



Investor Presentation

For the six months ended September 30, 2012

November 2012

INFORMATION DEVELOPMENT CO., LTD.

JASDAQ Standard
code:4709

1. What's ID Group ?

2. 2Q performance overview

(difference between 2Q results and the original forecast)

<Reference>

- Performance overview for the year ended March 31, 2012
- Directions of the mid-term management plan

1. What's ID Group ?

About ID Group (as of September 30, 2012)



ID's ownership



NIHON CULTURESOFTECH SERVICE

Became a subsidiary in Dec. 2006

* SI division was absorbed by ID in Apr. 2011

100%

Paid-in capital: ¥90M
Established: 1977
No. of employees: 235



SOFTWARE DEVELOPMENT

80%

Paid-in capital: ¥100M
Established: 1982
No. of employees: 102



PURAIDO

Became a subsidiary in Apr. 2002

54.4%

Paid-in capital: ¥40M
Established: 1988
No. of employees: 21



ID Wuhan

100%

Paid-in capital: \$1.1M
Established: 2004
No. of employees: 129



ID Singapore

Established in May 2012

100%

Paid-in capital: S\$1.5M
Established: 2012
No. of employees: 2



ID America

Established in Aug. 2012

100%

Capital: \$2.5M
Established: 2012

Paid in capital:
¥592.34million

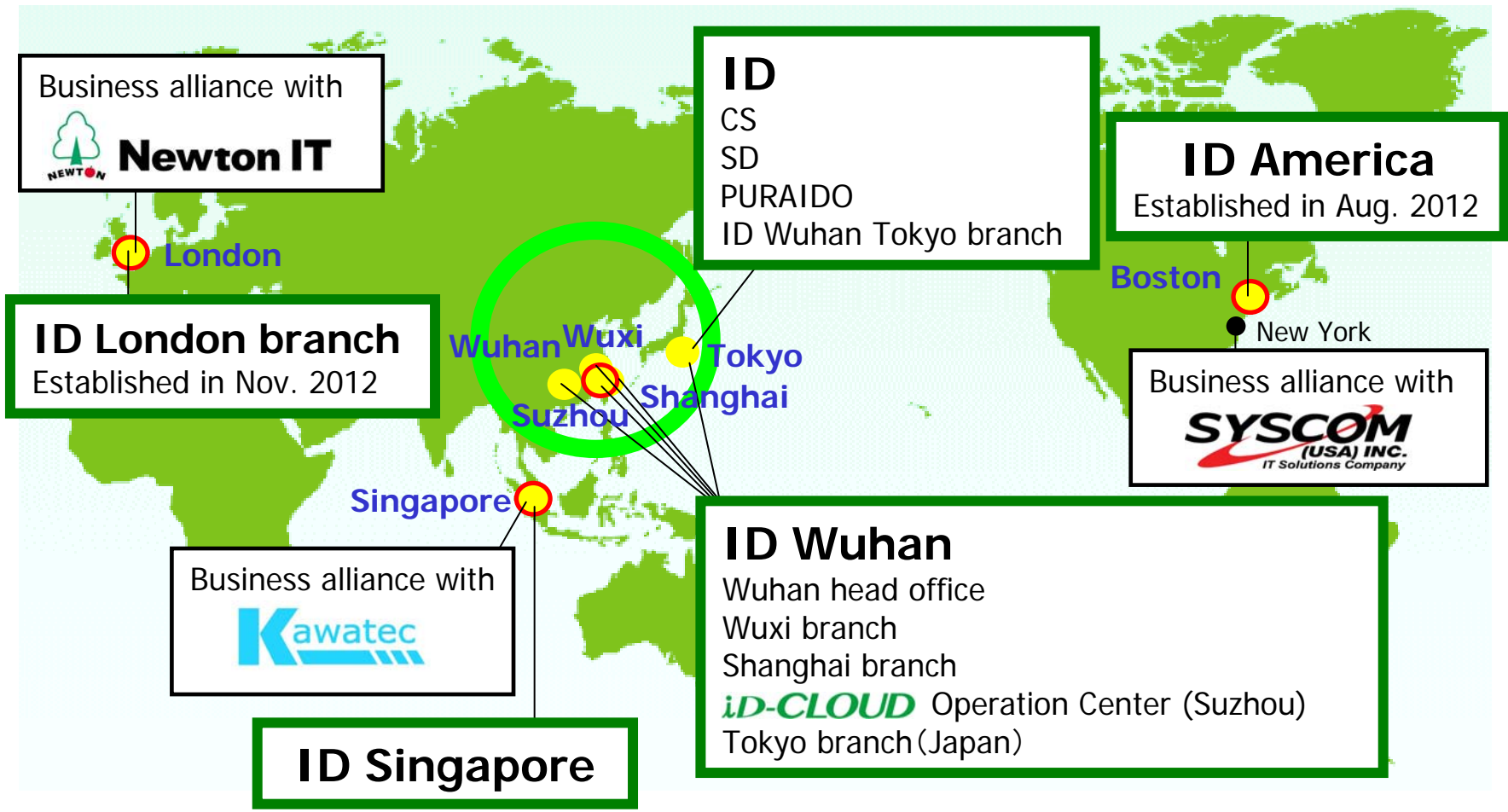
Established:
October, 1969

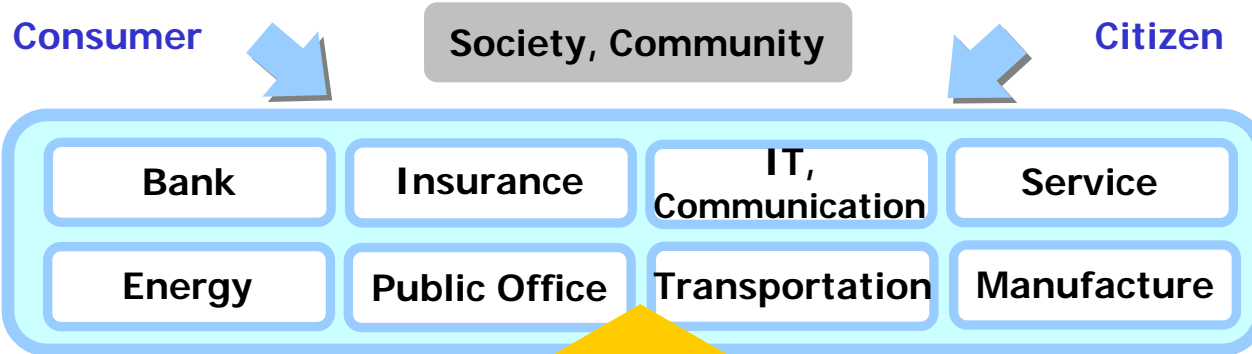
No. of employees:
1,734(nonconsolidated)
2,223(consolidated)

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

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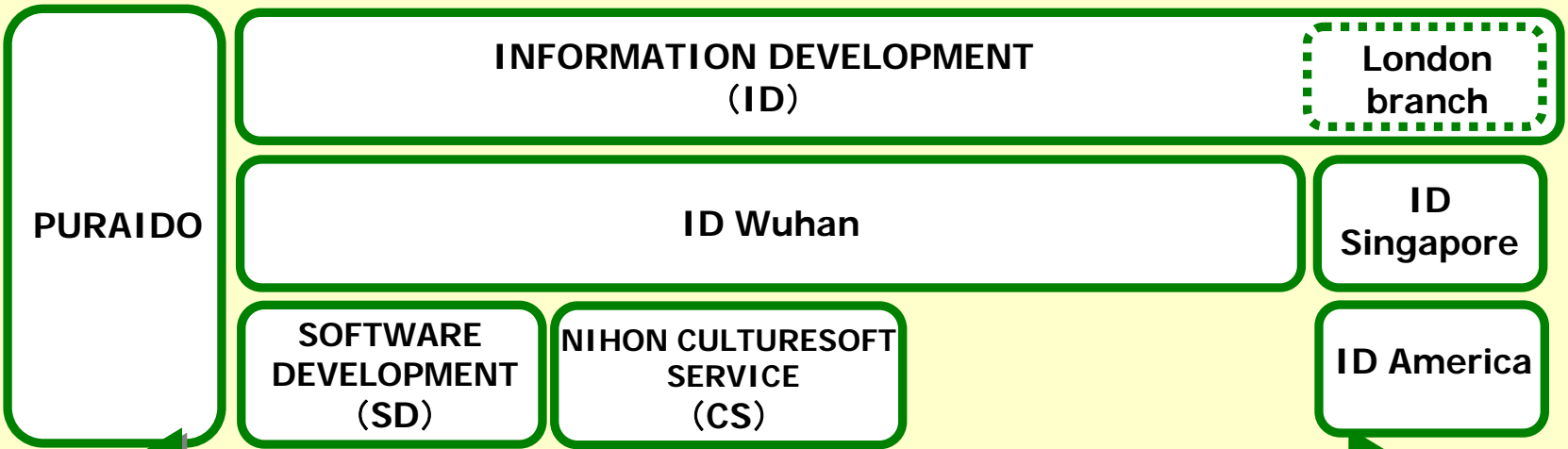
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i-Bos24®

INFORMATION DEVELOPMENT Group

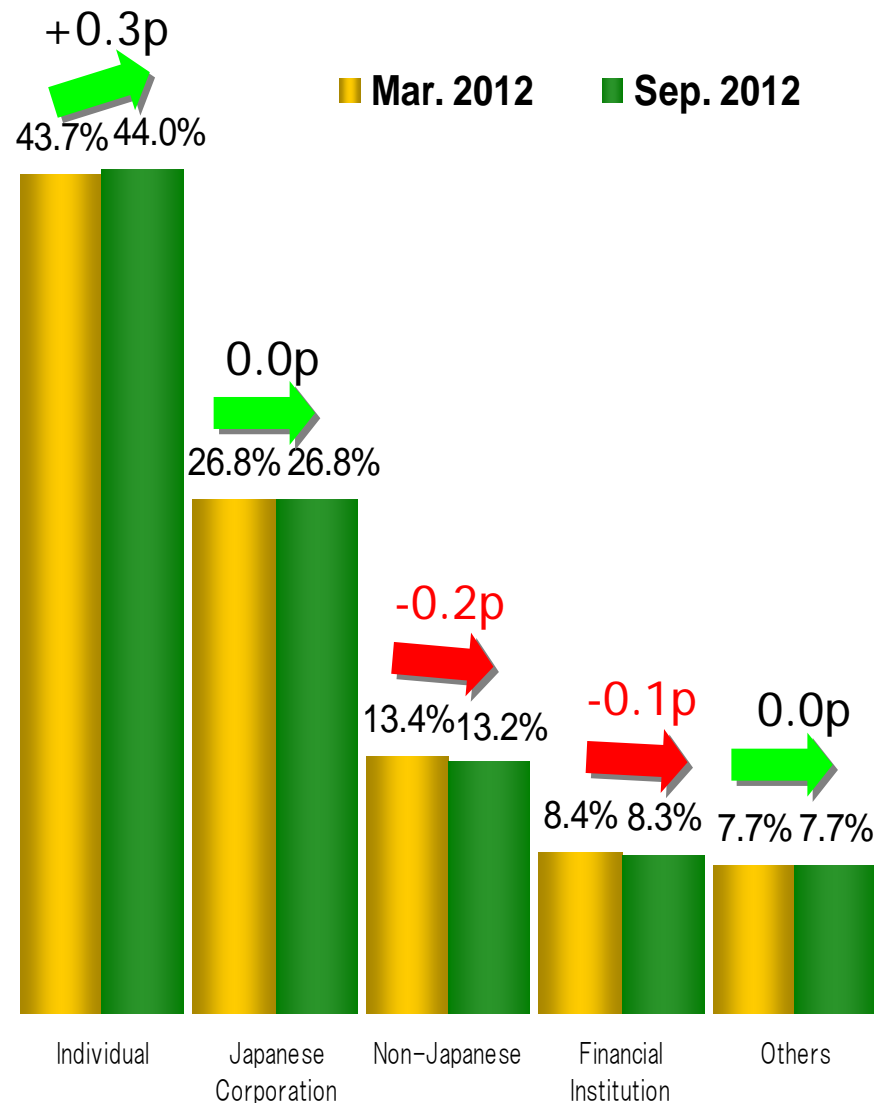


Group Coordination



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◆ Shareholding by investor type



◆ Major shareholders

No. of shareholders: 1,799

(25 decreased from Mar. 31, 2012)

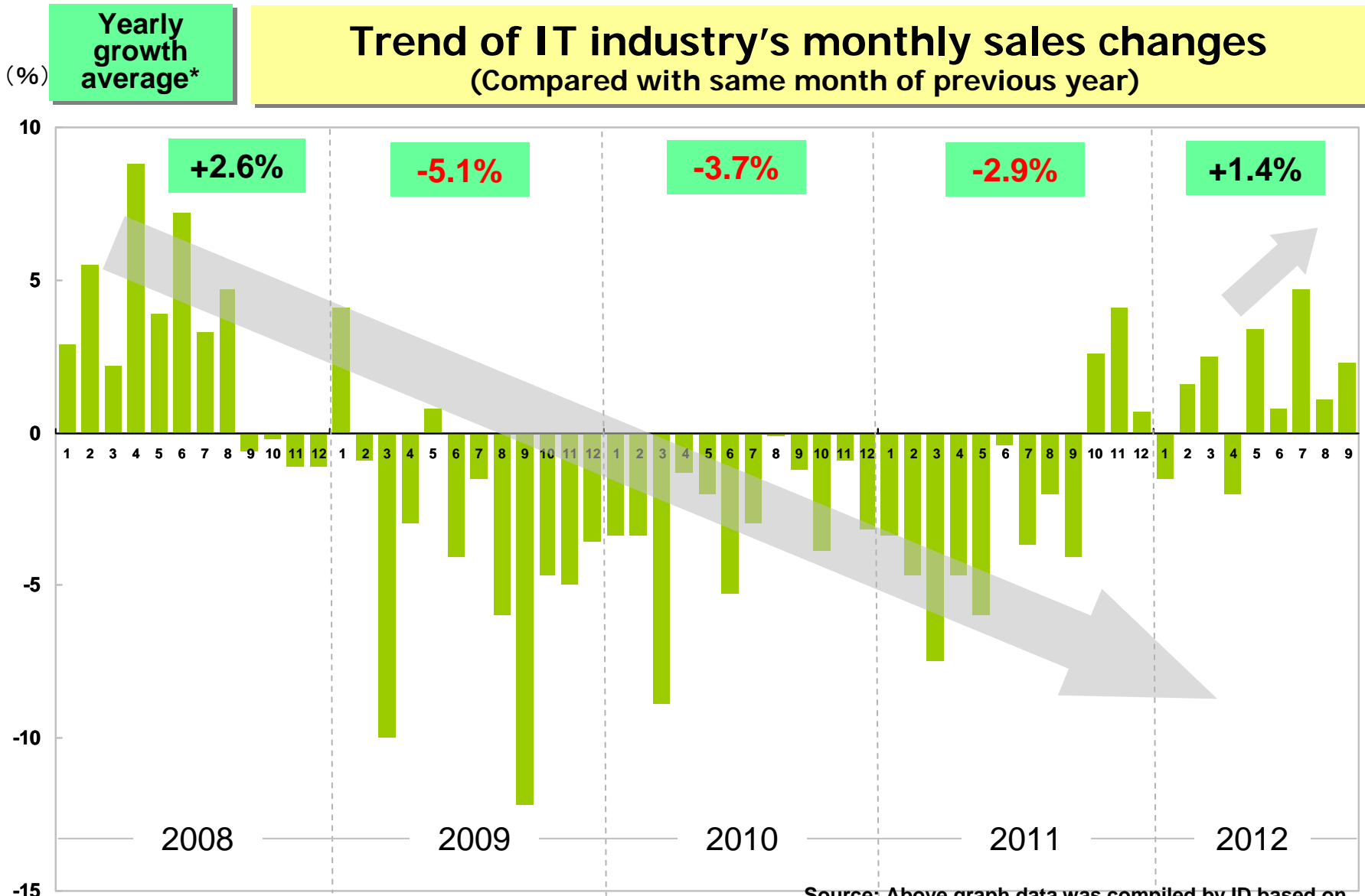
Major shareholders		% of total shares
1	A. K. Corporation	8.7%
2	ID Employee Ownership Account	8.7%
3	Mizuho Trust Systems Co., Ltd.	8.5%
4	INFORMATION DEVELOPMENT CO., LTD	7.5%
5	Taiyo Pearl Fund, L.P.	7.4%
6	State Street Bank and Trust Company 505104	4.4%
7	Mizuho Trust & Banking Co., Ltd	3.5%
8	K.C.S Co., Ltd.	3.5%
9	The Master Trust Bank of Japan, Ltd. (Trust Account)	2.8%
10	Wahei Takeda	2.6%

2. 2Q performance overview

(difference between 2Q results and the original forecast)

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*The average is calculated from the total amount added simply together.

Source: Above graph data was compiled by ID based on "Trends in specific Service Sector (METI)"

Causes of the difference between 2Q results and the original forecast



- Lower margin projects (booked for future growth)
- Underperforming projects
- Increase in the headcount in the cloud services sales unit
- Refund of corporate tax

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2Q Revenue and profits (consolidated)



(¥ million)	Sep. 2011	(% of revenue)	Sep. 2012 Revised forecast (Sep.11)	(% of revenue)	Sep. 2012	(% of revenue)	YOY % changes	% against revised forecast (Sep.11)
Revenue	7,733	100.0	7,820	100.0	7,861	100.0	+1.7%	+0.5%
Cost of Sales	6,281	81.2	6,478	82.8	6,557	83.4	+4.4%	+1.2%
Gross Profit	1,452	18.8	1,341	17.2	1,303	16.6	-10.2%	-3.0%
SG&A Expenses	1,123	14.5	1,201	15.4	1,174	14.9	+4.5%	-2.1%
Operating Profit	328	4.3	140	1.8	129	1.6	-60.6%	-7.5%
Recurring Profit	338	4.4	150	1.9	134	1.7	-60.3%	-10.4%
Net Profit	174	2.3	40	0.5	62	0.8	-64.3%	+55.6%

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2Q Revenue and profits (nonconsolidated)

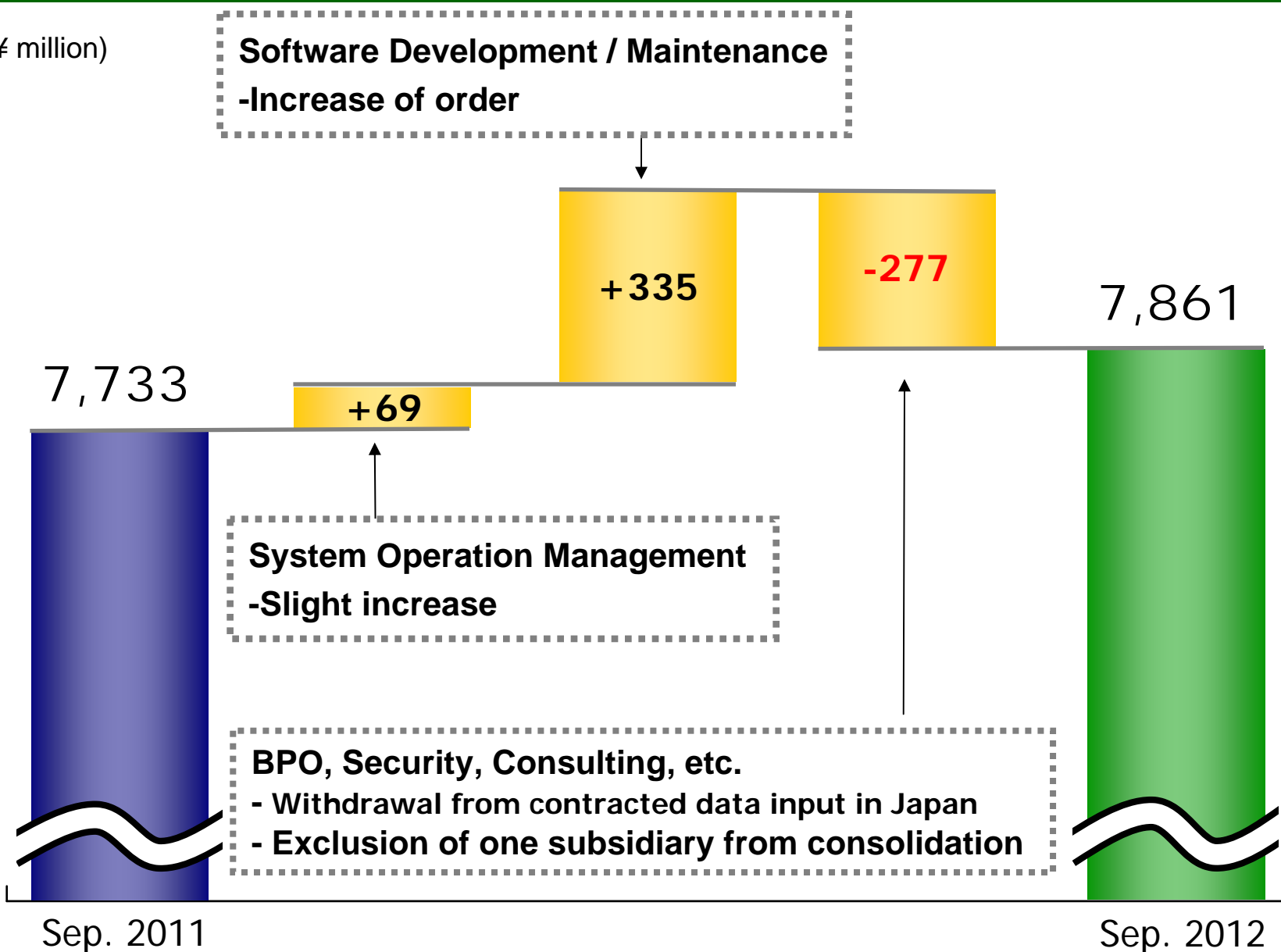


(¥ million)	Sep. 2011	(% of revenue)	Sep. 2012	(% of revenue)	YOY % changes
Revenue	6,221	100.0	6,413	100.0	+3.1%
Cost of Sales	5,135	82.5	5,430	84.7	+5.8%
Gross Profit	1,085	17.5	982	15.3	-9.5%
SG&A Expenses	882	14.2	980	15.3	+11.0%
Operating Profit	202	3.3	1	0.03	-99.0%
Recurring Profit	261	4.2	315	4.9	+20.5%
Net Profit	145	2.3	301	4.7	+107.2%

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2Q Factors contributing to revenue (consolidated)

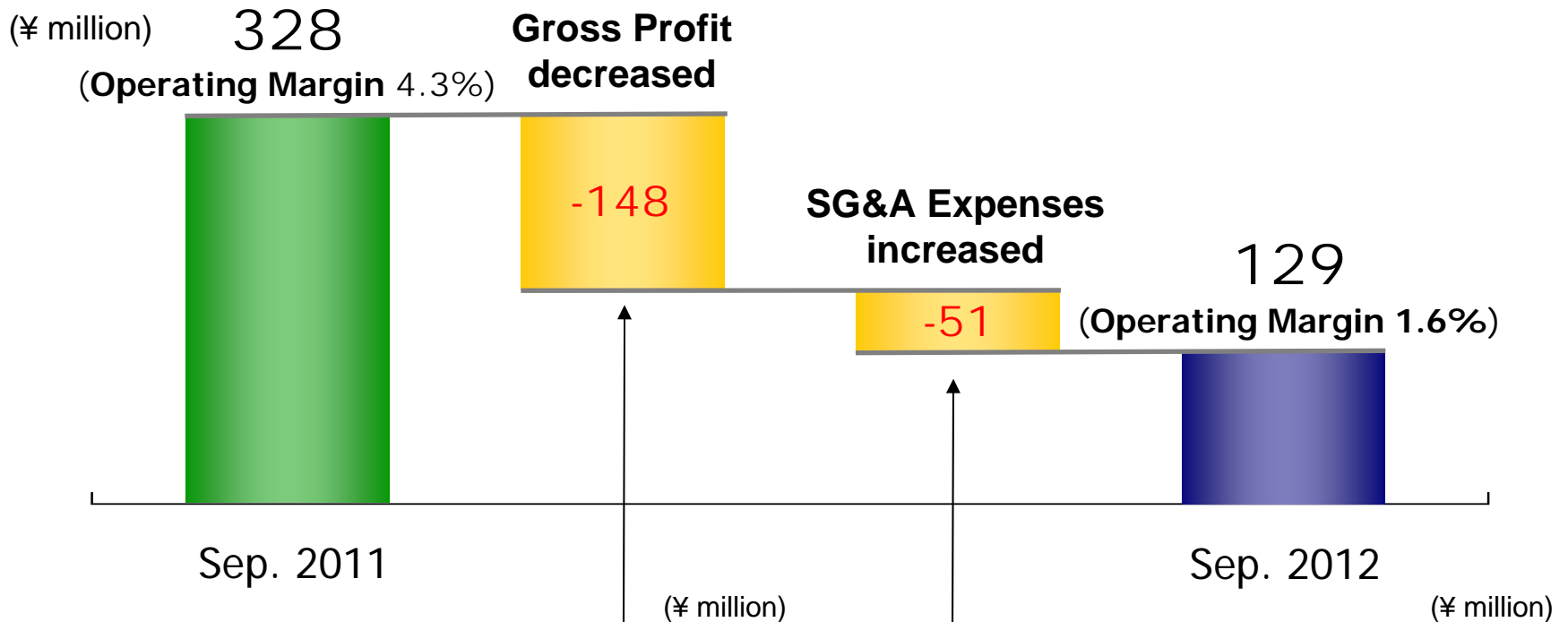
(¥ million)



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2Q Factors contributing to operating profit (consolidated)

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◆ Gross Profit	-148
Revenue	+127
Cost of Sales	+276
<Factors contributing to Cost of Sales>	
▪ Labor costs	+65
▪ Production costs	+20
▪ Outsourcing costs	+278
▪ Carrying work in process	+1
▪ Final work in process	-1
▪ Purchasing	-68

◆ SG&A Expenses	+51
<Factors contributing to SG&A Expenses >	
▪ Labor costs	-3
▪ Others	+54

2Q Financial position (consolidated)

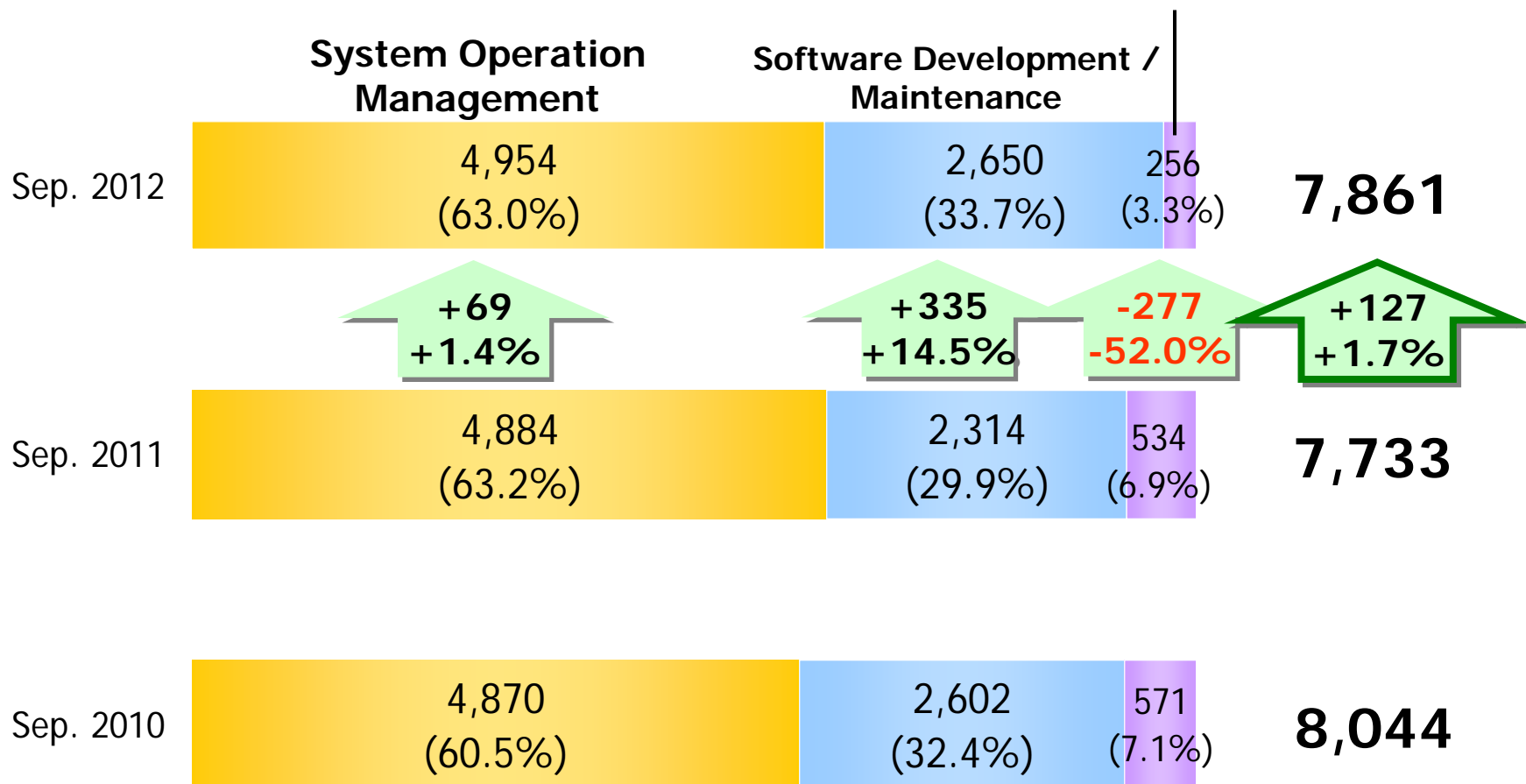
(¥ million)	Mar. 2012	Sep. 2012	% changes
Current Assets	5,740	5,450	-5.0%
Cash and Deposits	2,583	2,461	-4.7%
Fixed Assets	4,105	3,696	-10.0%
Total Assets	9,845	9,147	-7.1%
Liabilities	3,457	2,851	-17.5%
Interest-Bearing Debt	1,186	631	-46.8%
Earned Surplus	5,564	5,470	-1.7%
Total Shareholders' Equity	6,272	6,178	-1.5%
	Sep. 2011	Sep. 2012	
Cash Flows from Operating Activities	340	315	
Cash Flows from Investing Activities	-58	219	
Cash Flows from Financing Activities	-536	-712	

Revenue by business

(¥ million)

*Figures in brackets indicate % of revenue.

**BPO, Security,
Consulting, etc.**

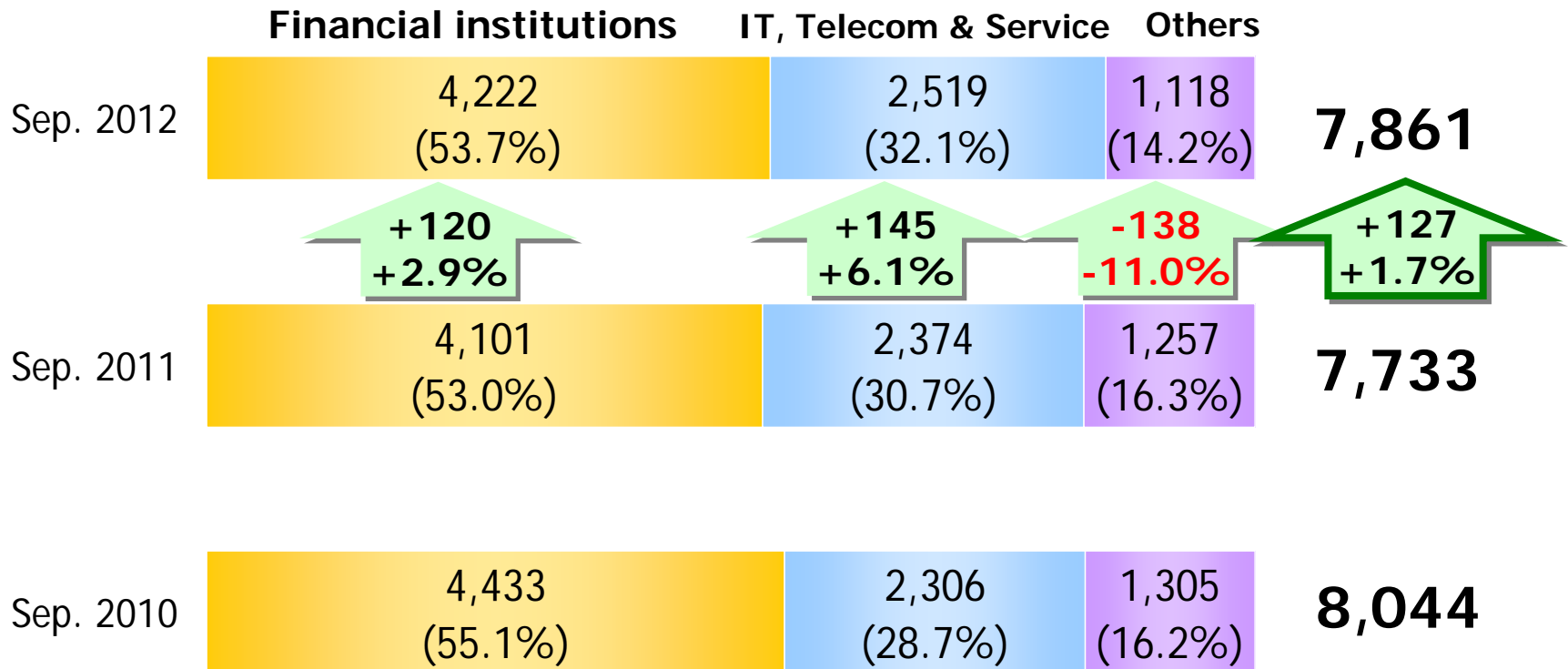


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Revenue by customer

(¥ million)

*Figures in brackets indicate % of revenue.



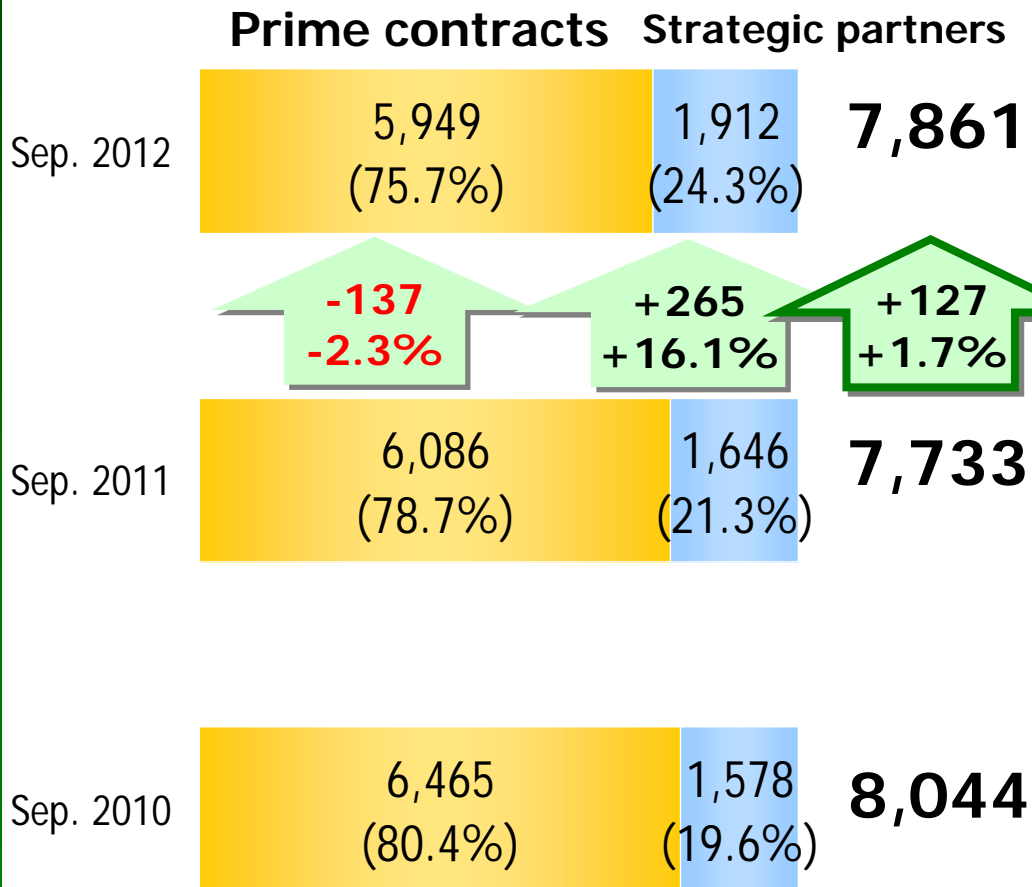
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2Q Feature of ID Group 3

Revenue by contract

(¥ million)

*Figures in brackets indicate % of revenue.



< Major customers >

Prime contracts

- Financial Institutions
- IT, Telecom & Service
- Others
(Manufacture, Transportation, Public, Energy etc.)

Strategic partners

Major IT Vendors

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Reason of downward revision (full year forecast)

- Cancellation of expected projects
- Increase in personnel and outsourcing costs due to the underperforming projects in the 1Q
- Increase in the headcount in the cloud services sales unit
- Handover periods
- Increase in training costs

Performance forecast (full year, consolidated)



(¥ million)	Mar. 2012	(% of revenue)	Mar. 2013 Original forecast	(% of revenue)	Mar. 2013 Revised forecast	(% of revenue)	YOY % changes	% against Original forecast
Revenue	16,137	100.0	16,500	100.0	16,270	100.0	+0.8%	-1.4%
Operating Profit	629	3.9	825	5.0	370	2.3	-41.2%	-55.2%
Recurring Profit	659	4.1	825	5.0	380	2.3	-42.4%	-53.9%
Net Profit	365	2.3	460	2.8	170	1.0	-53.4%	-63.0%
EPS (yen)	49.15	-	61.93	-	22.89	-	-26.26	-39.04
Dividend per Share (yen)	21.00	-	21.00	-	21.00	-	-	-

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Tighter control over risks and investments

(Control over risks)

1. Prevention and early detection of underperforming projects with enhanced QMS
2. Optimal management of overtime and outsourcing through revised business processes

(Control over investments)

1. Enhancement of the cloud services sales unit was completed.
The investment phase was over. Revenues and profits should increase.
2. Booking of low-margin projects for future growth will be focused on those with shorter payout time.
3. Training investment will be focused on high value-added strategic areas.

<Reference>

- Performance overview for the year ended March 31, 2012
- Directions of the mid-term management plan

Revenue and profits (consolidated)



(¥ million)	Mar. 2011	(% of revenue)	Mar. 2012	(% of revenue)	YOY % changes	% against forecast
Revenue	16,450	100.0	16,137	100.0	-1.9%	+0.2%
Cost of Sales	13,209	80.3	13,207	81.8	0.0%	+0.7%
Gross Profit	3,241	19.7	2,929	18.2	-9.6%	-1.7%
SG&A Expenses	2,402	14.6	2,299	14.3	-4.3%	-2.1%
Amortization of goodwill	78	0.5	78	0.5	0.0%	-
Operating Profit	839	5.1	629	3.9	-25.0%	-0.1%
Recurring Profit	892	5.4	659	4.1	-26.1%	+1.4%
Net Profit	447	2.7	365	2.3	-18.4%	-22.3%
EPS (yen)	60.21	-	49.15	-	-11.06	-14.13

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Enhancement of ID Group brand power

**Business Operations
Outsourcing**

Global development



Promotion of **iD-CLOUD**



**M&A,
Business alliance**

(M&A of IN-IN type)

Growing out of excessive competition in the domestic market

(M&A of IN-OUT type)

Penetrate to overseas growth market

Group management upgrading

The mid-term management plan "Breakthrough 200 !"

<In 3 years> Revenue : 20.0 billion yen, Operating margin : 6.0%



Targets for the term
ending in March 2015

Consolidated revenue ⇒ 20.0 billion yen
Operating margin ⇒ 6.0%

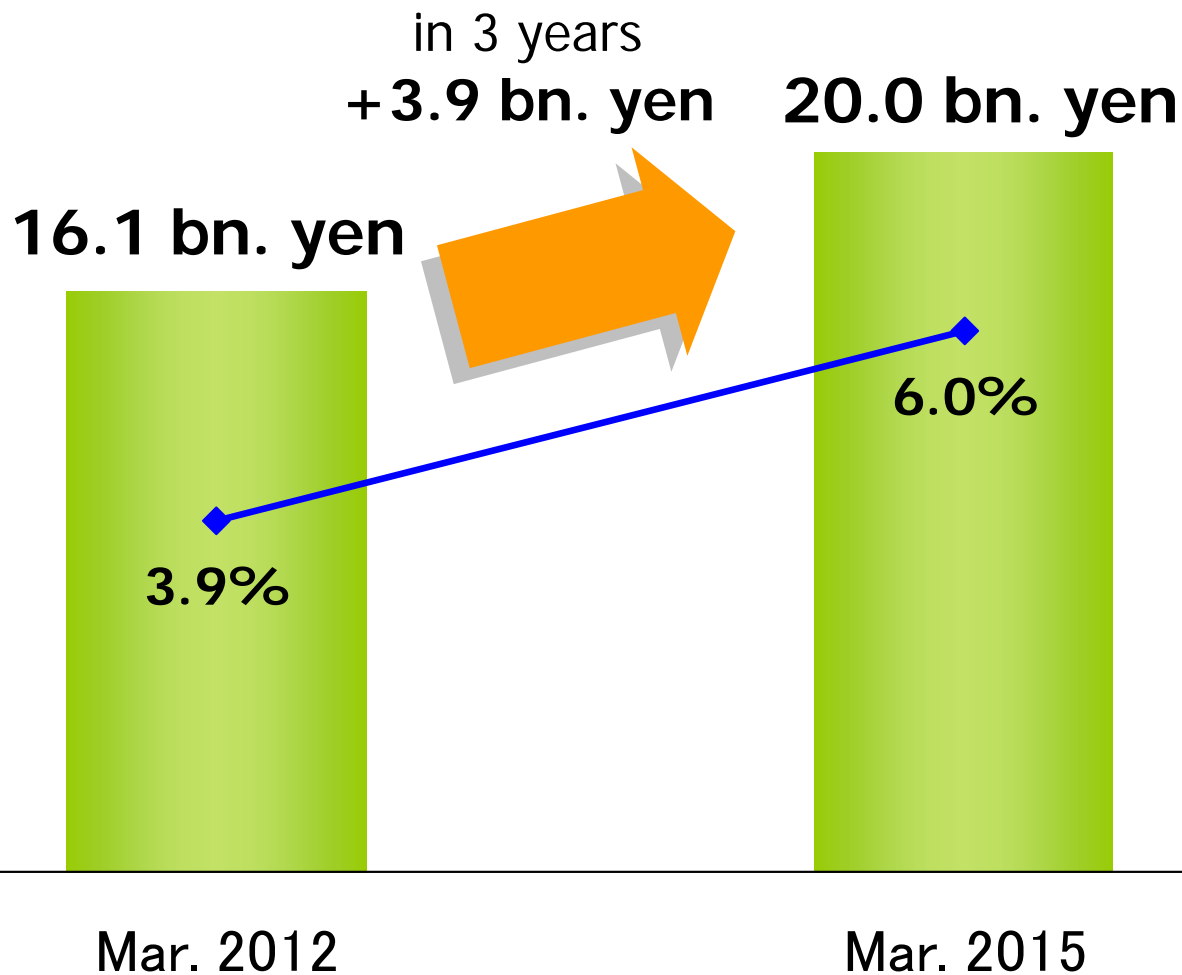
Reinforcement of
core competence

**Data center management
(including Cloud and IT platform services)**
⇒ Revenue 12.0 billion yen

Expansion of
global business

Overseas subsidiary and branch
⇒ to 5 countries
Business alliance ⇒ to 6 companies

■ Revenue ◆ Operating Margin

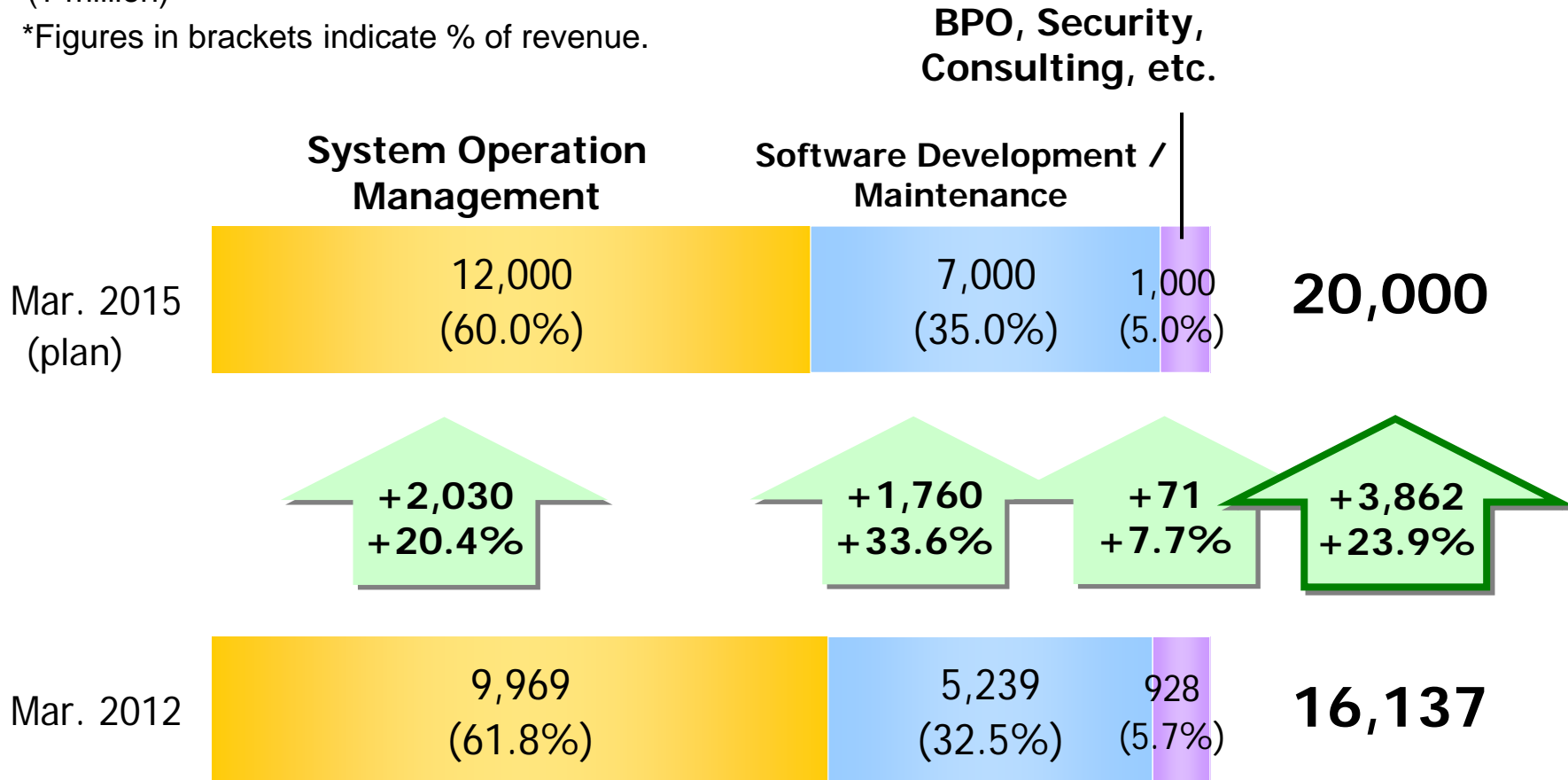


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Plan of revenue by business

(¥ million)

*Figures in brackets indicate % of revenue.



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