



# **INFORMATION DEVELOPMENT CO., LTD.**

Financial results of Apr. 2013-Mar. 2014

June 2014

TSE 2nd section  
Code:4709

1. What's ID Group ?
2. Performance overview
3. The 3-Year Plan of ID Group  
(Structural reform)

# 1. What's ID Group ?

# About ID Group

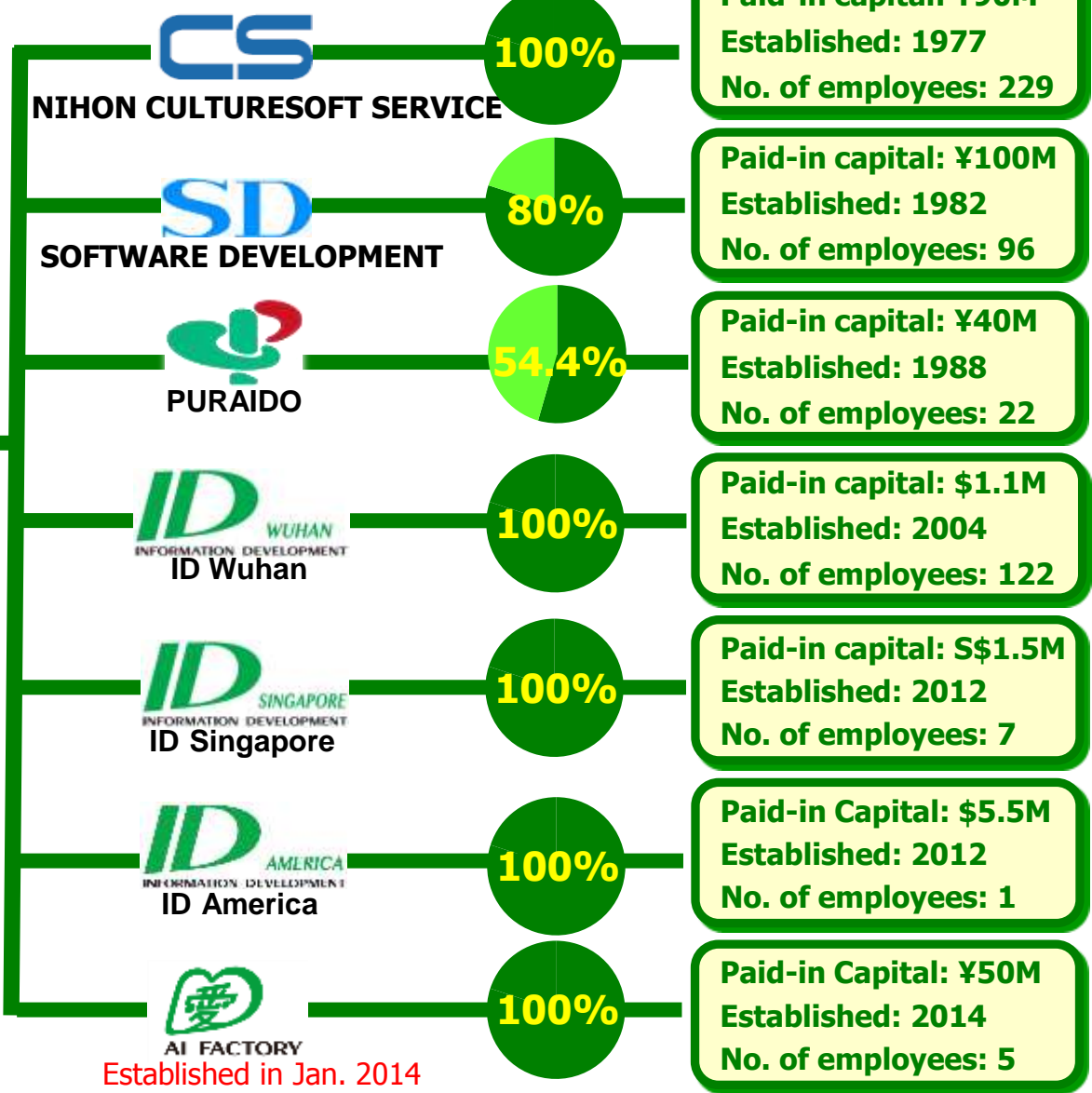


ID's ownership

**Paid in capital:**  
¥592.34 million

**Established:**  
October 1969

**No. of employees:**  
1,477 (parent)  
1,959 (consolidated)

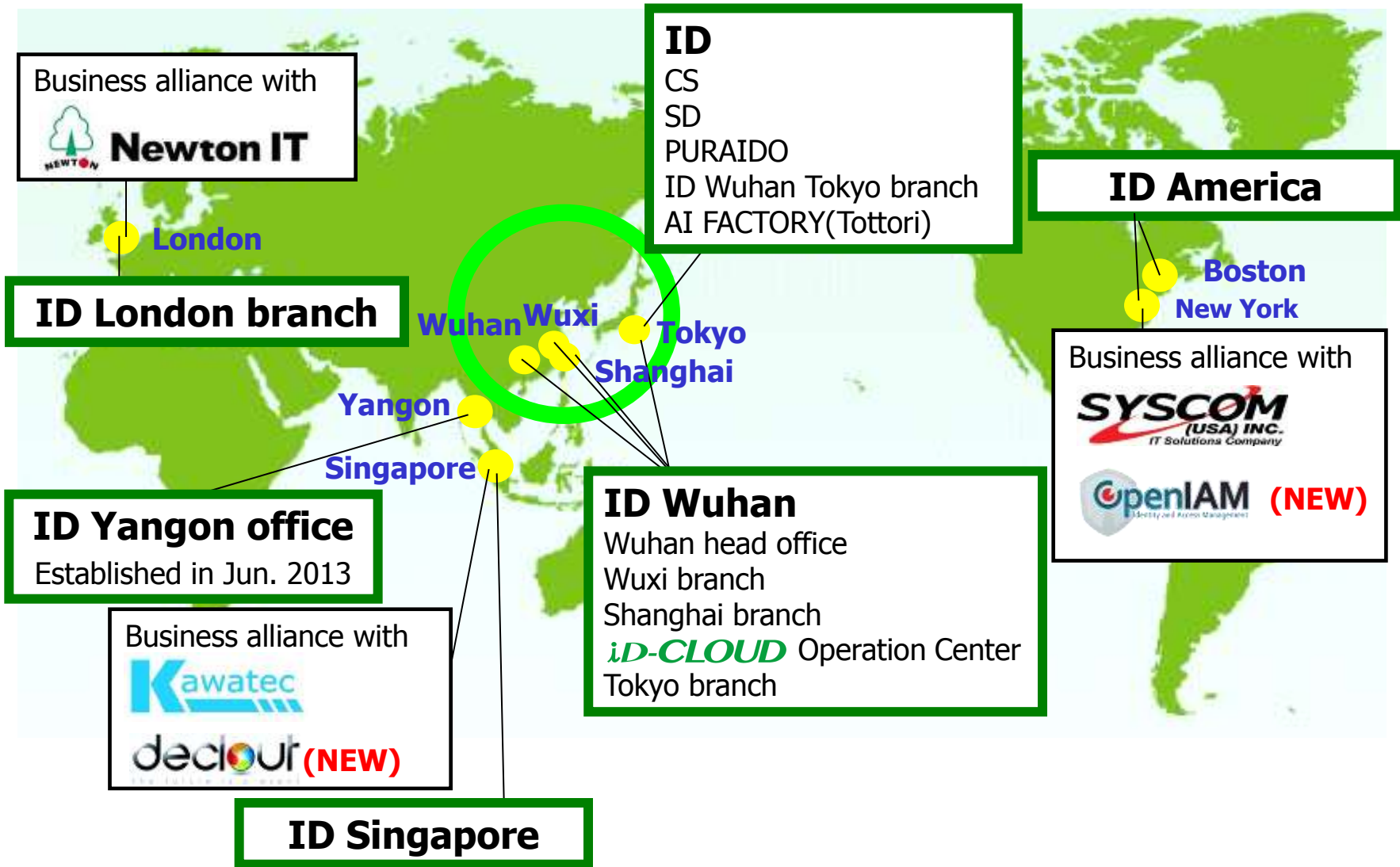


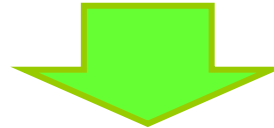
\* No. of employees: as of Mar. 31, 2014  
 \* ID's ownership ratios are calculated by number of shares excluding treasury stock

Change or Die!

# Global network

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## One-stop solution from consulting to BPO



System Operation Management  
Software Development  
Cloud & Security, BPO

London branch

Yangon office



**PURAIDO**

Consulting



**SOFTWARE DEVELOPMENT**

Software Development



**NIHON CULTURESOF SERVICE**

System Operation Management



**ID Wuhan**

System Operation Management  
Software Development, BPO



**ID Singapore**

System Operation Management  
Software Development



**ID America**

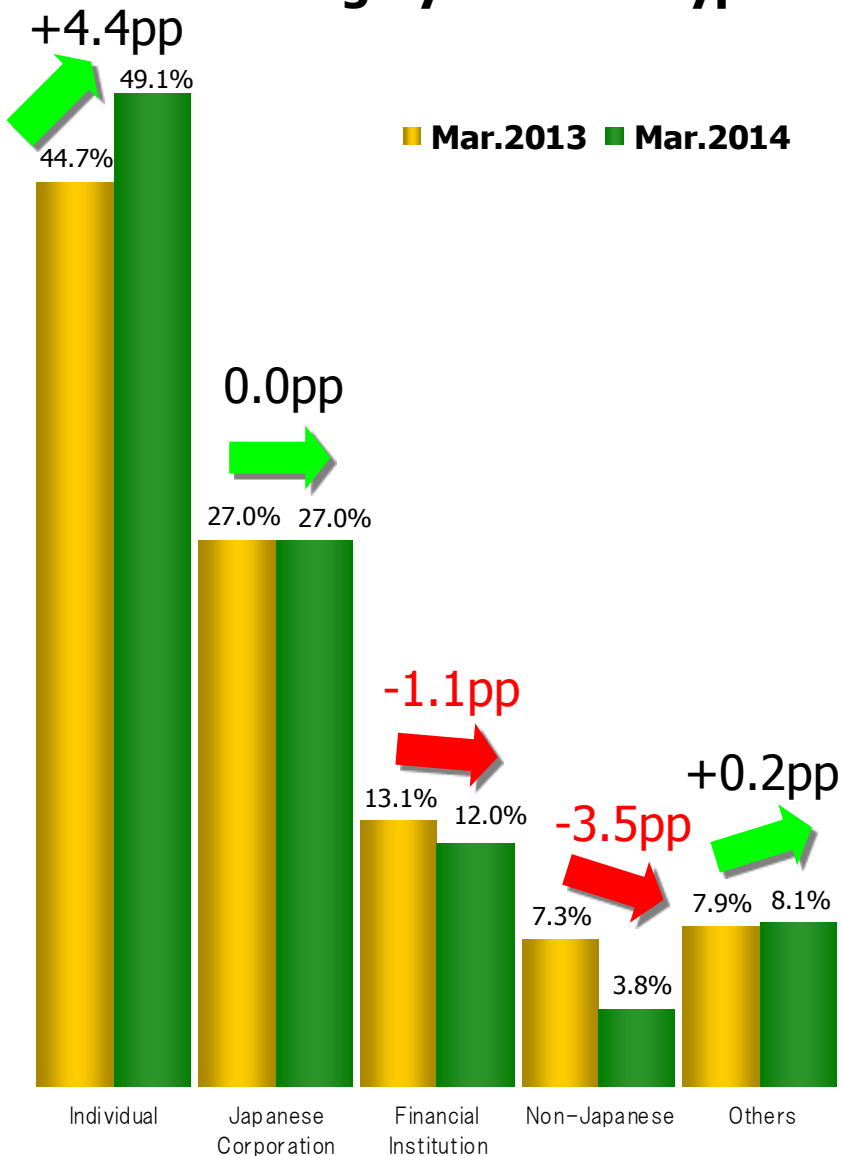
Recruitment and training,  
Research of IT markets

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# Shareholders

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## ◆ Shareholding by investor type



## ◆ Major shareholders

No. of shareholders: 2,866 (+905 since Mar. 2013)

No. of shareholders with voting rights: 2,388

(+923 since Mar. 2013)

	Major shareholders	% of total shares
1	A. K. Corporation	<b>8.7%</b>
2	Mizuho Trust Systems Co., Ltd.	<b>8.5%</b>
3	INFORMATION DEVELOPMENT CO., LTD	<b>7.5%</b>
4	ID Employee Ownership Account	<b>5.7%</b>
5	Trust & Custody Services Bank, Ltd.	<b>3.7%</b>
6	Mizuho Trust & Banking Co., Ltd	<b>3.5%</b>
7	K.C.S Co., Ltd.	<b>3.5%</b>
8	The Master Trust Bank of Japan, Ltd.	<b>2.8%</b>
9	Wahei Takeda	<b>2.6%</b>
10	STATE STREET BANK AND TRUST COMPANY	<b>2.5%</b>

\* As of Mar. 2014

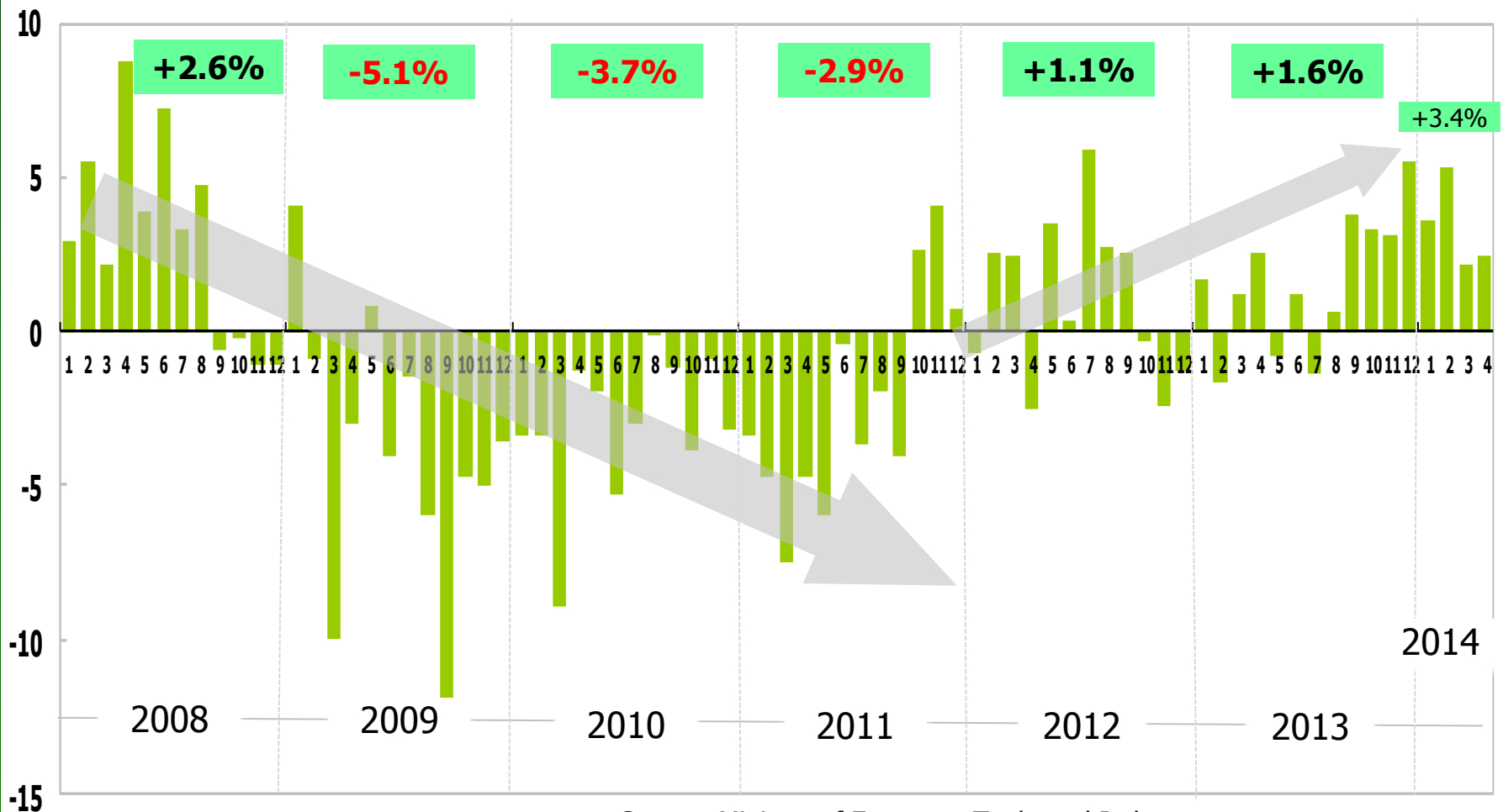
## 2. Performance overview



# Industry trend

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**Yearly growth average\*** **Trend of IT industry's monthly sales changes**  
(Compared with same month of previous year)



\*The average of YoY monthly sales changes

Source: Ministry of Economy, Trade and Industry  
"Monthly report on the current survey of selected service industries", ID

# Financial results (consolidated)



(¥ million)	Mar. 2013	(% of revenue)	Mar. 2014	(% of revenue)	YoY
<b>Revenue</b>	16,446	100.0	<b>17,578</b>	100.0	+6.9%
<b>System Operation Management</b>	10,093	61.4	<b>10,665</b>	60.7	+5.7%
<b>Software Development</b>	5,744	34.9	<b>6,297</b>	35.8	+9.6%
<b>Others</b>	608	3.7	<b>616</b>	3.5	+1.4%
<b>Cost of Sales</b>	13,650	83.0	<b>14,306</b>	81.4	+4.8%
<b>Gross Profit</b>	2,795	17.0	<b>3,272</b>	18.6	+17.1%
<b>SG&amp;A Expenses</b>	2,367	14.4	<b>2,536</b>	14.4	+7.1%
(Amortization of goodwill)	78	0.5	<b>78</b>	0.4	0.0%
<b>Operating Profit</b>	427	2.6	<b>735</b>	4.2	+71.9%
<b>Recurring Profit</b>	448	2.7	<b>765</b>	4.4	+70.8%
<b>Net Profit</b>	-490	-	<b>372</b>	2.1	-
<b>EPS (yen)</b>	-	-	<b>52.42</b>	-	-

# Financial results (parent)

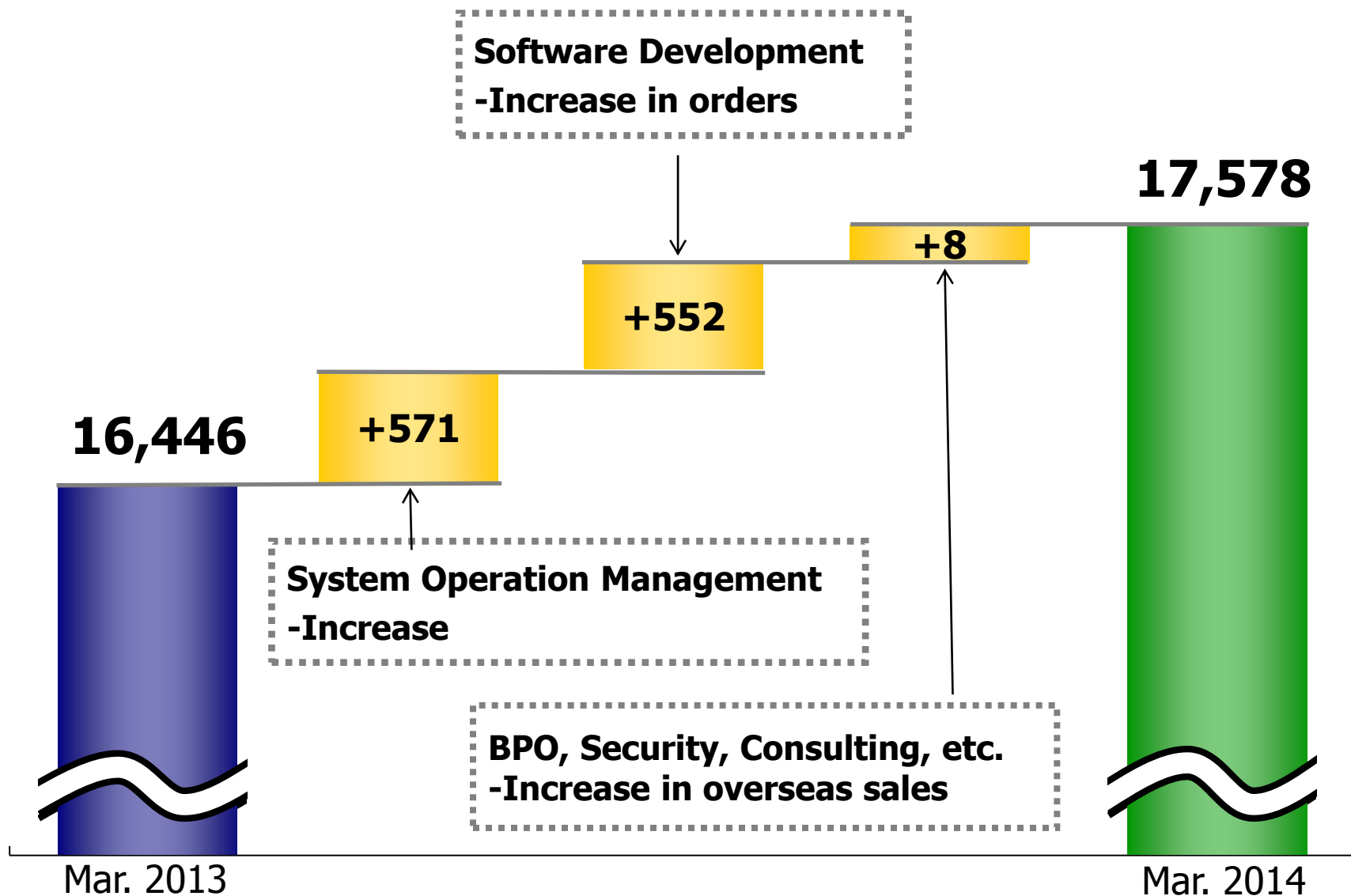


(¥ million)	Mar. 2013	(% of revenue)	Mar. 2014	(% of revenue)	YoY
<b>Revenue</b>	13,456	100.0	<b>14,384</b>	100.0	+6.9%
<b>Cost of Sales</b>	11,280	83.8	<b>11,771</b>	81.8	+4.4%
<b>Gross Profit</b>	2,176	16.2	<b>2,612</b>	18.2	+20.0%
<b>SG&amp;A Expenses</b>	1,916	14.2	<b>2,049</b>	14.2	+6.9%
<b>Operating Profit</b>	260	1.9	<b>563</b>	3.9	+116.5%
<b>Recurring Profit</b>	555	4.1	<b>698</b>	4.9	+25.6%
<b>Net Profit</b>	-273	-	<b>426</b>	3.0	-

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# Revenue analysis (consolidated)

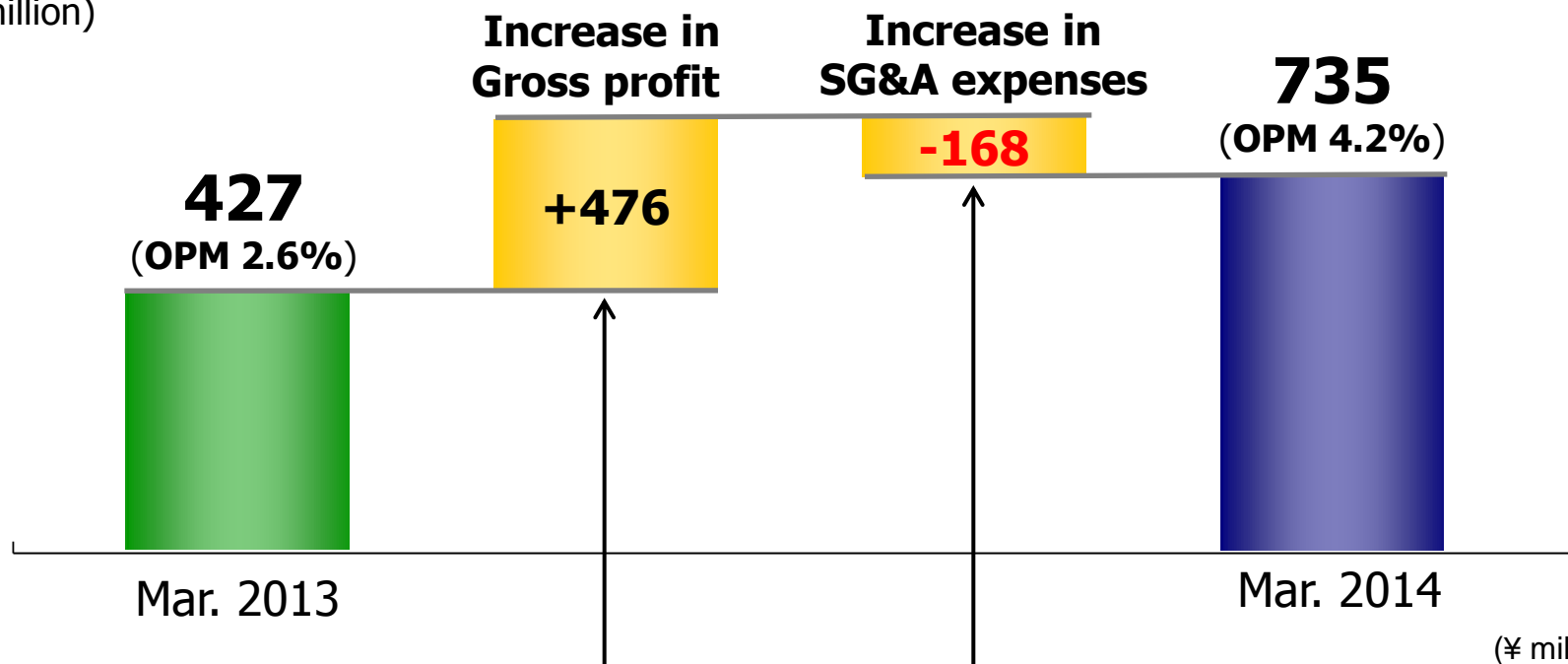
(¥ million)



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# Operating profit analysis (consolidated)

(¥ million)



(¥ million)

<b>◆ Gross profit</b>	<b>+476</b>	<b>◆ SG&amp;A expenses</b>	<b>+168</b>
Revenue	+1,132	<Major changes in SG&A expenses >	
Cost of Sales	+656	▪ Labor costs	+112
<Major changes in cost of sales>		▪ Others	+56
▪ Labor costs	+516		
▪ Outsourcing costs	+1,147		
▪ Production expenses	+2		
▪ Purchasing	+8		

# Financial position (consolidated)



(¥ million)	Mar. 2013	Mar. 2014	YoY
<b>Current assets</b>	6,412	<b>6,399</b>	-0.2%
<b>Cash and deposits</b>	3,117	<b>2,724</b>	-12.6%
<b>Fixed assets</b>	3,389	<b>3,270</b>	-3.5%
<b>Total assets</b>	9,801	<b>9,670</b>	-1.3%
<b>Liabilities</b>	4,159	<b>3,584</b>	-13.8%
<b>Interest-bearing debt</b>	1,100	<b>890</b>	-19.1%
<b>Retained earnings</b>	4,917	<b>5,133</b>	+4.4%
<b>Total Shareholders' Equity</b>	5,413	<b>5,675</b>	+4.8%

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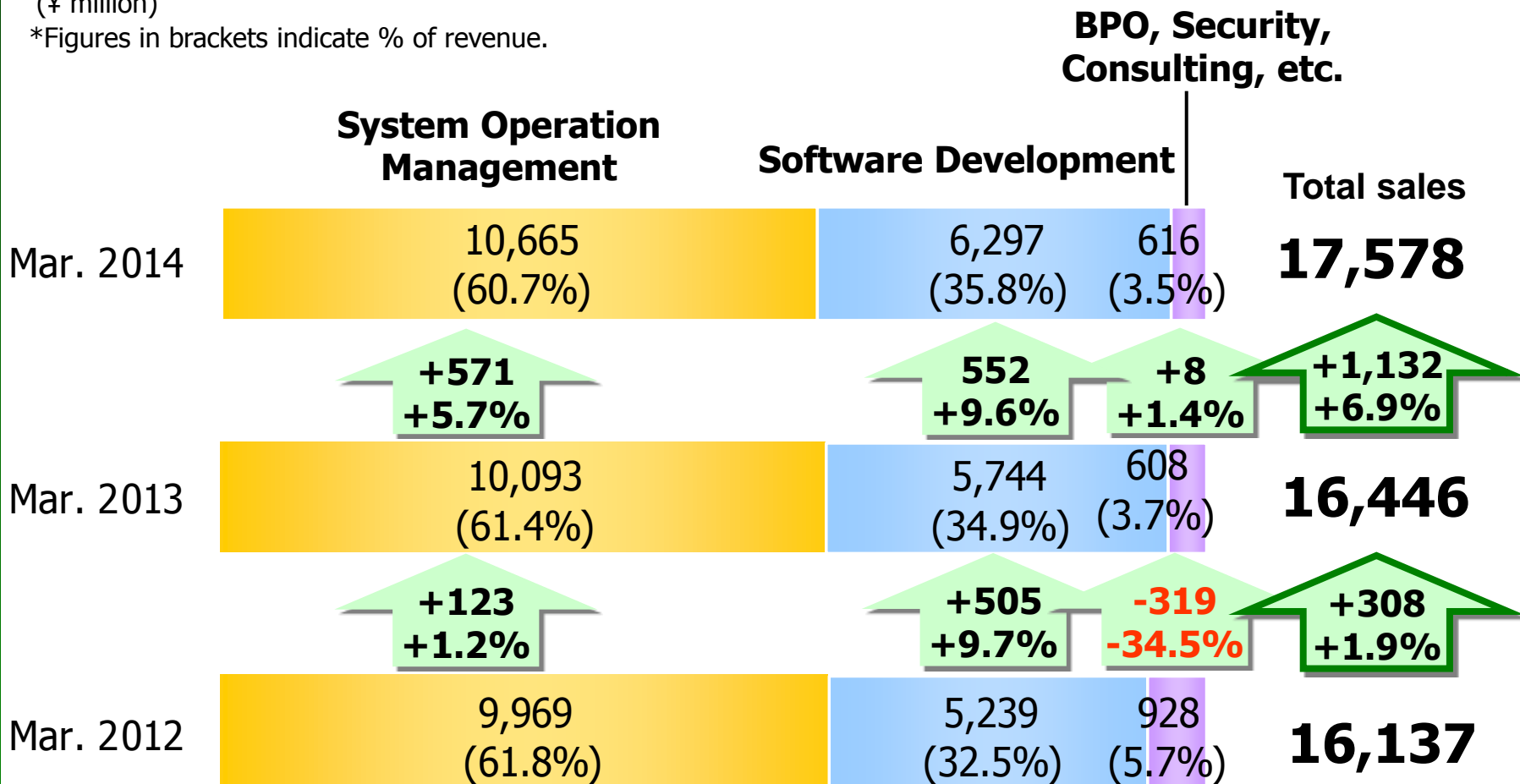
# Feature of ID Group 1



## Revenue by business

(¥ million)

\*Figures in brackets indicate % of revenue.



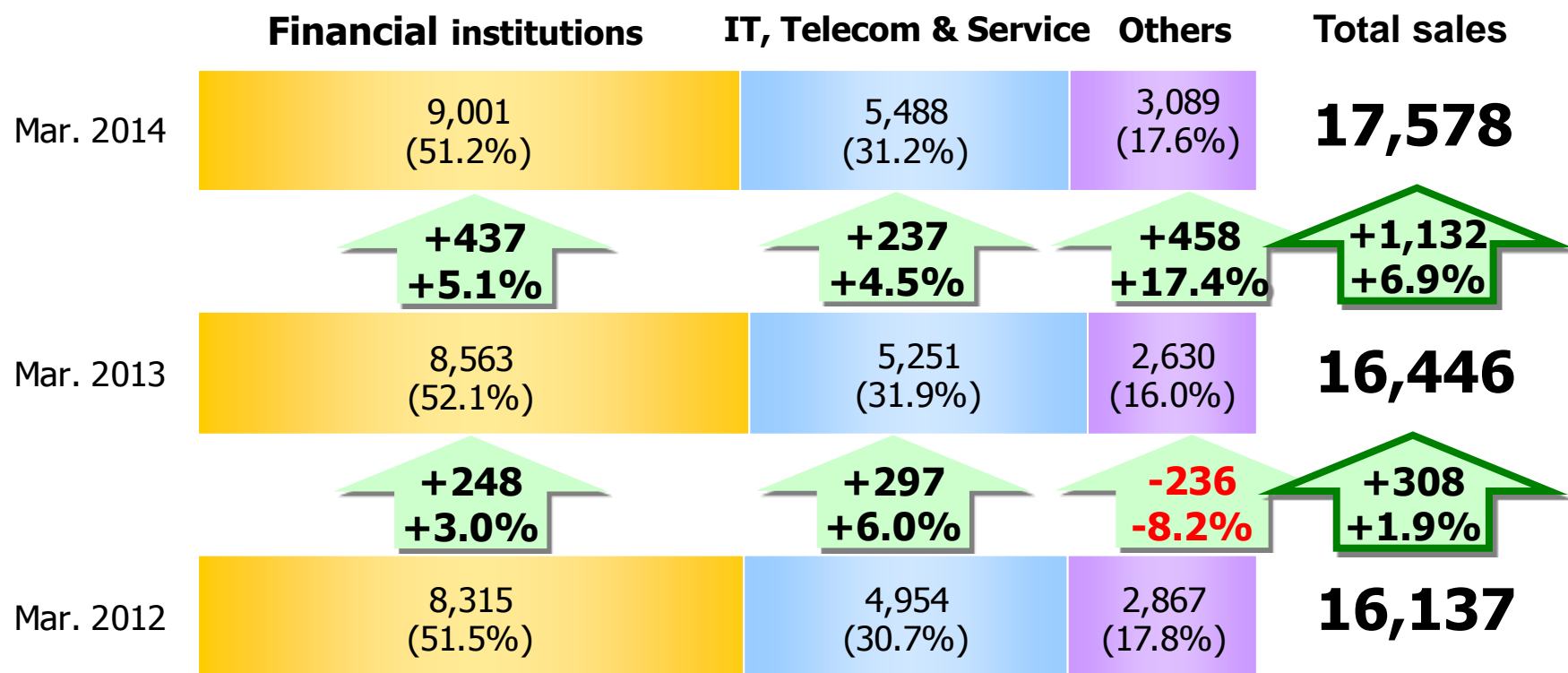
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# Feature of ID Group 2

## Revenue by customer

(¥ million)

\*Figures in brackets indicate % of revenue



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# Feature of ID Group 3

## Revenue by contract

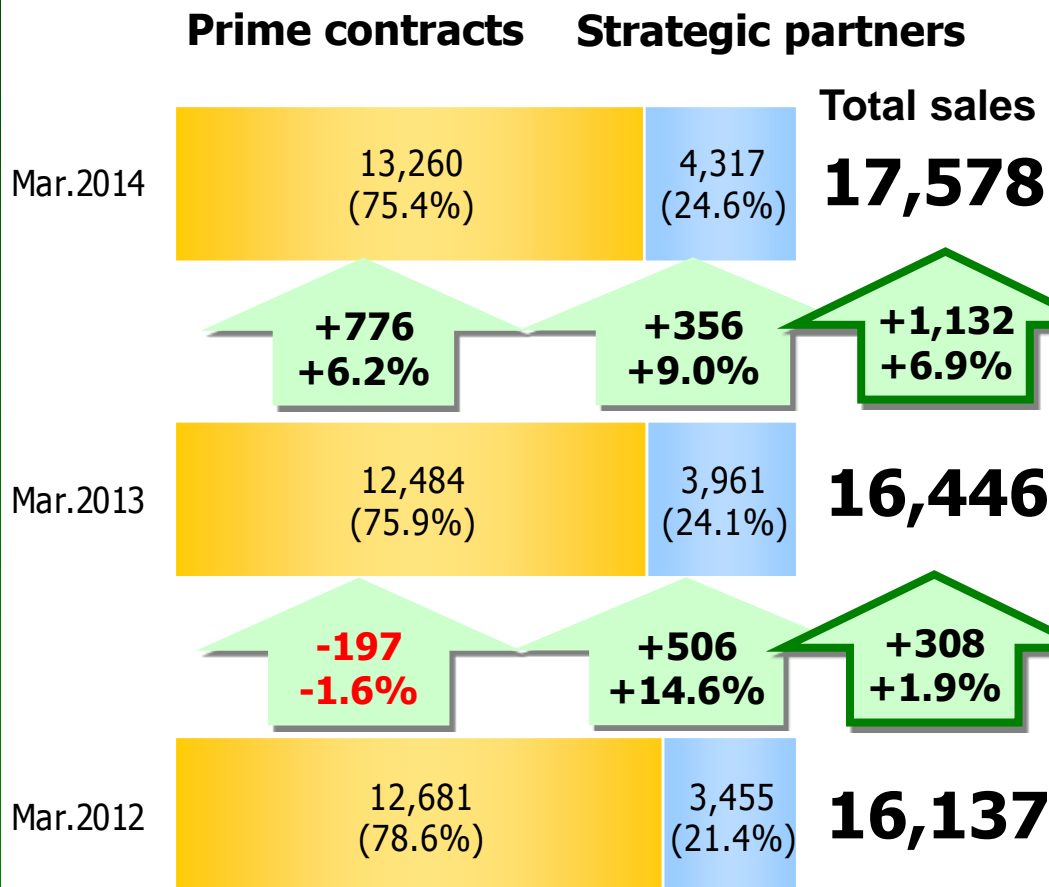
(¥ million)

\*Figures in brackets indicate % of revenue

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

< Major customers >

### Prime contracts



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

### Strategic partners

Major IT Vendors

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# Quarterly results

Accounting period (¥ million)	Revenue	Operating profit	OPM
<b>Jan-Mar 2013</b>	4,427	99	2.2%
<b>Apr-Jun 2013</b>	4,160	219	5.3%
<b>Jul-Sep 2013</b>	4,313	135	3.1%
<b>Oct-Dec 2013</b>	4,535	200	4.4%
<b>Jan-Mar 2014</b>	<b>4,569</b>	<b>180</b>	<b>4.0%</b>
<b>YoY</b>	+3.2%	+81.7%	+1.8pt

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# Mar. 2015 forecast

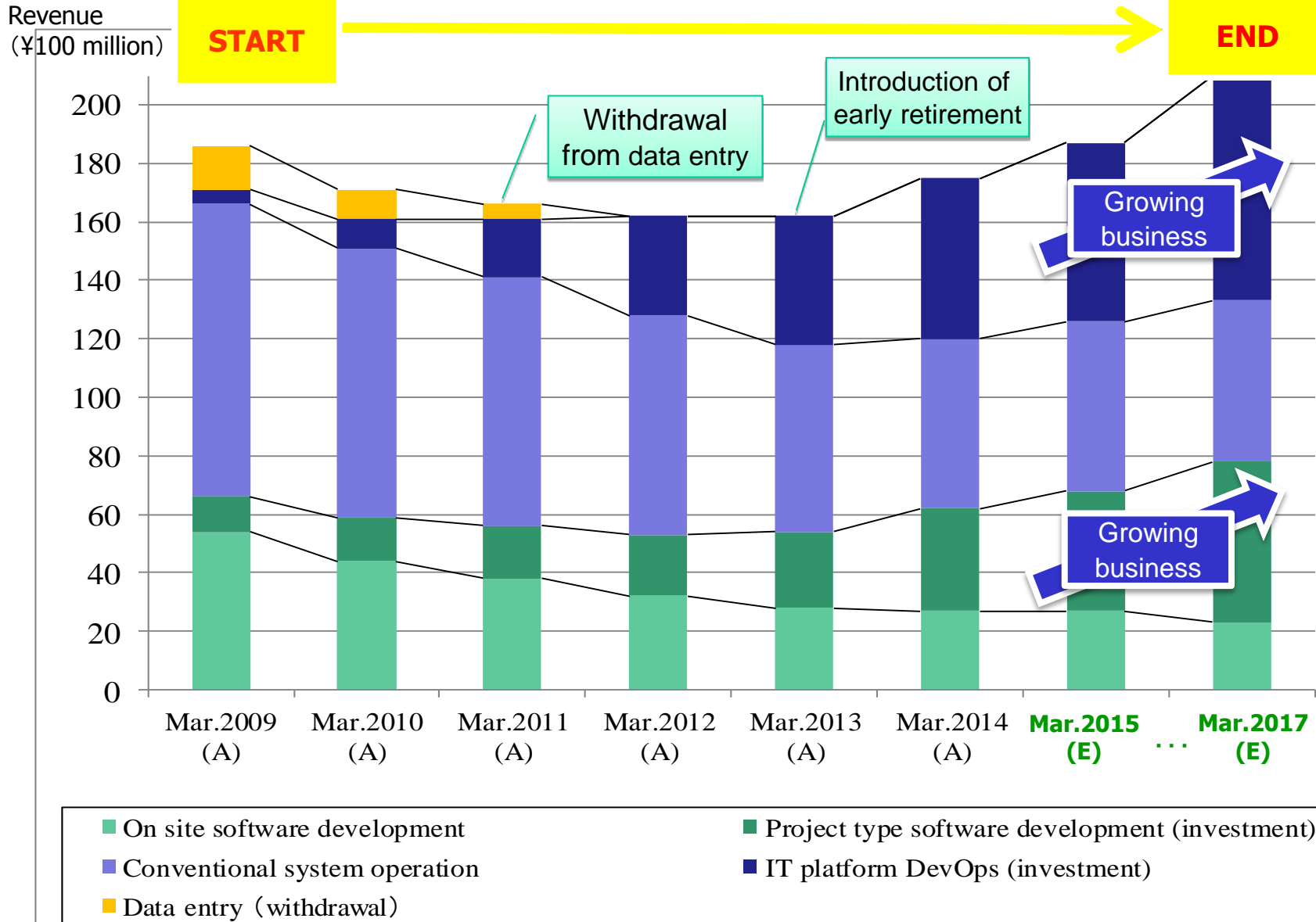
(¥ million)	Mar. 2014 results	(% of revenue)	<b>Mar. 2015 plan</b>	(% of revenue)	YoY
<b>Revenue</b>	17,578	100.0	<b>18,730</b>	100.0	+6.5%
<b>Operating Profit</b>	735	4.2	<b>940</b>	5.0	+27.7%
<b>Recurring Profit</b>	765	4.4	<b>940</b>	5.0	+22.8%
<b>Net Profit</b>	372	2.1	<b>540</b>	2.9	+45.1%
<b>EPS (¥)</b>	52.42	-	<b>75.71</b>	-	+23.29
<b>DPS (¥)</b>	24.00	-	<b>24.00</b>	-	0.00

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

# Structural reform

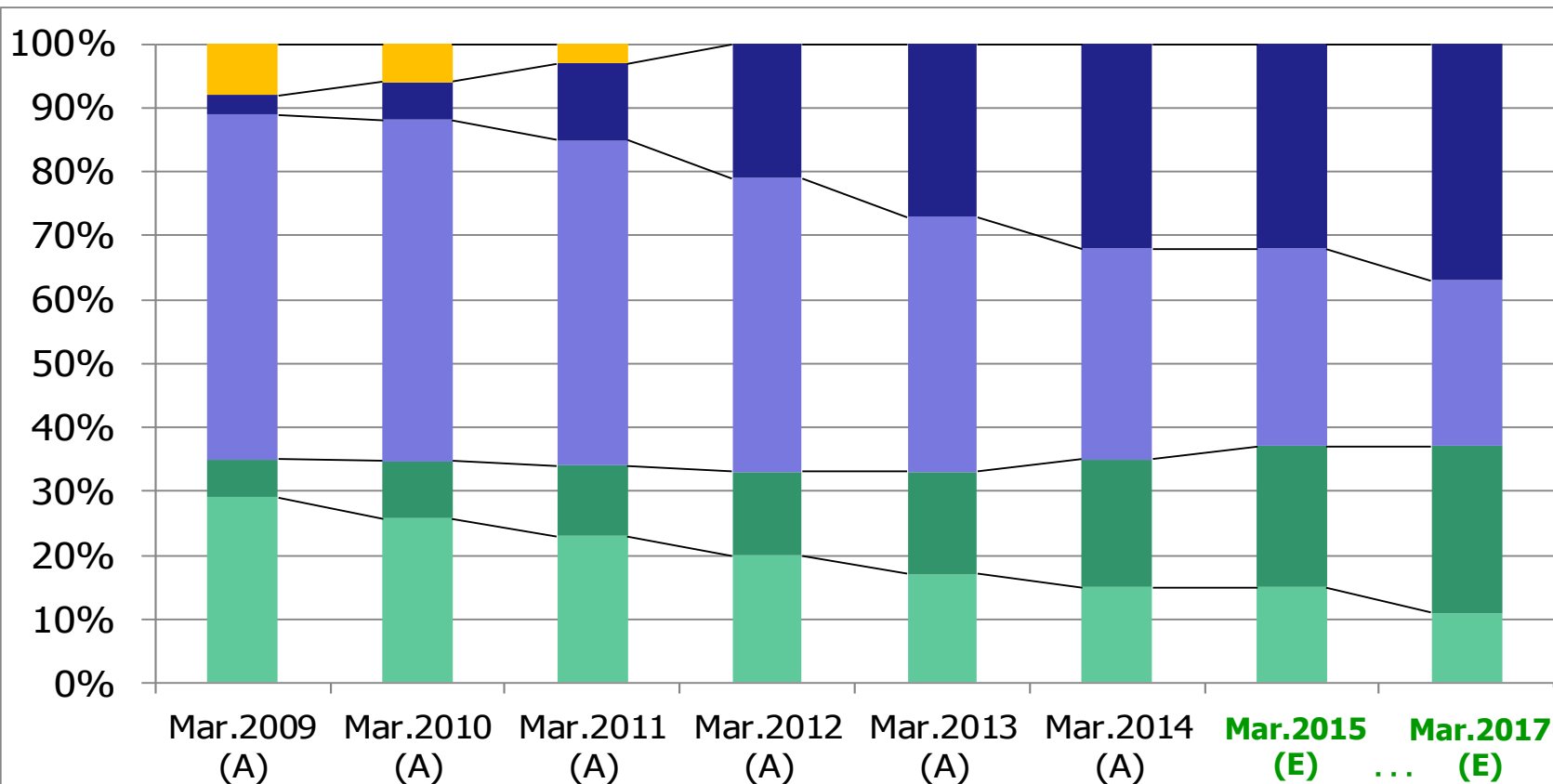
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# Structural reform

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## Revenue breakdown by business



On site software development

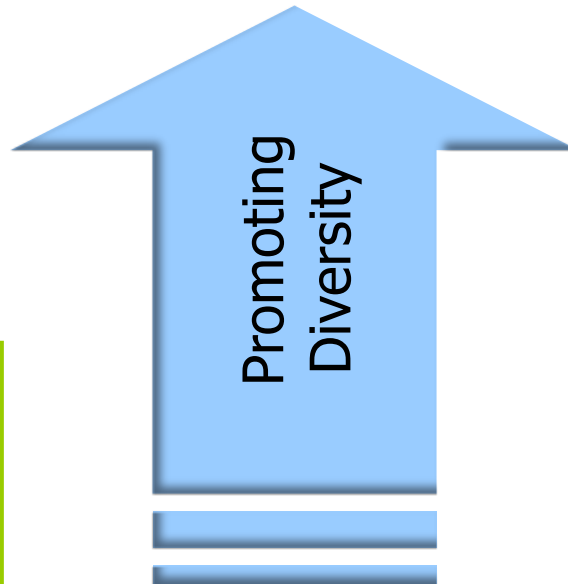
Conventional system operation

Data entry (withdrawal)

Project type software development (investment)

IT platform DevOps (investment)

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**ID's Overseas offices**

- ID Wuhan
- ID Singapore
- ID America
- ID London branch
- ID Yangon office

**iD-CLOUD Solution**

# 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.

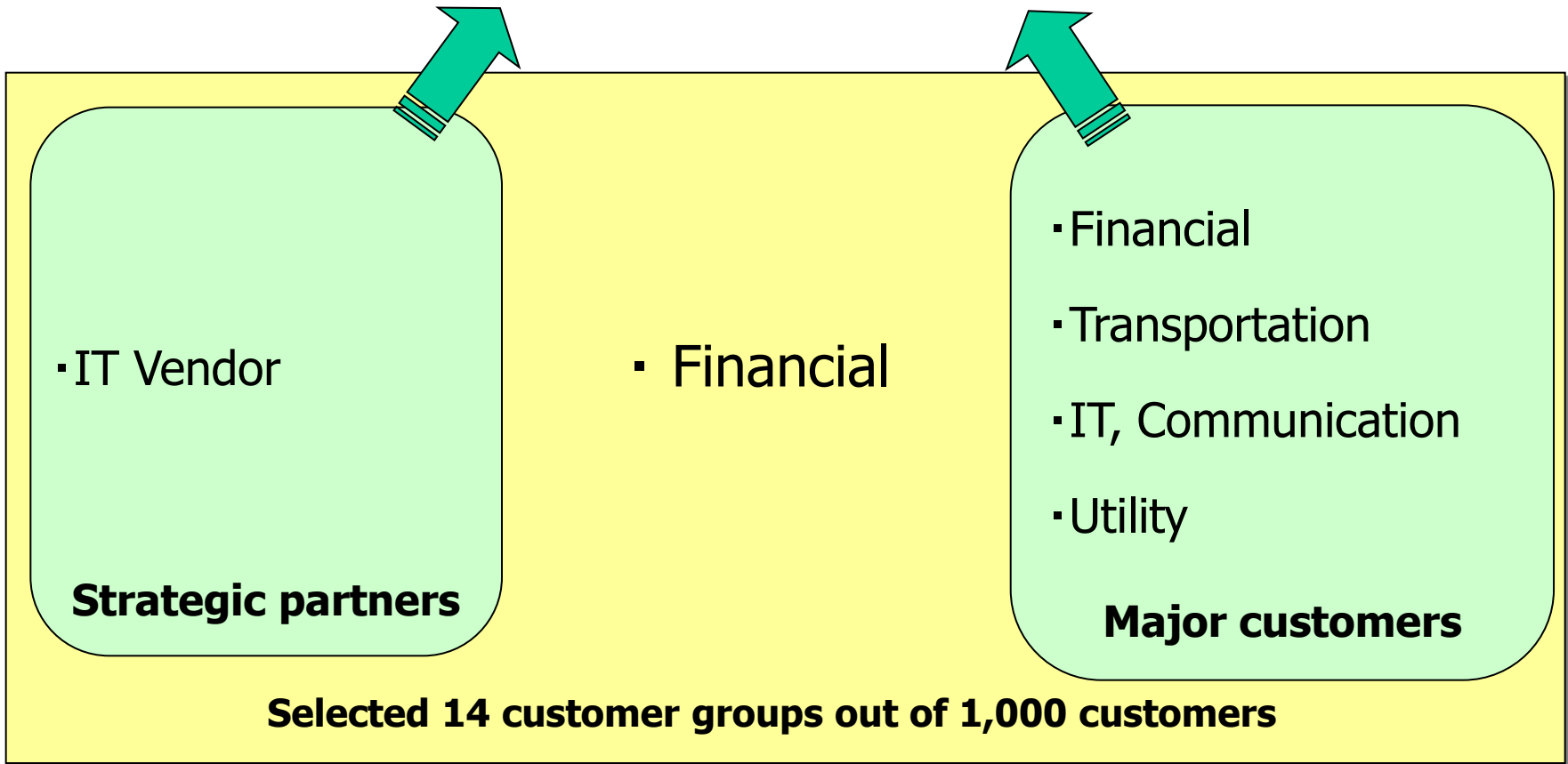
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	A	B	C	D	E	F	G	H	I	J
<b>System Operation Management</b>	Existing Business	Existing Business <b>Target</b>	Existing Business	Existing Business	Existing Business <b>Target</b>	Existing Business <b>Target</b>	Existing Business	Existing Business <b>Target</b>	Existing Business <b>Target</b>	Existing Business <b>Target</b>
<b>Software Development</b>	Existing Business	Existing Business	Existing Business <b>Target</b>	Existing Business	Existing Business	Existing Business	<b>Target</b>	Existing Business	Existing Business New <b>Target</b>	Existing Business <b>Target</b>
<b>BPO, Security, Consulting</b>	Existing Business New	Existing Business <b>Target</b>	Existing Business <b>Target</b>	Existing Business	New <b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<b>Global</b>	Existing Business New <b>Target</b>	<b>Target</b>	<b>Target</b>	New <b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	Existing Business New <b>Target</b>

\* As of Mar. 31, 2014



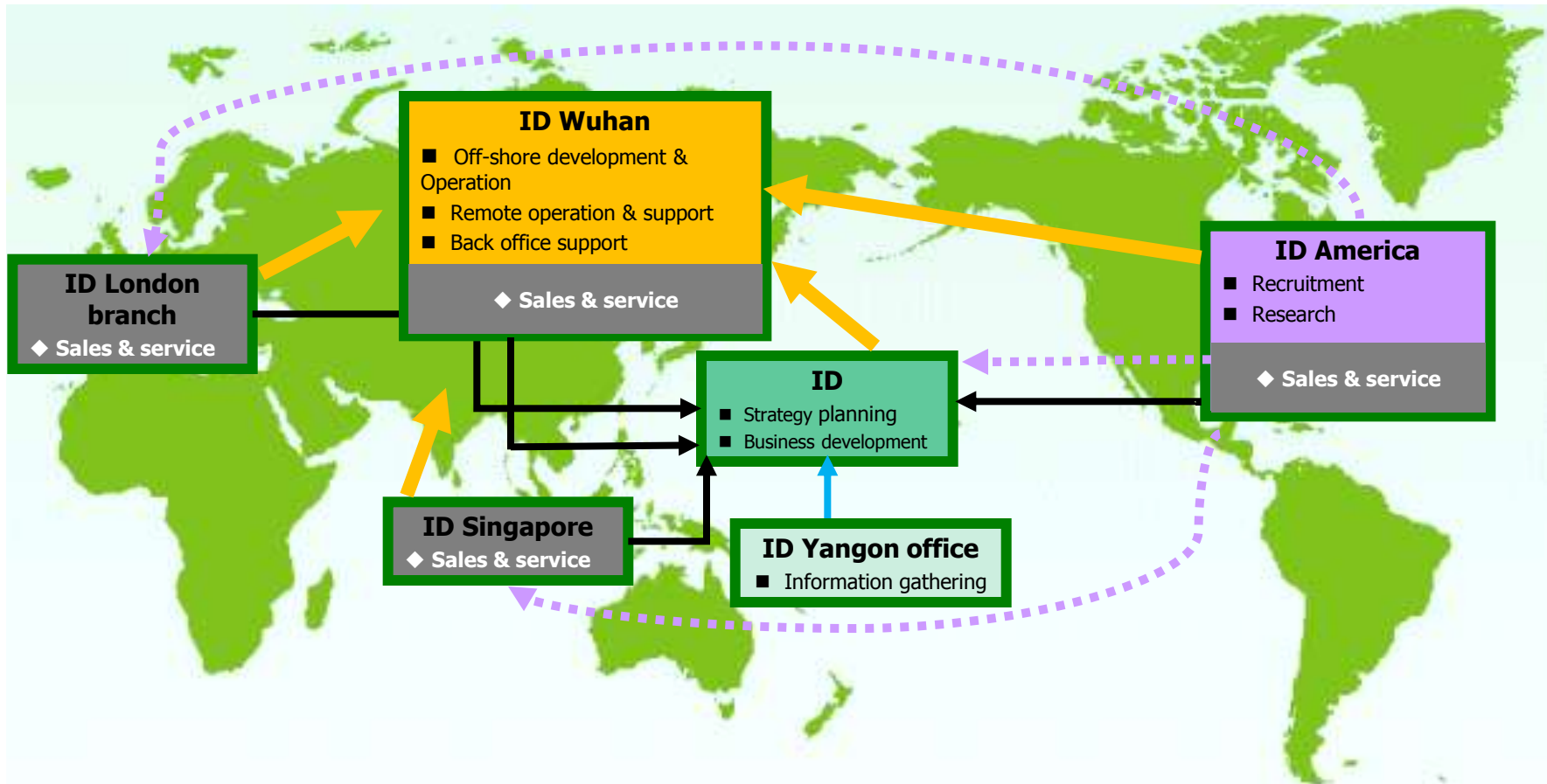
**Focus business resources on selected customers**  
**“Stable growth”**



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# Global expansion

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Off-shore development/Operation/BPO



Recruitment/New contents supply



Customer referral (incl. non-Japanese)



Provision of information



## Alliance partner

· ID Singapore



· ID America



· ID London branch



## Operation and monitoring in iD-CLOUD Operation Center

Operation				
Implementation support				
Application (SaaS)				
OS/ Middleware (PaaS)				
Hardware (IaaS)				



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# Disclaimer



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