.2%	+73	+7.6%
Recurring Profit	998	+5.3%	1,040	5.2%	+41	+4.1%
Net Profit	508	+2.7%	580	2.9%	+71	+14.0%
EPS (¥)	71.05	-	80.59	-	+9.54	-
DPS (¥)	30.00	-	30.00	-	-	-

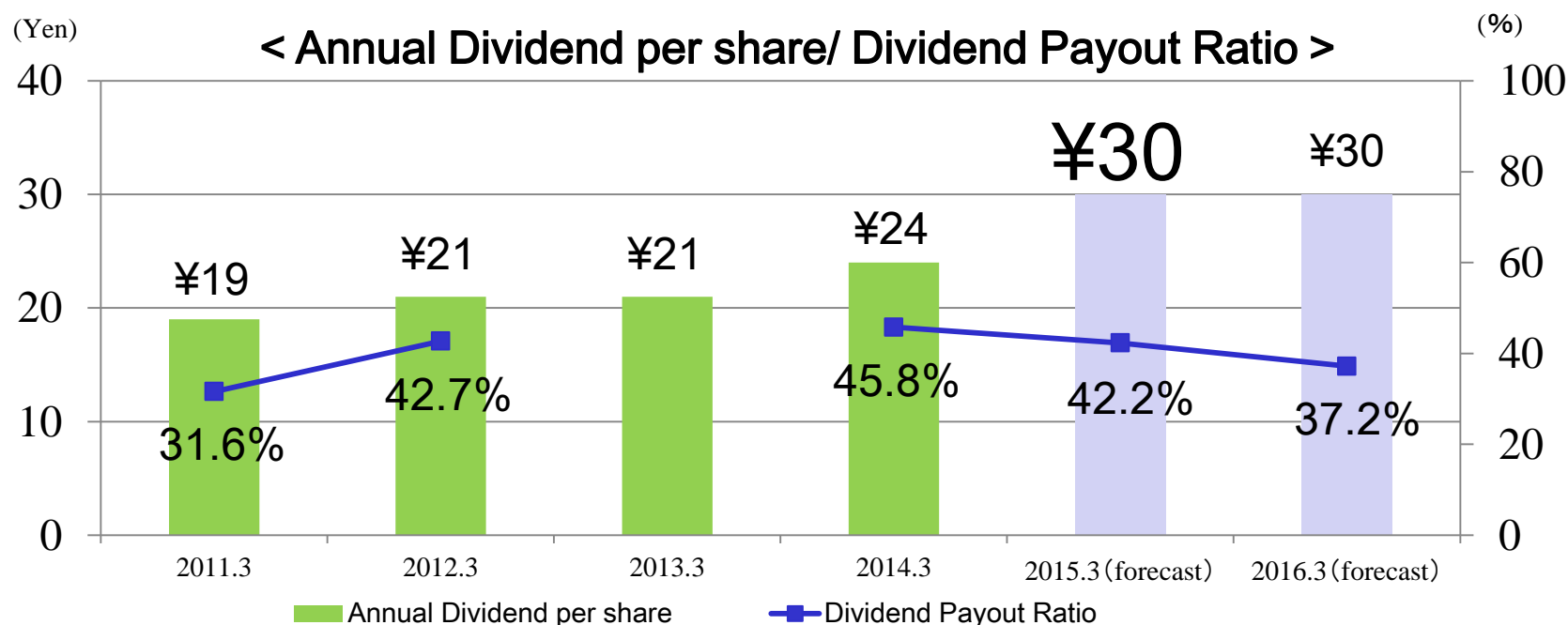
Return to Shareholders

The dividend for the fiscal year ended March 2015 (forecast) ¥24 → ¥30

- Increase of the ordinary dividend from 24 yen per share to 28 yen per share
- Special dividend of 2 yen per share in commemoration of listing on the First Section of the Tokyo Stock Exchange and the 45th anniversary of our founding

○ Basic Dividend Policy

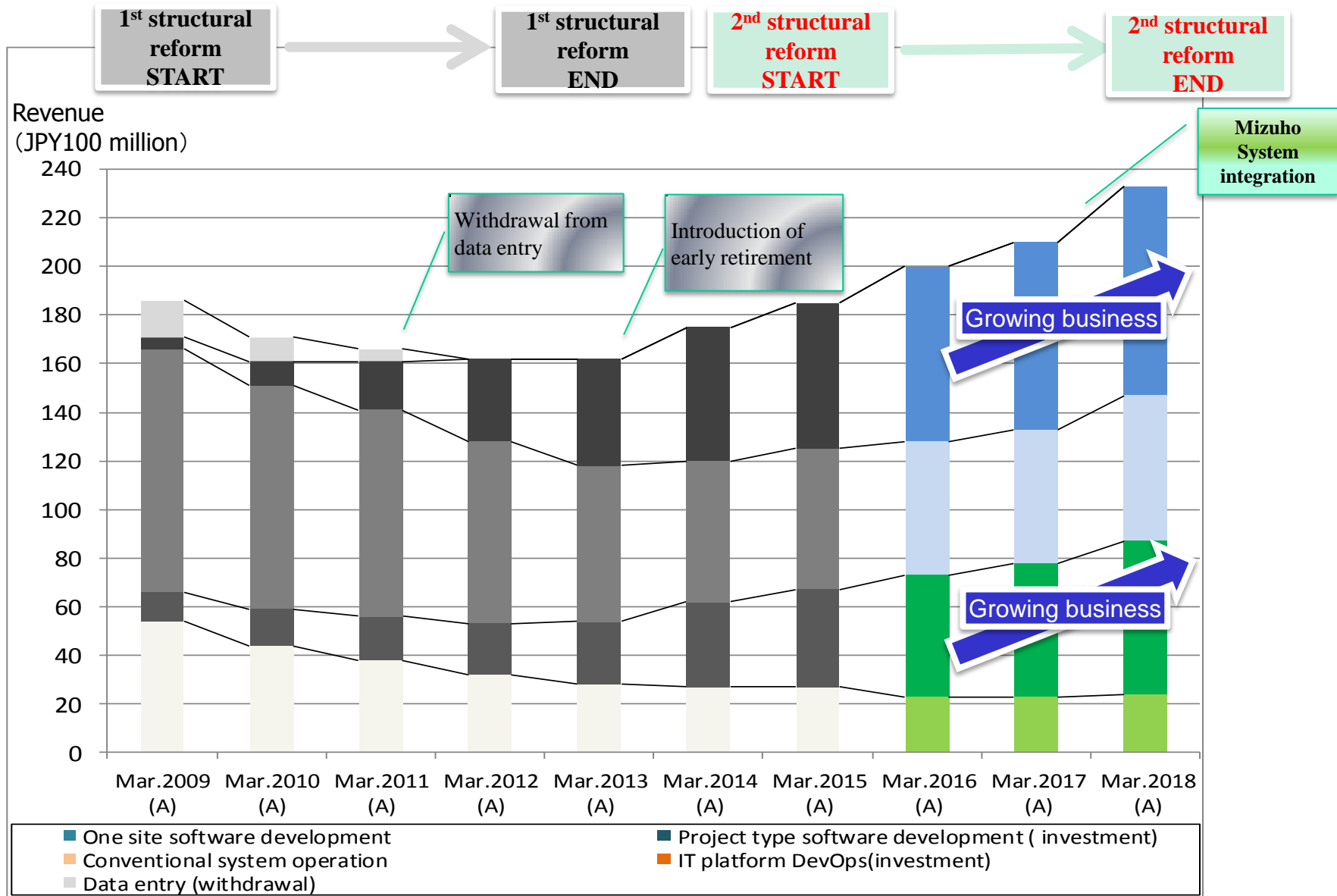
We will strive to secure a solid financial footing and stable revenue, and work to increase the return on equity to continue the proper distribution of profit backed by financial results.



2. The 3-Year Plan of ID Group (Structural reform)

Structural Reform

Change or Die!

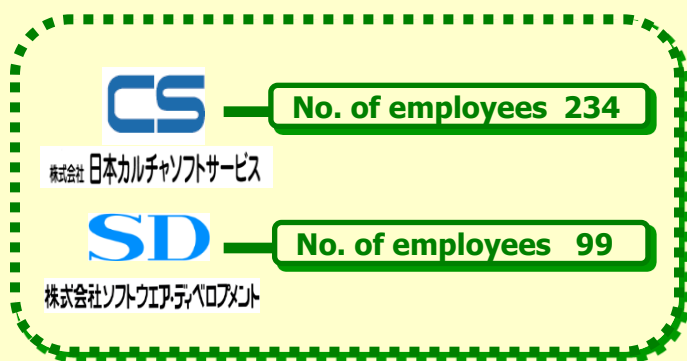


2nd Structural Reform

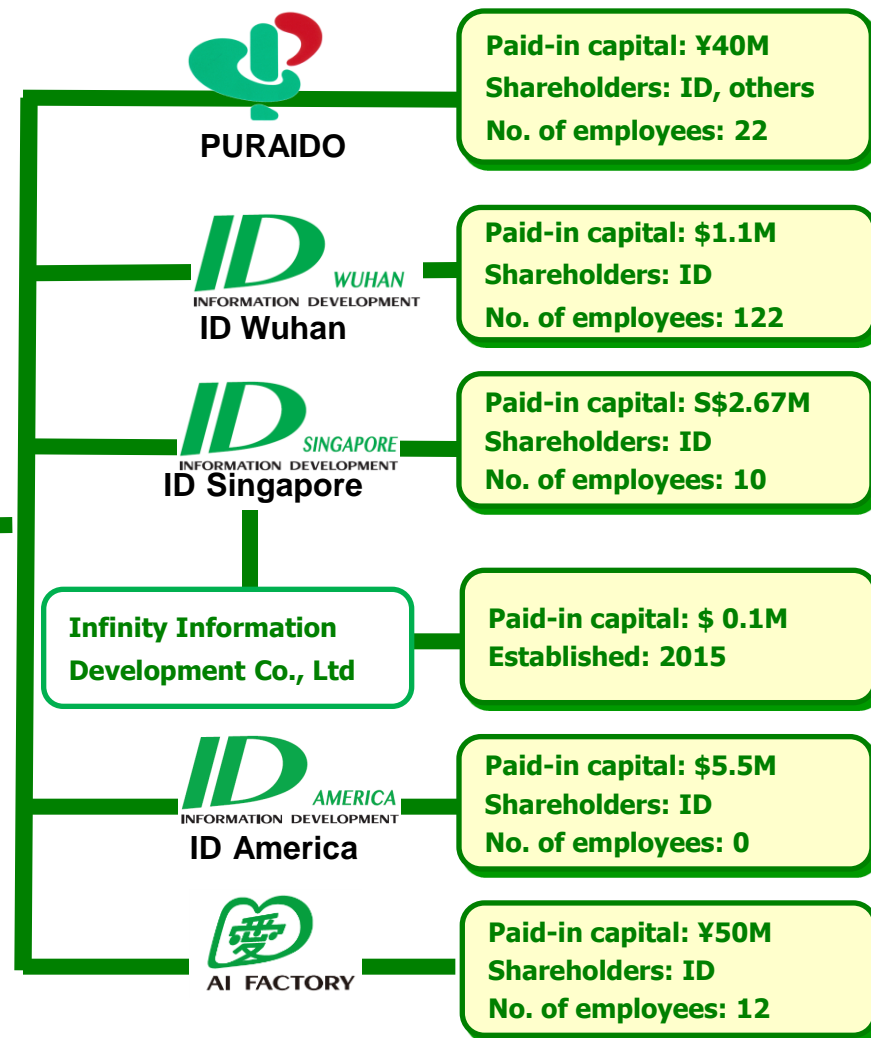


CS and SD are merged into ID

- ★ Paid in capital
¥592.34 million
- ★ Number of employees
1,819 (parent) 1,985 (consolidated)



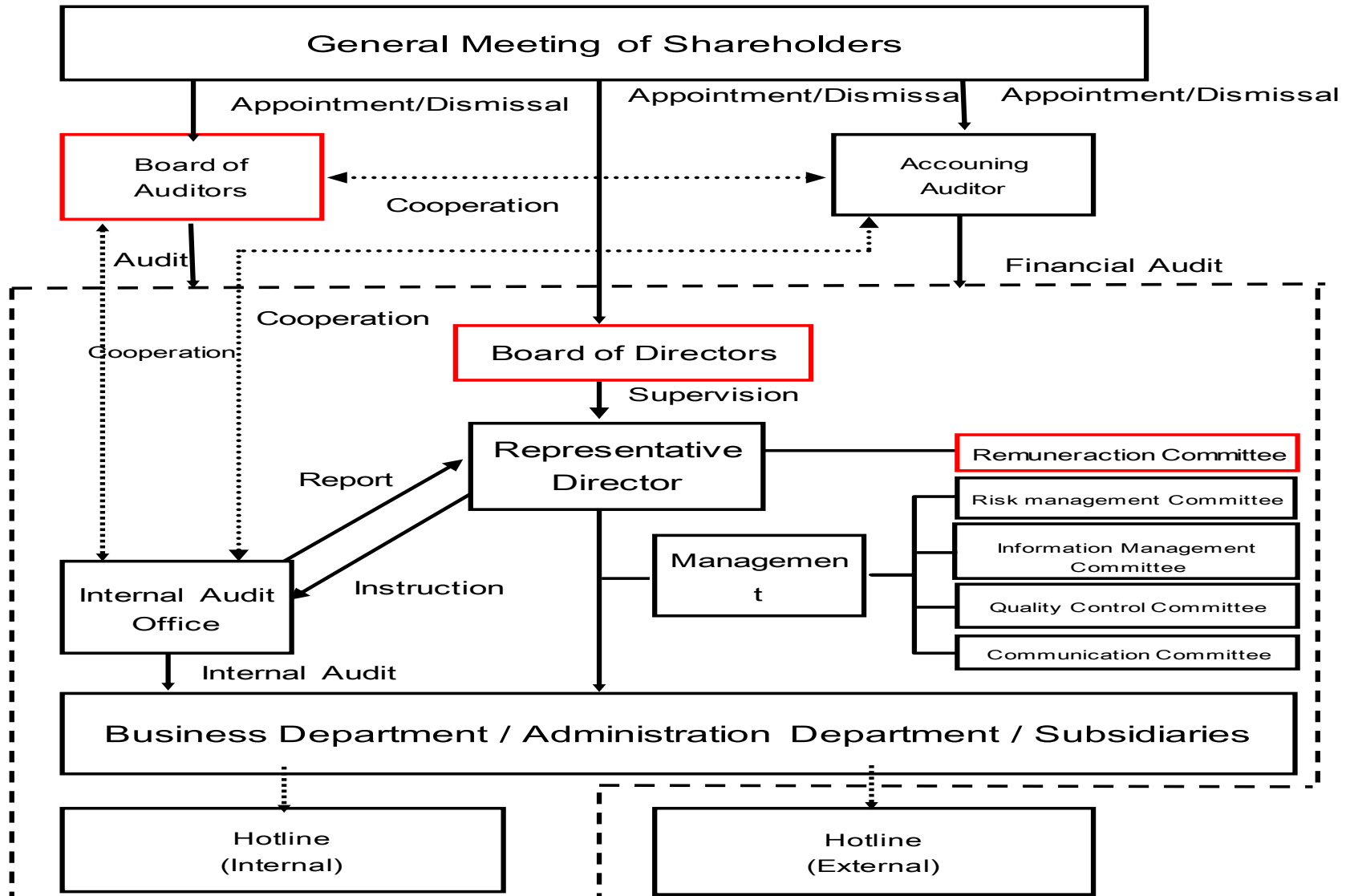
* Domestic subsidiaries with the same business model as that of the parent company, namely CS and SD, are set to be absorbed on July 1, 2015.



* No. of employees: as of Mar.31, 2015

Corporate Governance System

Change or Die!



※Board of Directors consists of 6 (2 external, Yoy +1). Appointment will be made after general meeting of shareholders
 ※Board of Auditors consists of 4 (3 external)

What the Group aims to be

“Innovation Driven Visionary Company”

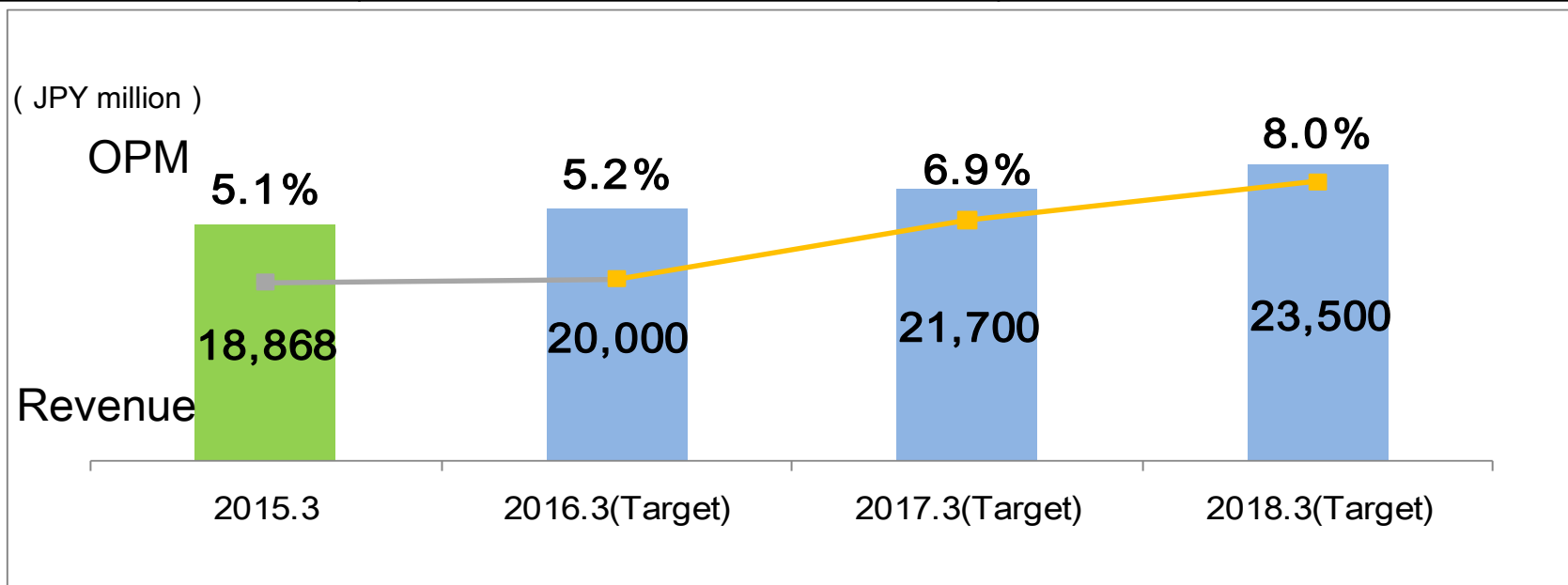
An outstanding IT service company that promptly delivers high quality services that delight customers

Five Ongoing Strategies

1. Diversity & Inclusion
2. Business Operation Outsourcing
3. Cloud Service
4. Global
5. Improve business processes for more efficient group management

Numerical Targets

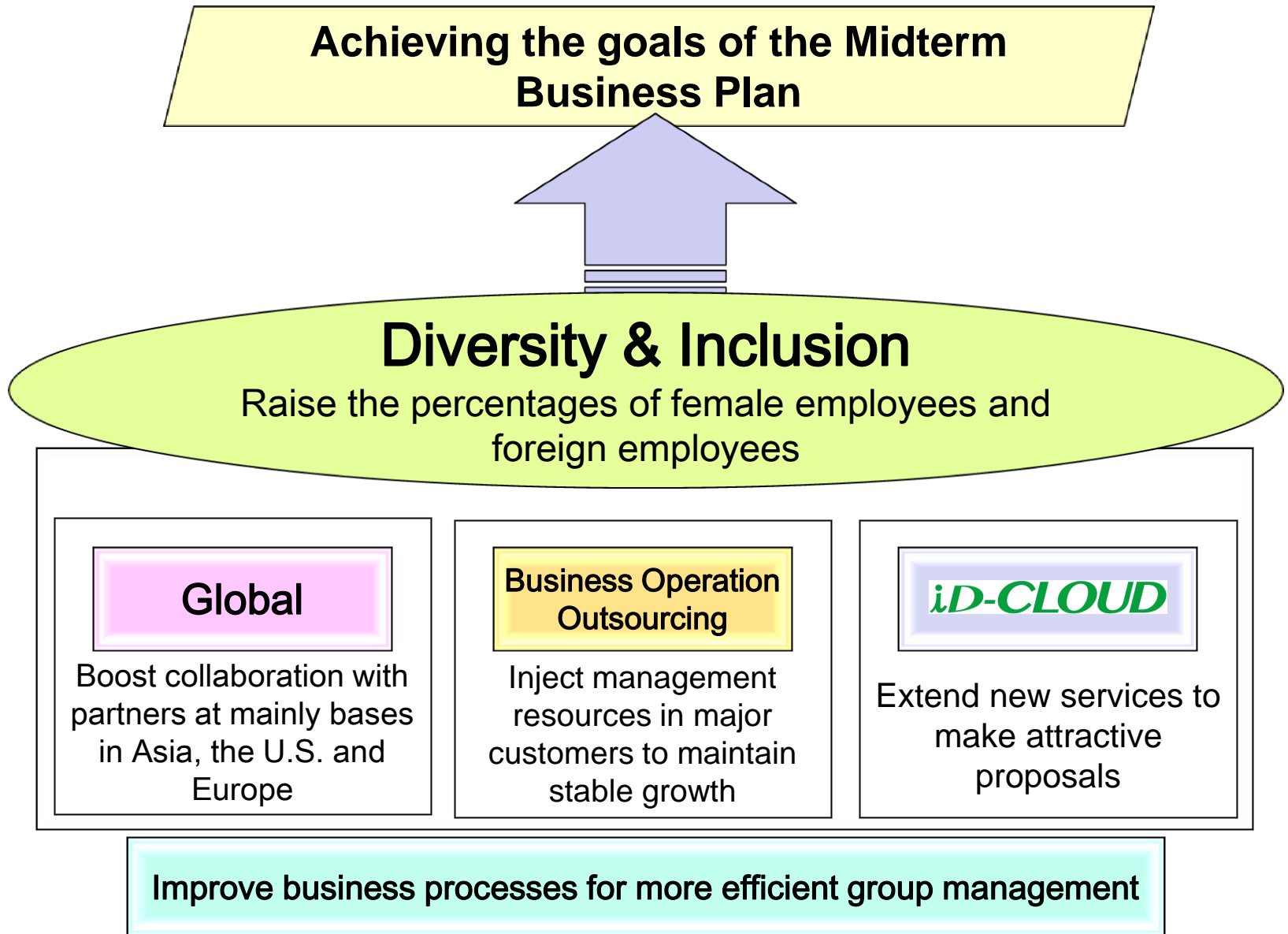
(JPY million)	Mar. 2015	Mar. 2018 (Target)
Revenue	18,868	23,500 (Diff. +4,631)
Operating Profit	966	1,880 (Diff. +913)
OPM	5.1%	8.0% (Diff. +2.9pp)
ROE	8.1%	14.6% (Diff. +6.5pp)



Essence of Management Strategy

Change or Die!

1	Diversity & Inclusion	<ul style="list-style-type: none"> ◆ Set out an objective of female managerial position ratio and monitor periodically. ◆ Raise the number of bilingual employees for vitalization of the company <ul style="list-style-type: none"> -Objective by 2020: Female employees ratio to 50% ; Female managerial position ratio to 30% -Objective by 2018: Foreign employees ratio to 15%
2	Business Operation Outsourcing	<ul style="list-style-type: none"> ◆ Pursue cross-selling to existing customers and develop new customers ◆ Provide one-stop service called i-Bos24[®]
3	Cloud Service iD-CLOUD	<ul style="list-style-type: none"> ◆ Provide innovative services with world-class security products and reliable cloud system operation ◆ Leverage our design capabilities of the cloud platform by more resource in accordance with the market growth
4	Global	<ul style="list-style-type: none"> ◆ Enhance collaboration with our subsidiaries and business partners in China, Singapore, Myanmar, Indonesia, US and UK ◆ Make business alliance with not only Japanese companies, but also indigenous companies ◆ Form a joint venture company in Myanmar ◆ Establish a subsidiary company in Indonesia (scheduled in August 2015) ◆ Push ahead with the introduction of the latest content from the US (ZeroTurnaround)
5	Improve business processes for more efficient group management	<ul style="list-style-type: none"> ◆ Raise the level of human resource by merger of subsidiary companies in Japan ◆ Enhance cooperation within the Group in terms of sales activities ◆ Improving operational processes such as increasing productivity, assigning personnel to suitable positions, and tighten controls on working overtime



BOO (Business Operations Outsourcing) ①



Promote Business Operations Outsourcing* to expand services for existing and new customers of ID Group

*One stop service. From software development, system operation management, cloud & security service and BPO to consulting.

	A	B	C	D	E	F	G	H	I	J
System Operation Management	Existing Business	Existing Business	Existing Business	Existing Business	<u>Target</u>	Existing Business	Existing Business	<u>Target</u>	Existing Business	<u>Target</u>
IT platform	Existing Business	<u>Target</u>	Existing Business	Existing Business	Existing Business	<u>Target</u>	Existing Business	Existing Business	<u>Target</u>	Existing Business
Software Development	Existing Business	Existing Business	Existing Business	Existing Business	Existing Business	Existing Business	<u>Target</u>	Existing Business	Existing Business	Existing Business
Cloud	<u>Target</u>	<u>Target</u>	<u>Target</u>	Existing Business	<u>Target</u>	<u>Target</u>	<u>Target</u>	<u>Target</u>	<u>Target</u>	<u>Target</u>
Security	Existing Business	<u>Target</u>	Existing Business	Existing Business	<u>Target</u>	<u>Target</u>	Existing Business	<u>Target</u>	<u>Target</u>	Existing Business
Global	Existing Business New	<u>Target</u>	<u>Target</u>	<u>Target</u>	Existing Business	<u>Target</u>	<u>Target</u>	<u>Target</u>	<u>Target</u>	Existing Business <u>Target</u>

* As of Mar. 31, 2015

Focus business resources on selected customers "Stable growth"

Selected 13 customer groups out of 1,000 customers

IT Vendor

Financial

Transportation

IT, Communication

Utility

Strategic partners

Major customers

Financial

Business Resources

People

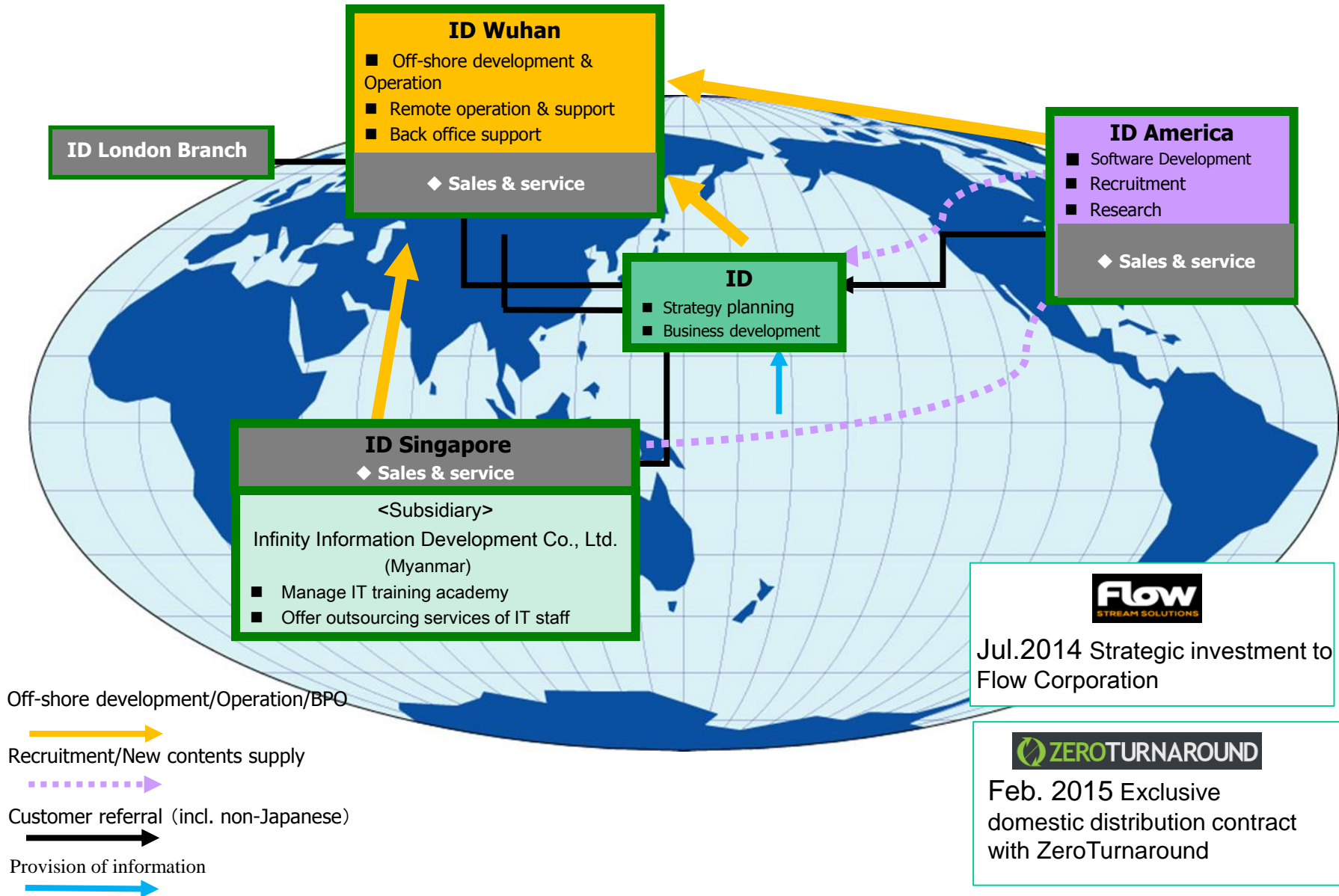
Goods

Capital

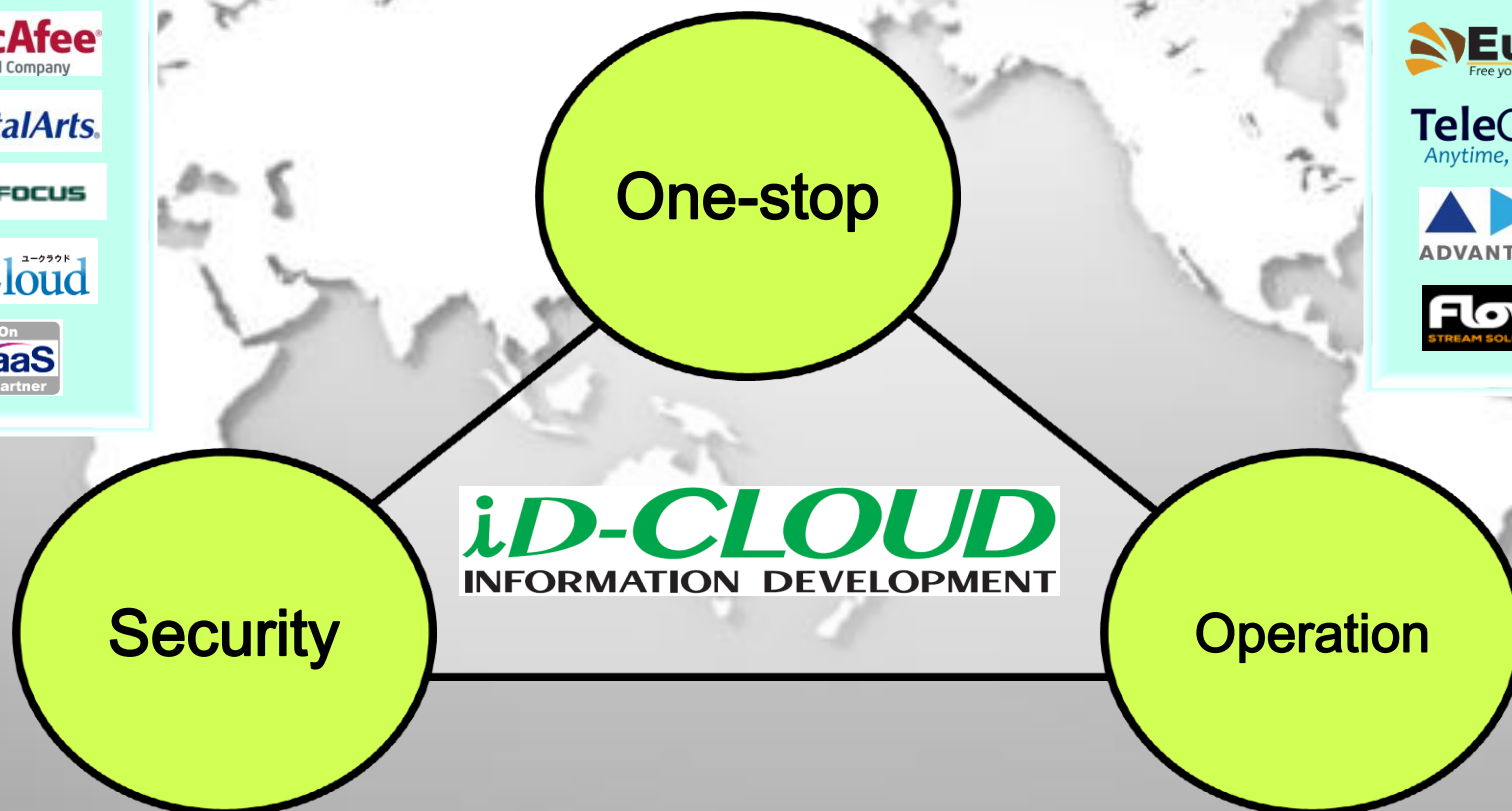
Intellectual
Assets

Global Expansion

Change or Die!



- ◎ One-stop service from introduction consulting to cloud service operation
- ◎ Global network to provide Japanese quality consistent services



3. Appendix

About ID Group

ID GROUP



INFORMATION DEVELOPMENT

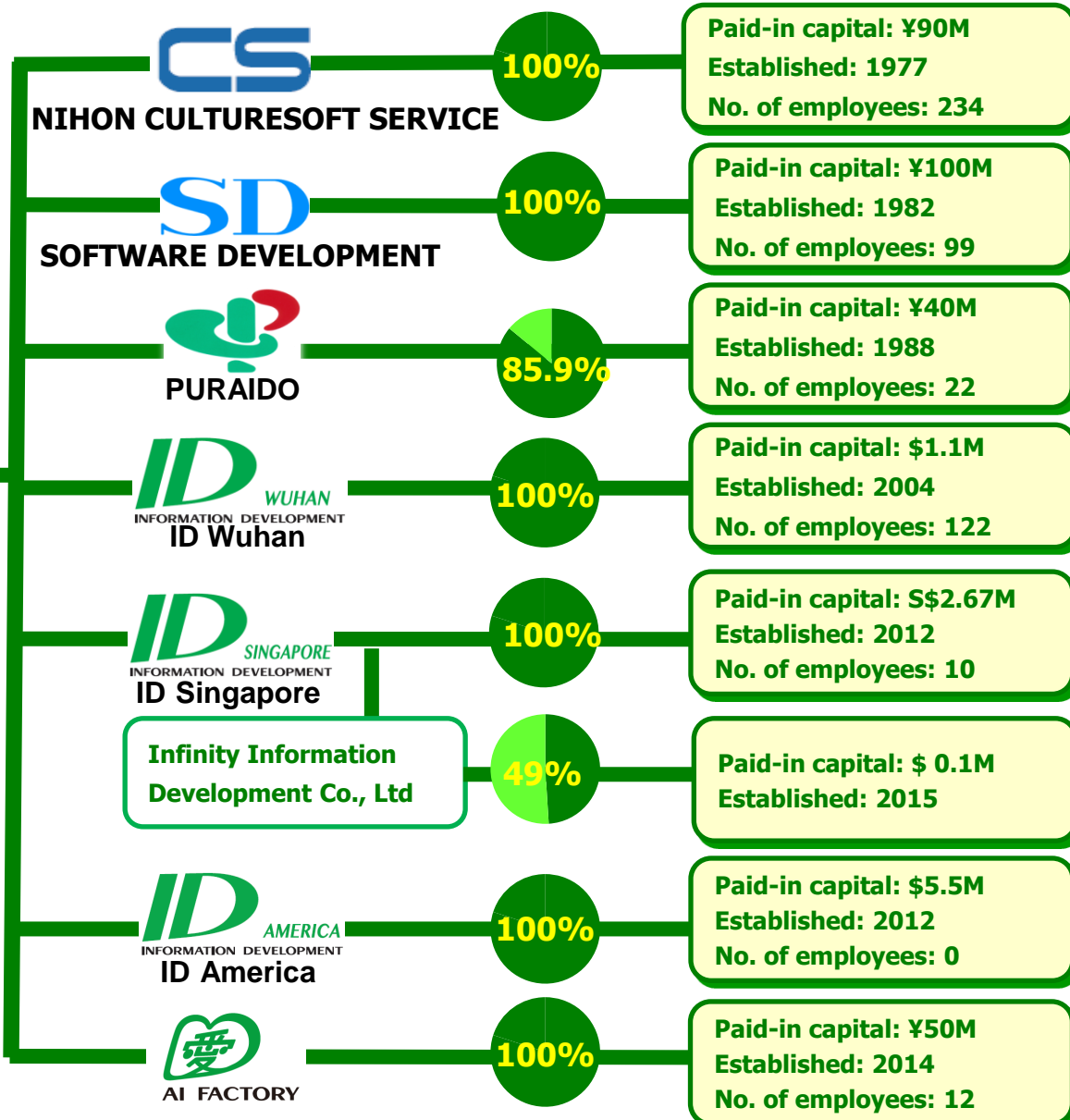
Paid in capital:
¥592.34 million

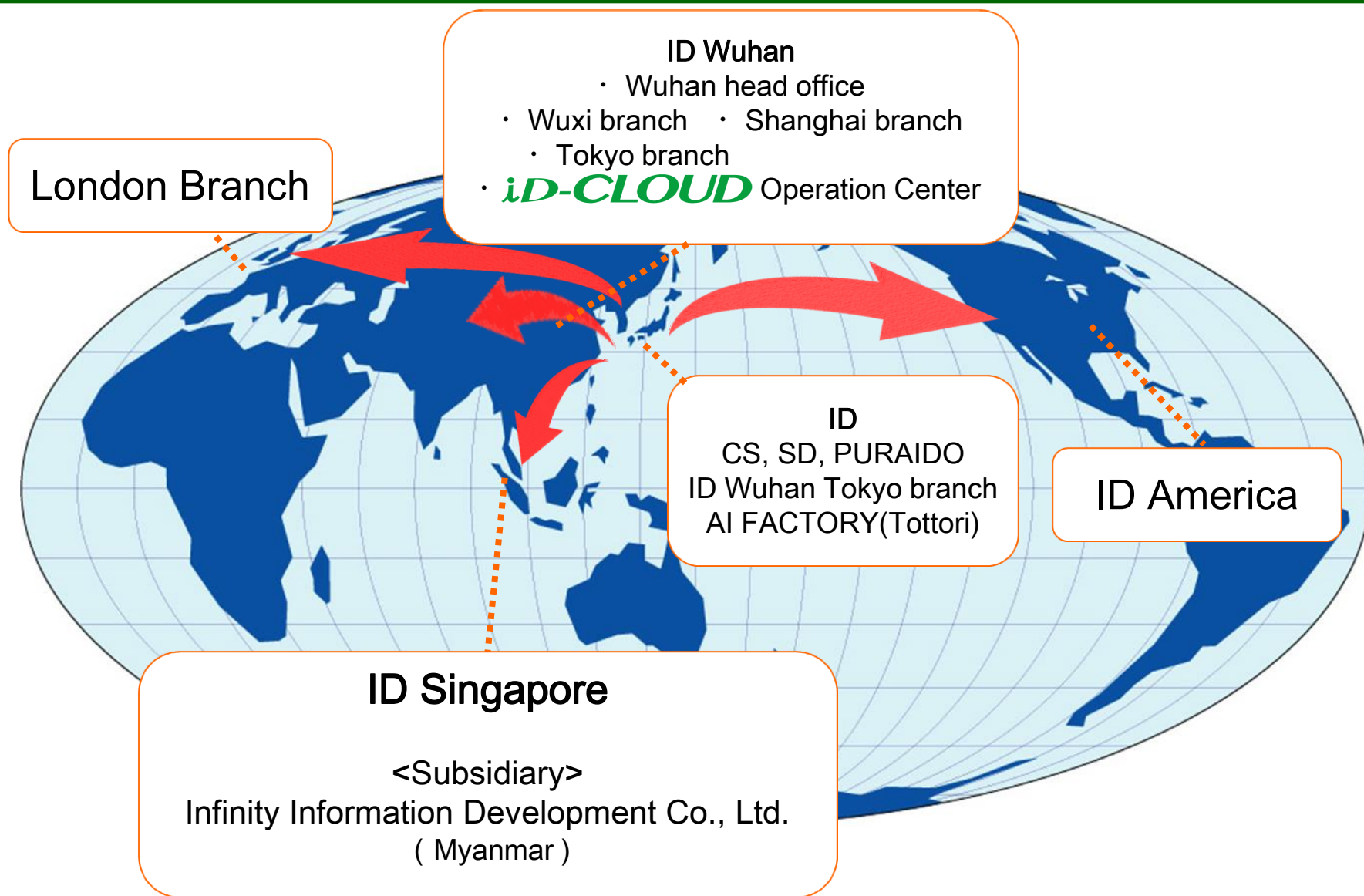
Established:
October 1969

No. of employees:
1,486 (parent)
1,985 (consolidated)

* No. of employees: as of Mar.31, 2015

* ID's ownership ratios are calculated by number of shares excluding treasury stock





Service of ID Group

i-Bos24[®] (ID's **B**usiness **O**perations-Outsourcing **S**ervice 24)



One-stop solution from consulting to BPO

◆ Shareholding by investor type



◆ Major shareholders

No. of shareholders: 3,010 (+144 since Mar. 2014)

No. of shareholders with voting rights: 2,550

(+162 since Mar. 2014, Excluding treasury stocks)

	Major shareholders	% of total shares
1	A. K. Corporation	8.73%
2	Mizuho Trust Systems Co., Ltd.	8.50%
3	ID Employee Ownership Account	5.76%
4	Mizuho Trust & Banking Co., Ltd.	3.51%
5	The Master Trust Bank of Japan, Ltd.	3.49%
6	K.C.S Co., Ltd.	3.45%
7	Trust & Custody Services Bank, Ltd.	3.30%
8	TDC SOFTWARE ENGINEERING Inc.	2.35%
9	Akemi Funakoshi	1.64%
10	Kaori Marubayashi	1.49%

* As of Mar.31,2015

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