



Investor Presentation

For Six Months Ended September 30, 2010

Dec. 2010

INFORMATION DEVELOPMENT CO., LTD.

(JASDAQ Standard, code:4709)

Change or Die!

1. Consolidated performance overview
2. Industry trend and comparison with peers
3. Growth strategy and forecast for the year ending
March 31, 2011

1. Consolidated performance overview

- Overview of ID Group
- Financial position & cash flows / revenue and profits
- Revenue / profits analyses
- Performance of domestic subsidiaries
- Stock data

Overview of ID Group (as of September 30, 2010)



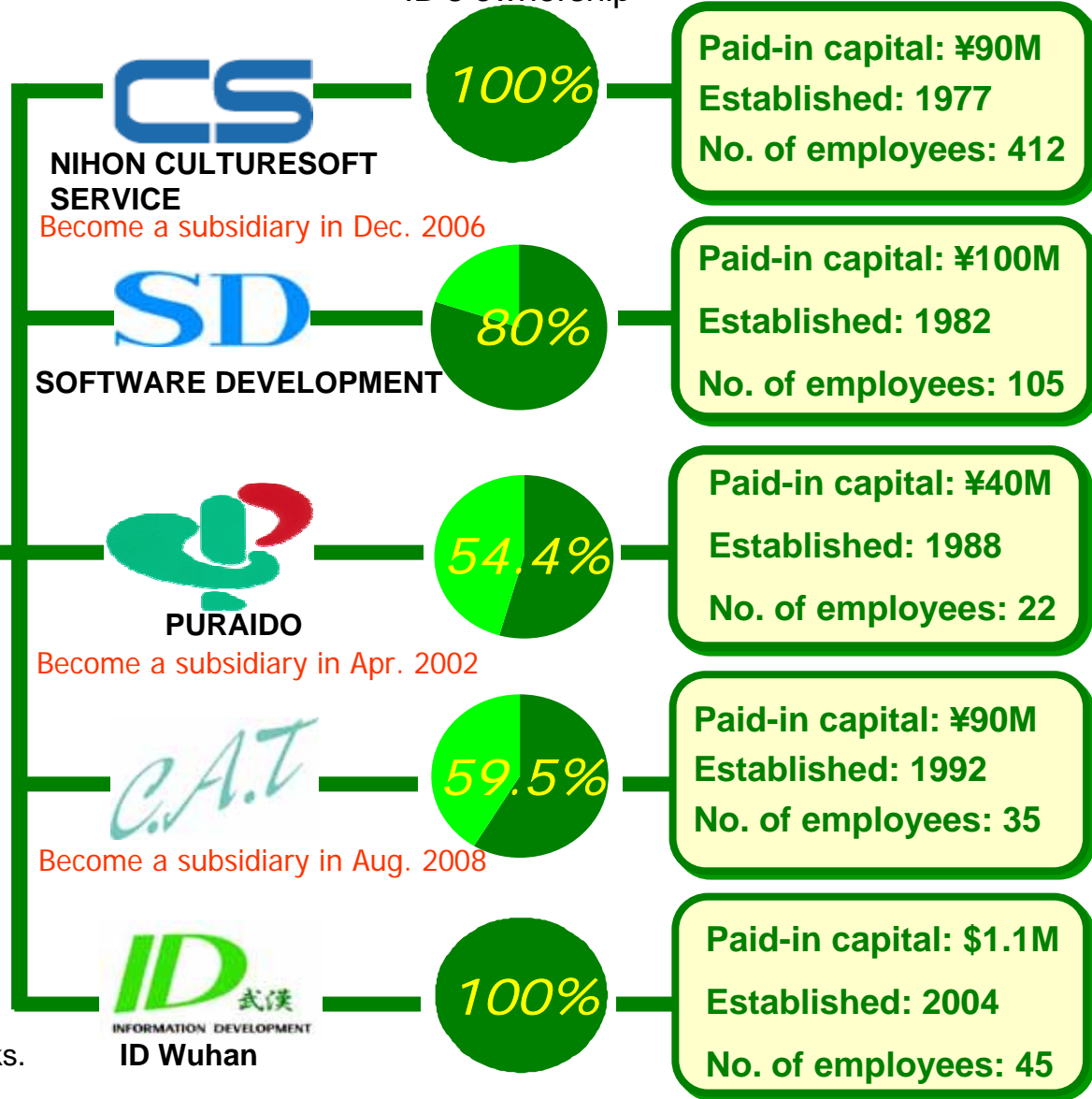
INFORMATION DEVELOPMENT
株式会社 インフォメーション・ディベロップメント

ID's ownership

Paid in capital:
¥592.34million

Established:
October, 1969

No. of employees:
1,705



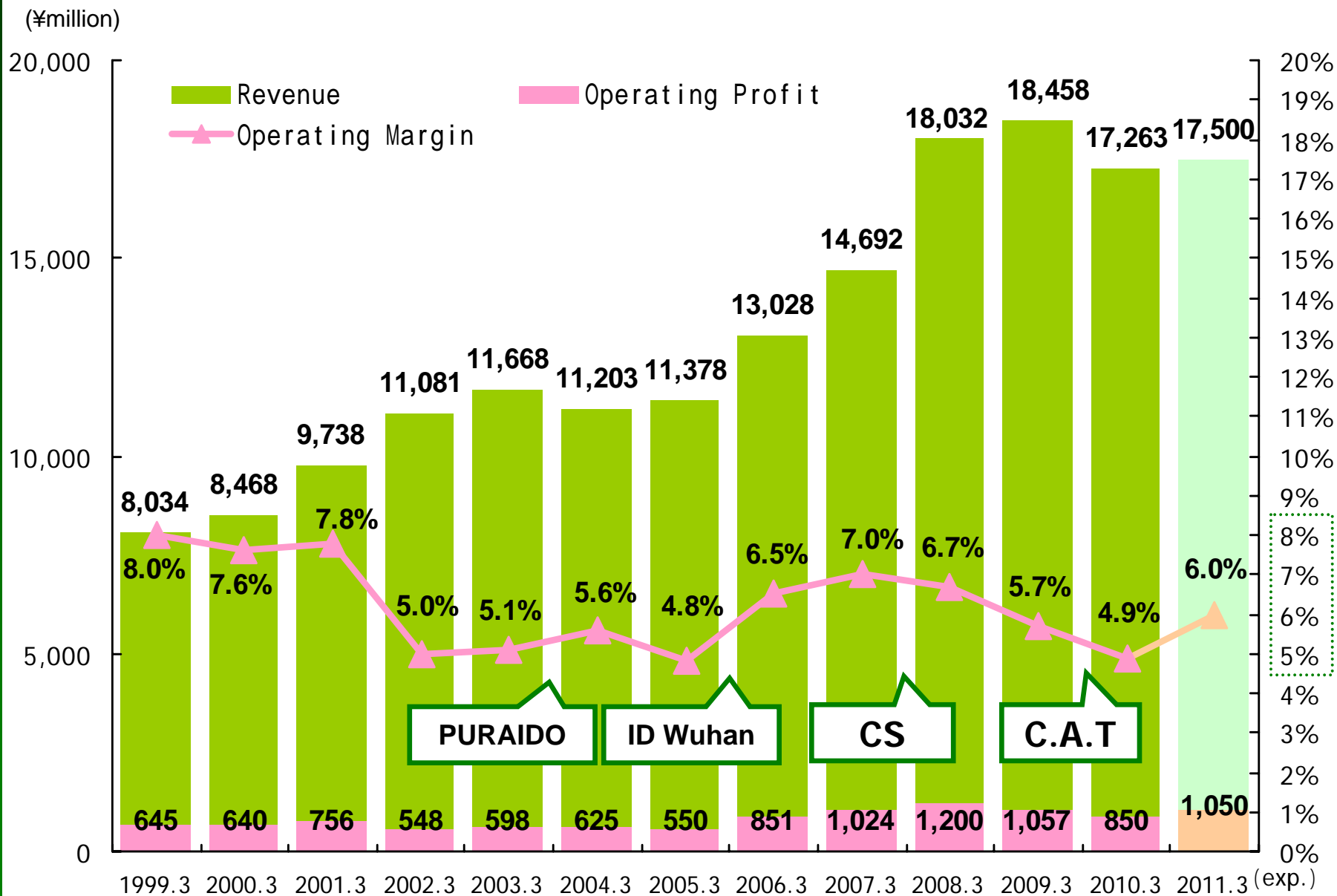
*ID's ownership ratios are calculated by number of shares excluding treasury stocks.

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Trends in revenue and operating profit (since listing)

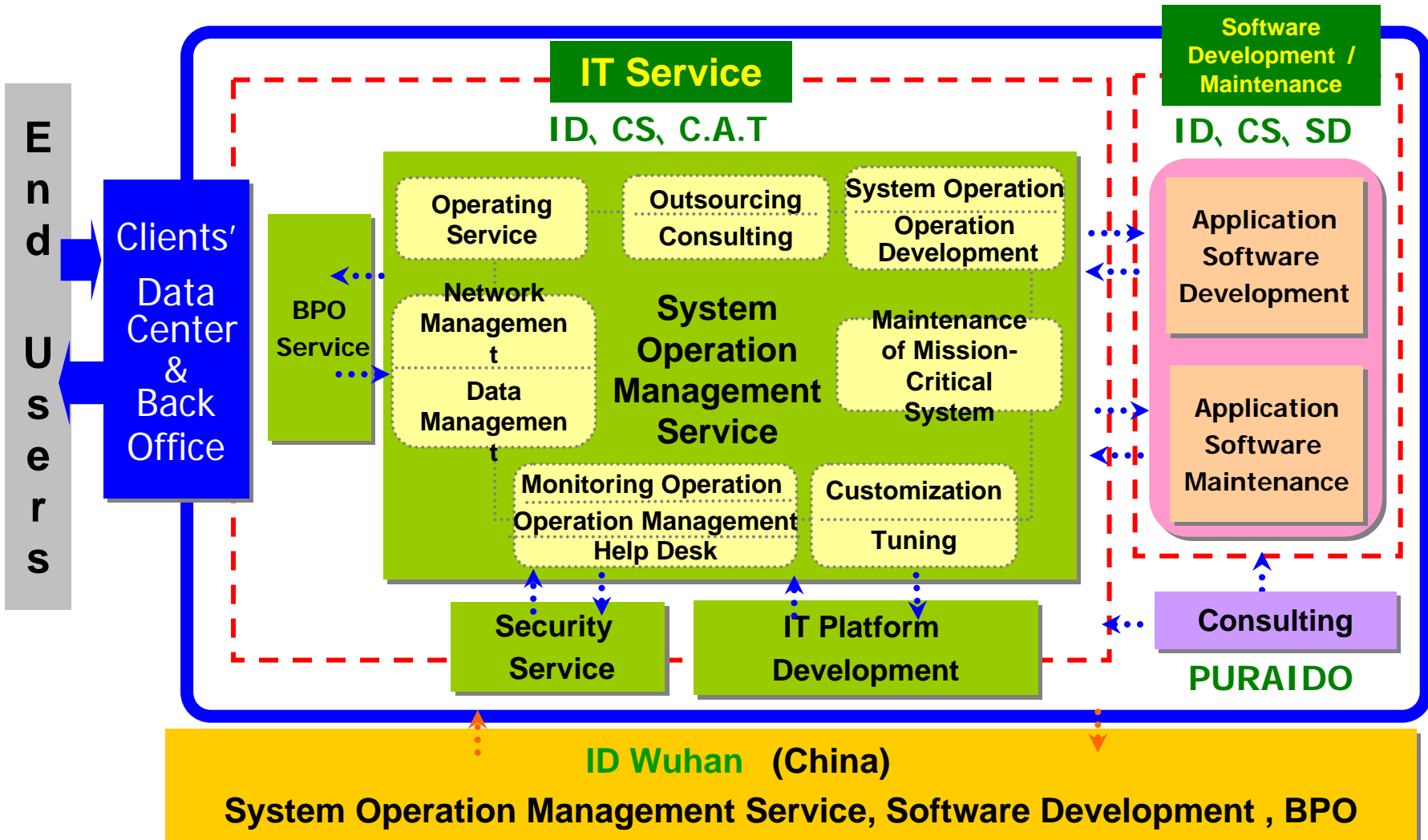


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ID Group's total IT outsourcing services

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Financial position and cash flows (consolidated)



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(¥million)	Mar. 2010	Sep. 2010	% changes
Current Assets	4,919	4,501	-8.5%
Cash and Deposits	1,773	1,671	-5.7%
Fixed Assets	4,564	4,206	-7.8%
Total Assets	9,483	8,707	-8.2%
Liabilities	3,589	2,742	-23.6%
Interest-Bearing Debt	698	825	+ 18.3%
Earned Surplus	5,034	5,128	+1.9%
Total Shareholders' Equity	5,743	5,836	+1.6%

Cash Flows from Operating Activities

-161

Cash Flows from Investing Activities

77

Cash Flows from Financing Activities

-15

Revenue and profits (consolidated)



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(¥million)	Sep. 2009 (% of revenue)	Sep. 2010 (% of revenue)	YOY % changes	% changes to forecast
Revenue	8,634	8,044	-6.8%	-5.2%
Cost of Sales	6,918 80.1	6,426 79.9	-7.1%	-6.1%
Gross Profit	1,715 19.9	1,617 20.1	-5.7%	-1.2%
SG&A Expenses	1,221 14.1	1,197 14.9	-1.9%	-1.2%
amortization of goodwill	75 0.9	39 0.5	-48.1%	-
Operating Profit	493 5.7	419 5.2	-15.0%	-1.4%
Recurring Profit	483 5.6	452 5.6	-6.5%	+7.4%
Net Profit	226 2.6	234 2.9	+ 3.6%	+ 1.7%
EPS (Yen)	30.48	31.59	+ 1.11	-

Revenue and profits (nonconsolidated)

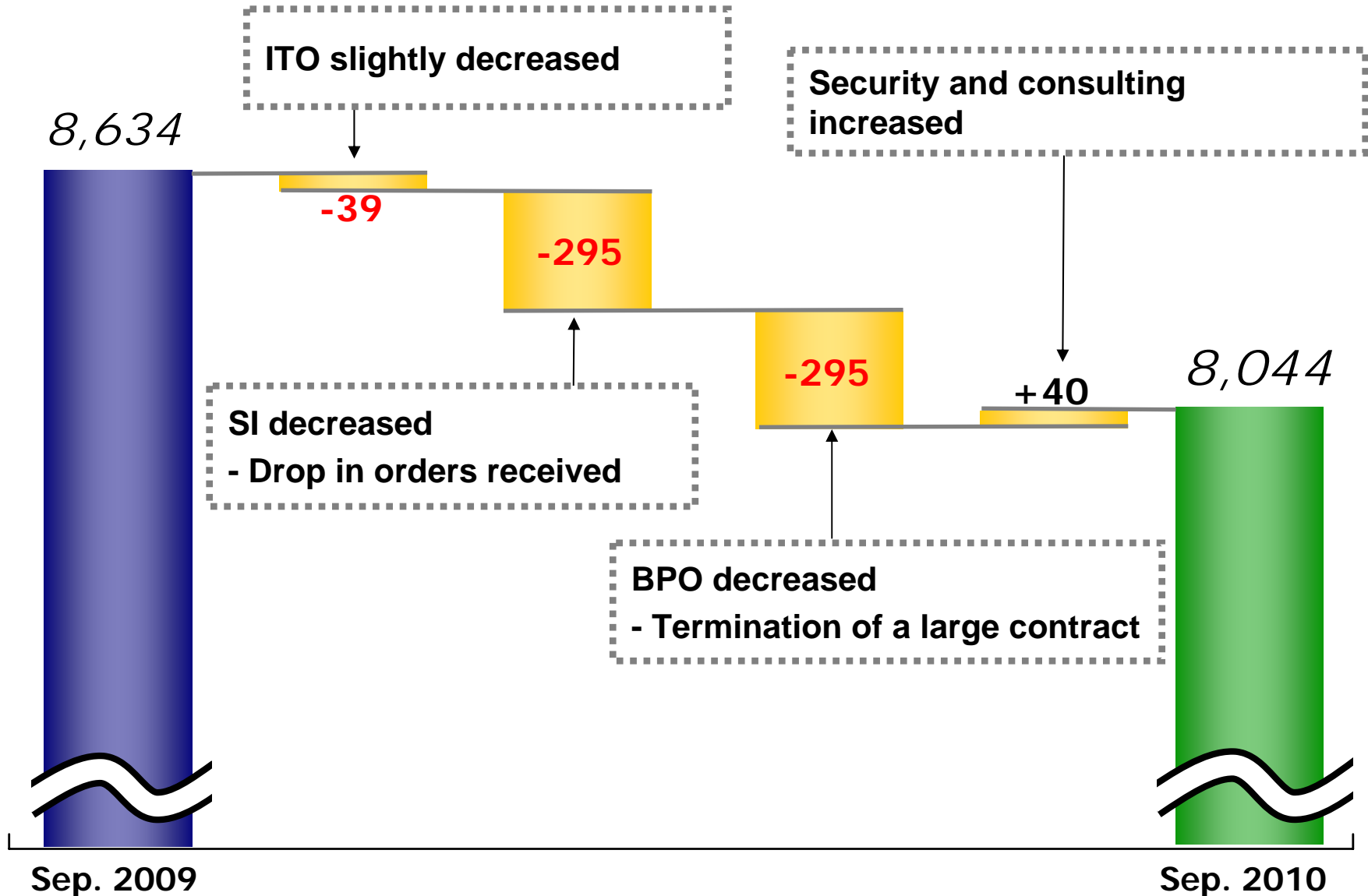


(¥million)	Sep. 2009 (% of revenue)	Sep. 2010 (% of revenue)	YOY % changes	% changes to forecast
Revenue	6,504	6,031	-7.3%	-4.5%
Cost of Sales	5,173 79.5	4,797 79.5	-7.3%	-6.8%
Gross Profit	1,331 20.5	1,234 20.5	-7.3%	+ 6.1%
SG&A Expenses	859 13.2	881 14.6	+ 2.6%	-3.1%
Operating Profit	471 7.3	352 5.8	-25.3%	+ 39.3%
Recurring Profit	502 7.7	415 6.9	-17.4%	+ 37.9%
Net Profit	280 4.3	230 3.8	-17.9%	+ 31.1%
EPS (Yen)	37.79	31.00	-6.79	-

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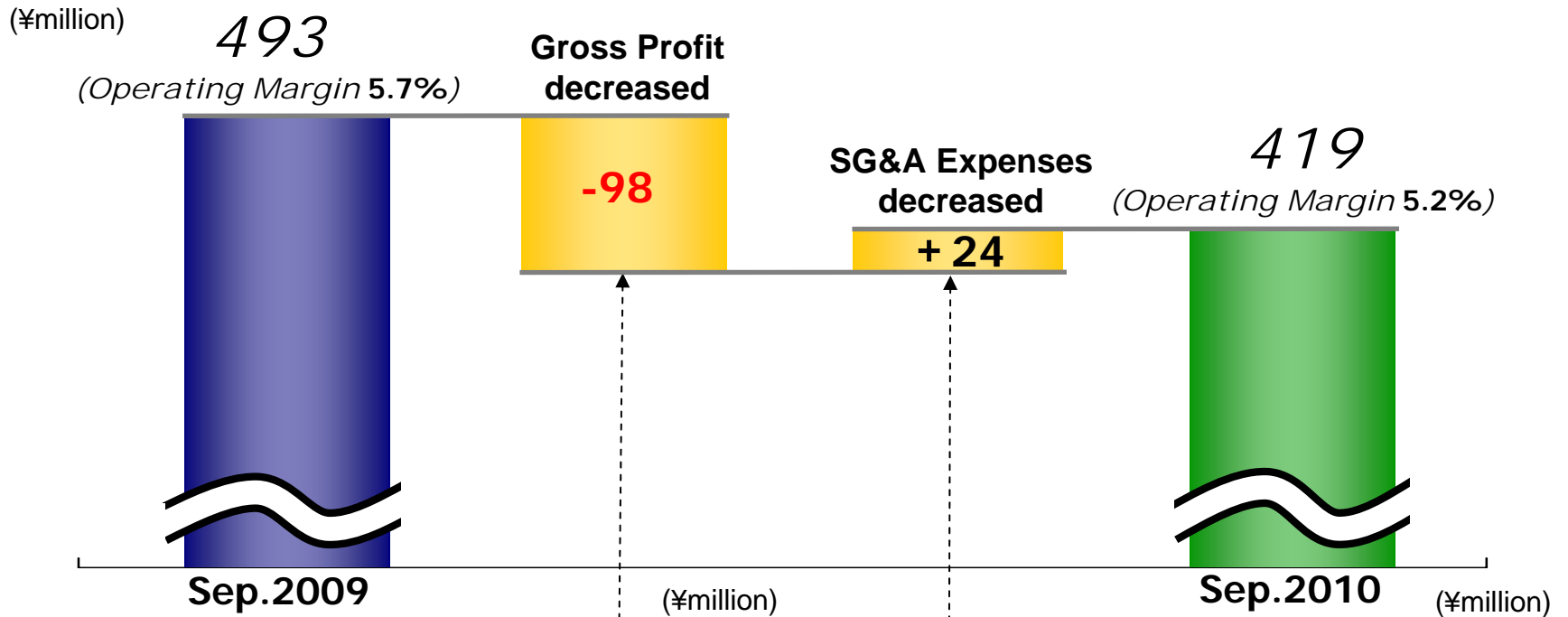
Factors contributing to revenue

(¥million)



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Factors contributing to operating profit



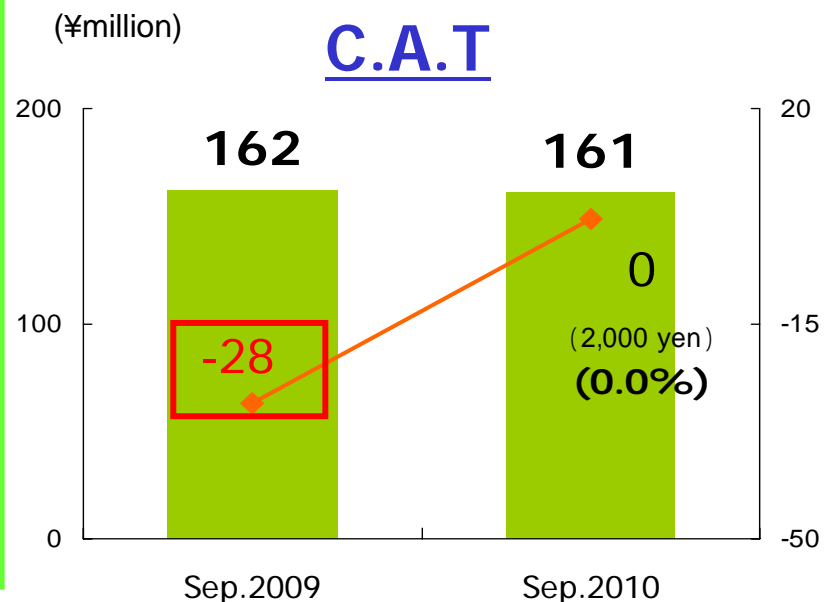
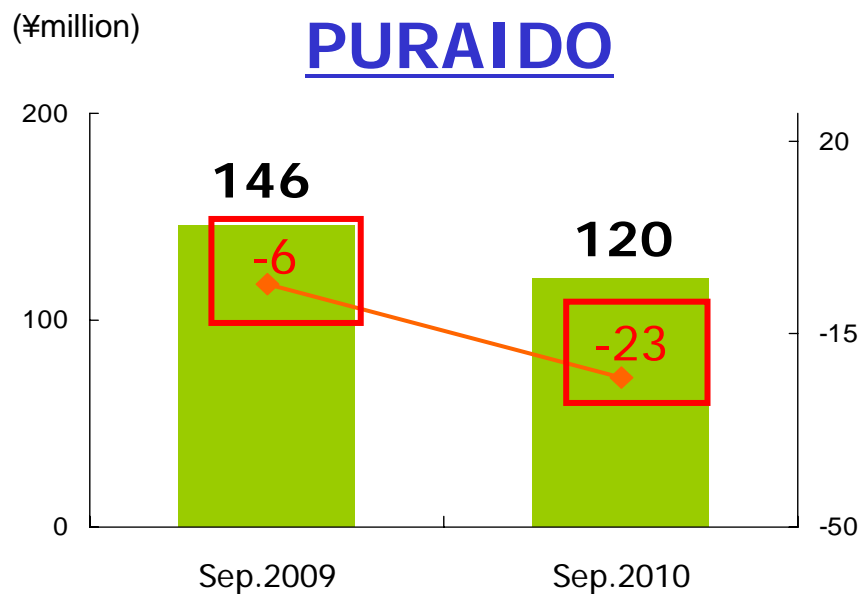
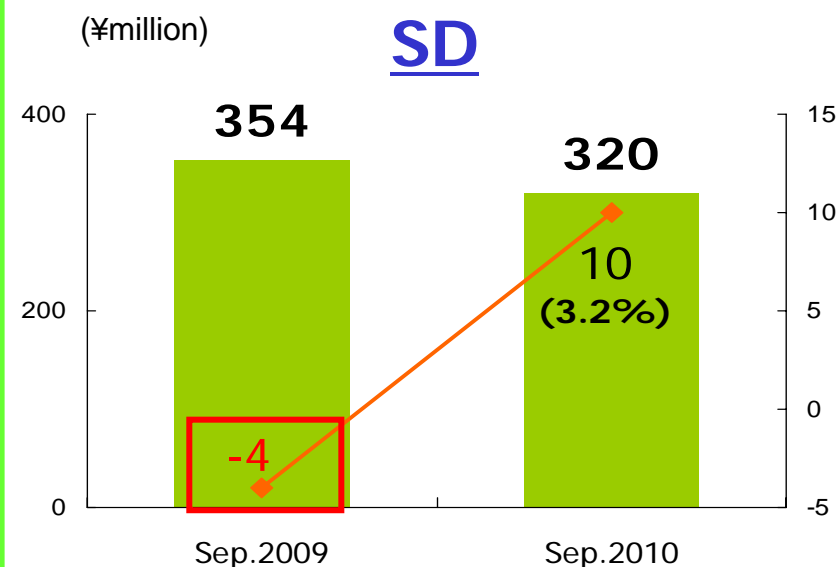
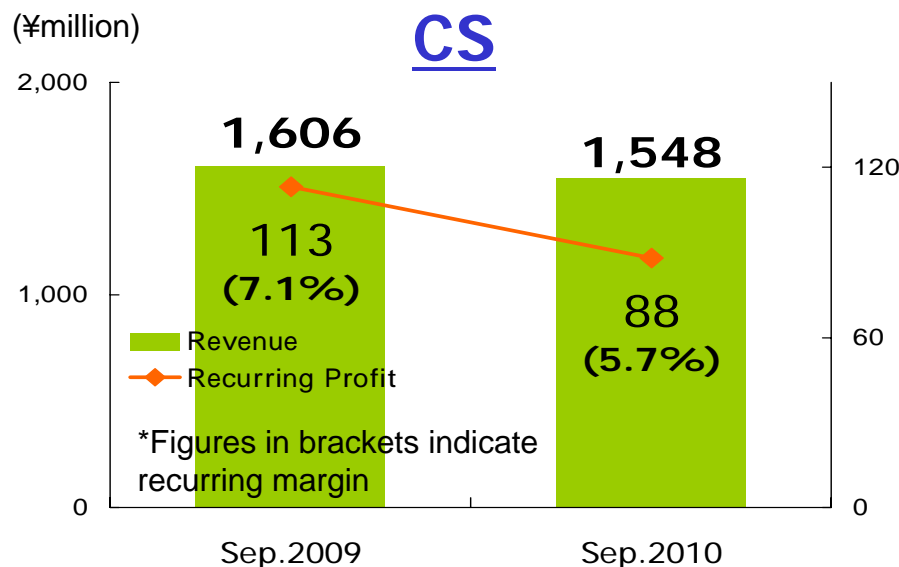
Revenue	-589
Cost of Sales	-492
• Labor cost	-173
• Outsourcing cost	-194
• Production cost	-10
• Purchasing (security products)	+ 34
• Variation of work in process	-142
(Adoption of the percentage-of-completion method)	

SG&A Expenses	-24
• Labor cost (integration of corporate division)	+ 5
• Amortization of goodwill	-36
(Amortization of C.A.T goodwill in the previous year)	
• Others	+ 7

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Performance of domestic subsidiaries

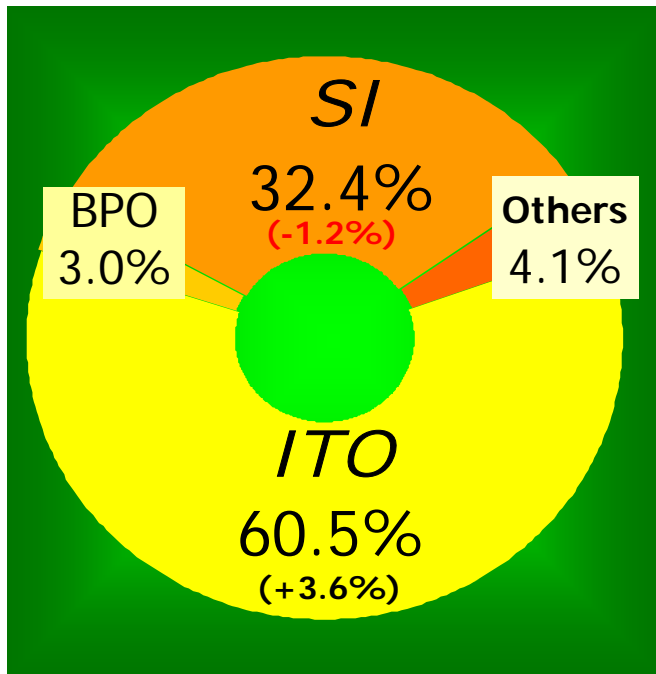
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<YOY changes>	ITO	SI	BPO	Others
(¥million)	-39	-295	-295	+40
	(-0.8%)	(-10.2%)	(-54.9%)	(+14.1%)

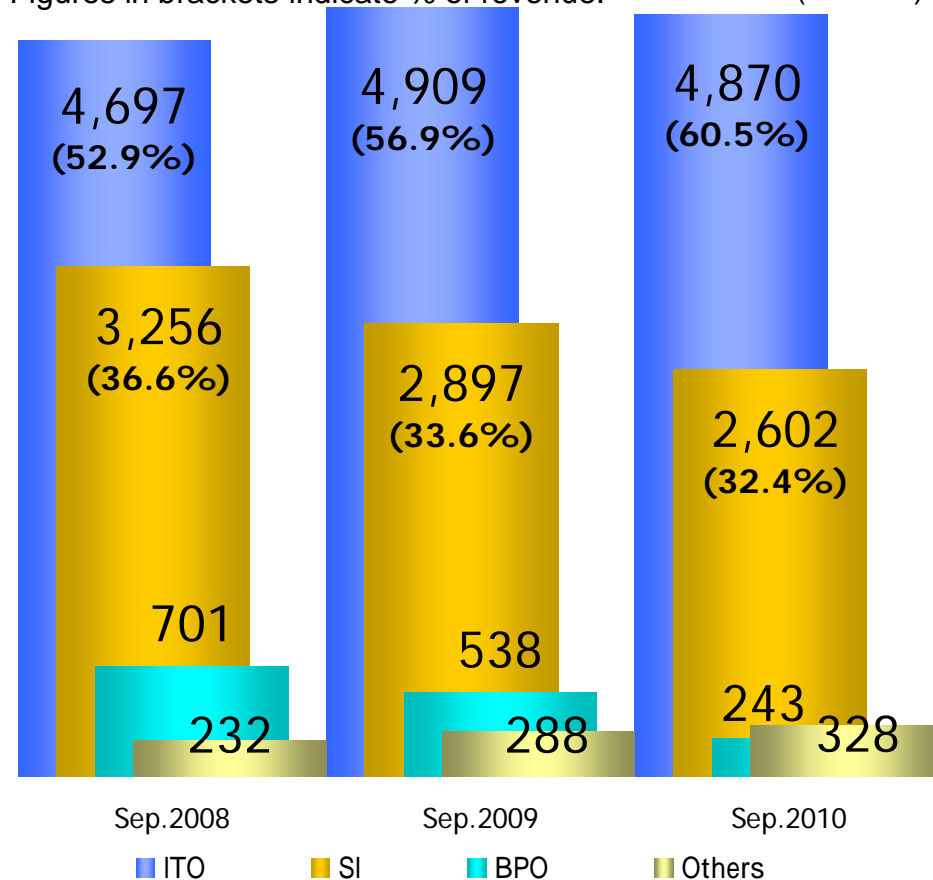
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Revenue by business



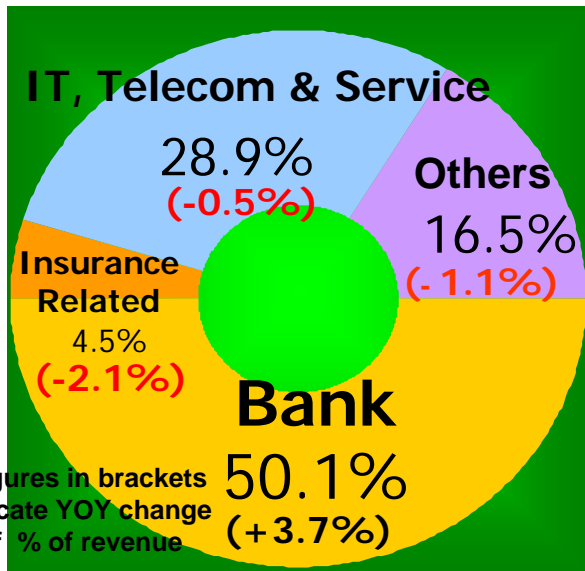
*Figures in brackets indicate YOY changes of % of revenue

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

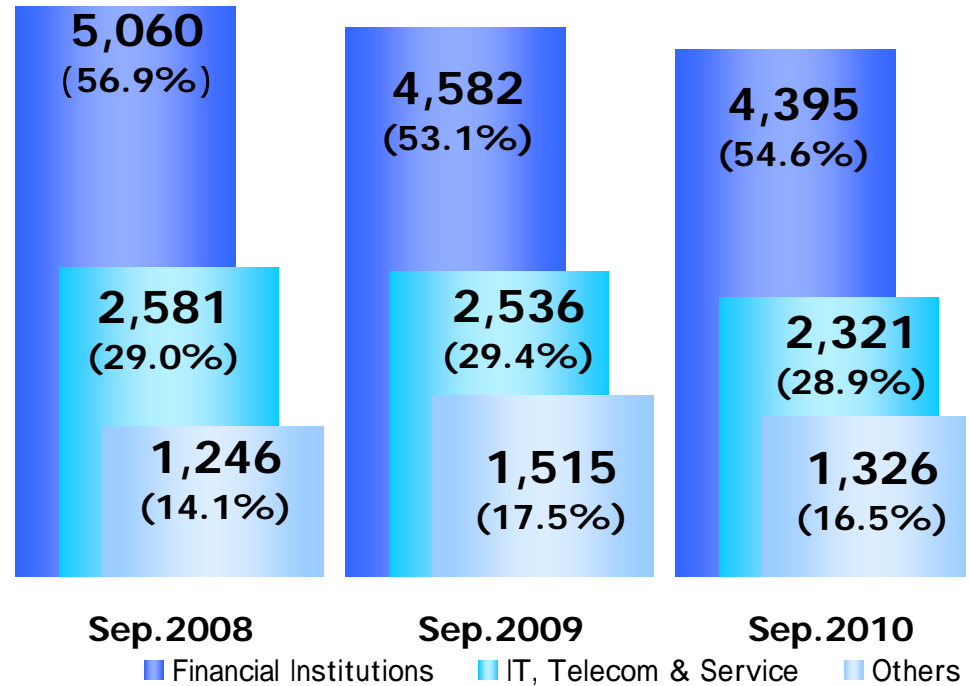


<YOY changes>	Financial institutions	IT, Telecom and Service	Others
(¥million)	-187 (-4.1%)	-215 (-8.4%)	-189 (-12.5%)

Revenue by customer



*Figures in brackets indicate YOY change of % of revenue

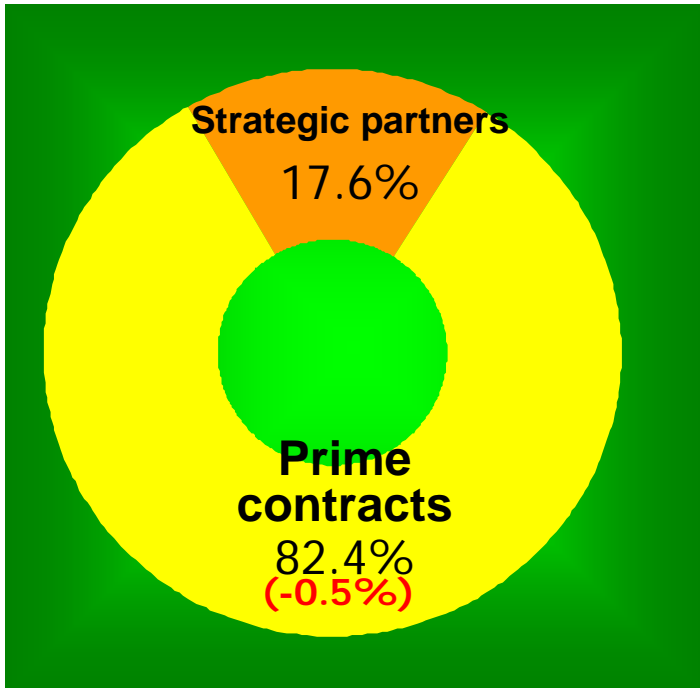


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Prime contracts : over 80%

Revenue by contract



*Figures in brackets indicate YOY change of % of revenue

< Major customers >

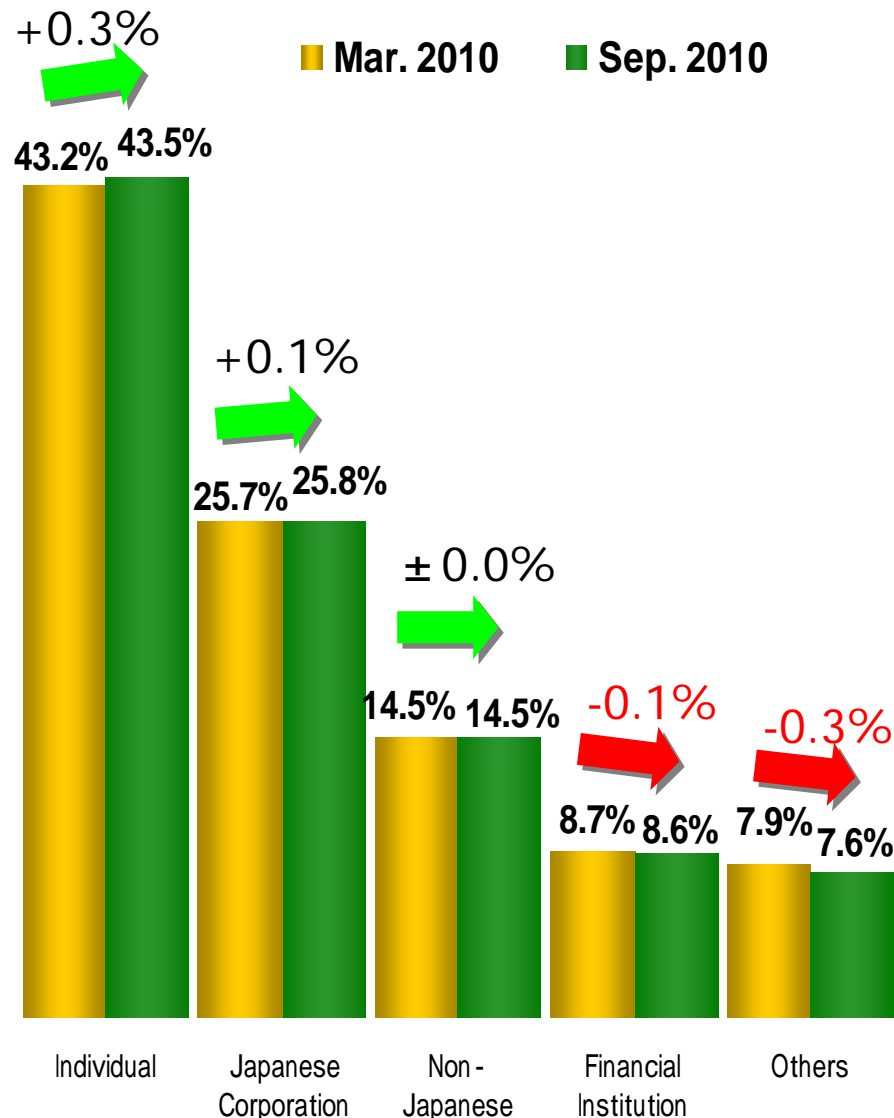
Prime contracts

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

Strategic partners

Major IT Vendors

◆ Shareholding by investor type



◆ No. of shareholders: 1,865

(63 decreased from March 31, 2010)

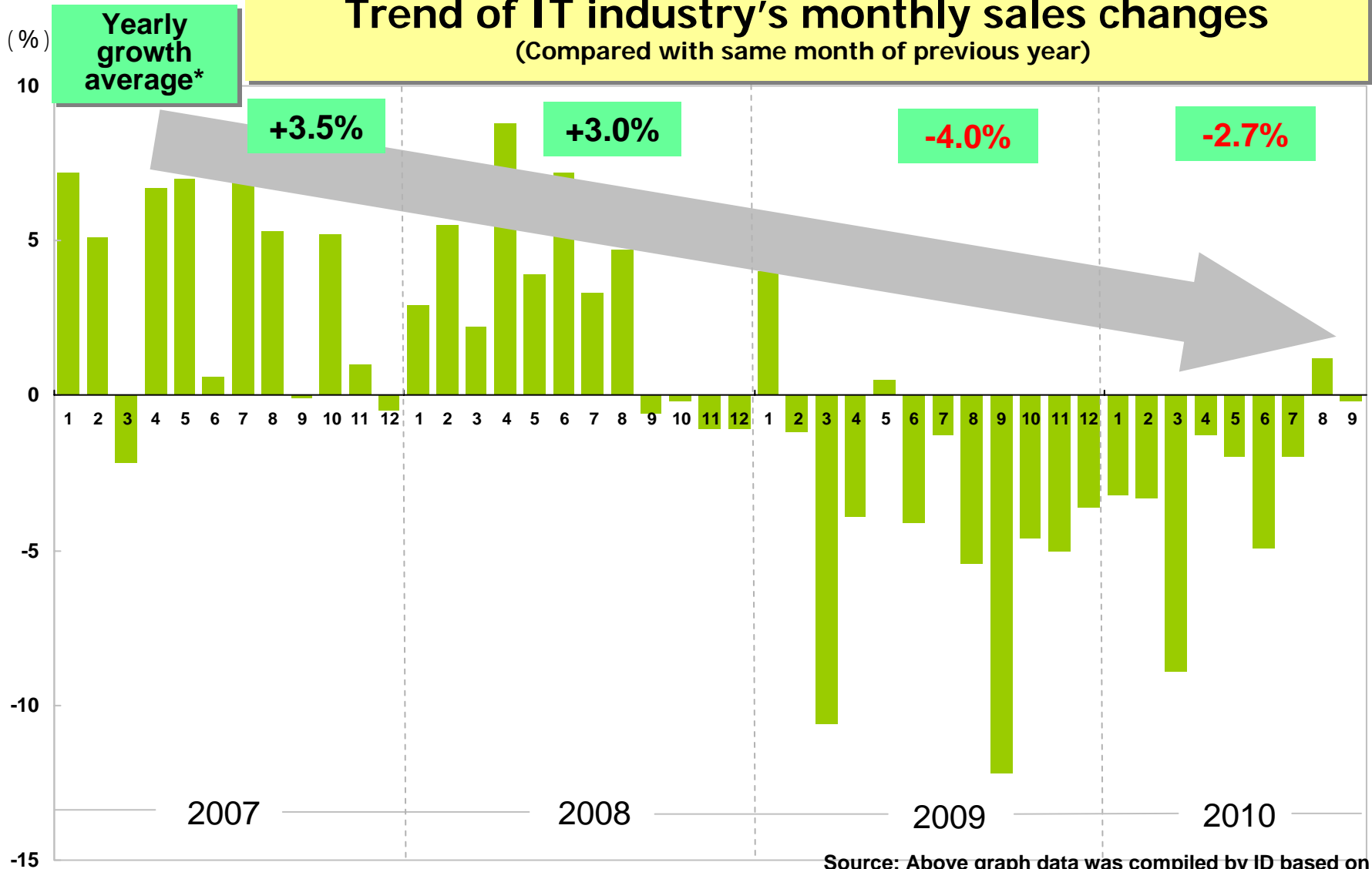
Major shareholders		% of total shares
1	A. K. Corporation	8.7%
2	Mizuho Trust Systems Co., Ltd.	8.5%
3	Taiyo Pearl Fund, L.P.	8.1%
4	ID Employee Ownership Account	7.7%
5	INFORMATION DEVELOPMENT CO., LTD	7.5%
6	State Street Bank and Trust Company 505104	5.4%
7	Mizuho Trust & Banking Co., Ltd.	3.5%
8	K.C.S Co., Ltd.	3.5%
9	The Master Trust Bank of Japan, Ltd. (Trust Account)	2.8%
10	Wahei Takeda	2.6%

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2. Industry trend and comparison with peers

- Industry trend
- Performance comparison with peers

Trend of IT industry's monthly sales changes (Compared with same month of previous year)



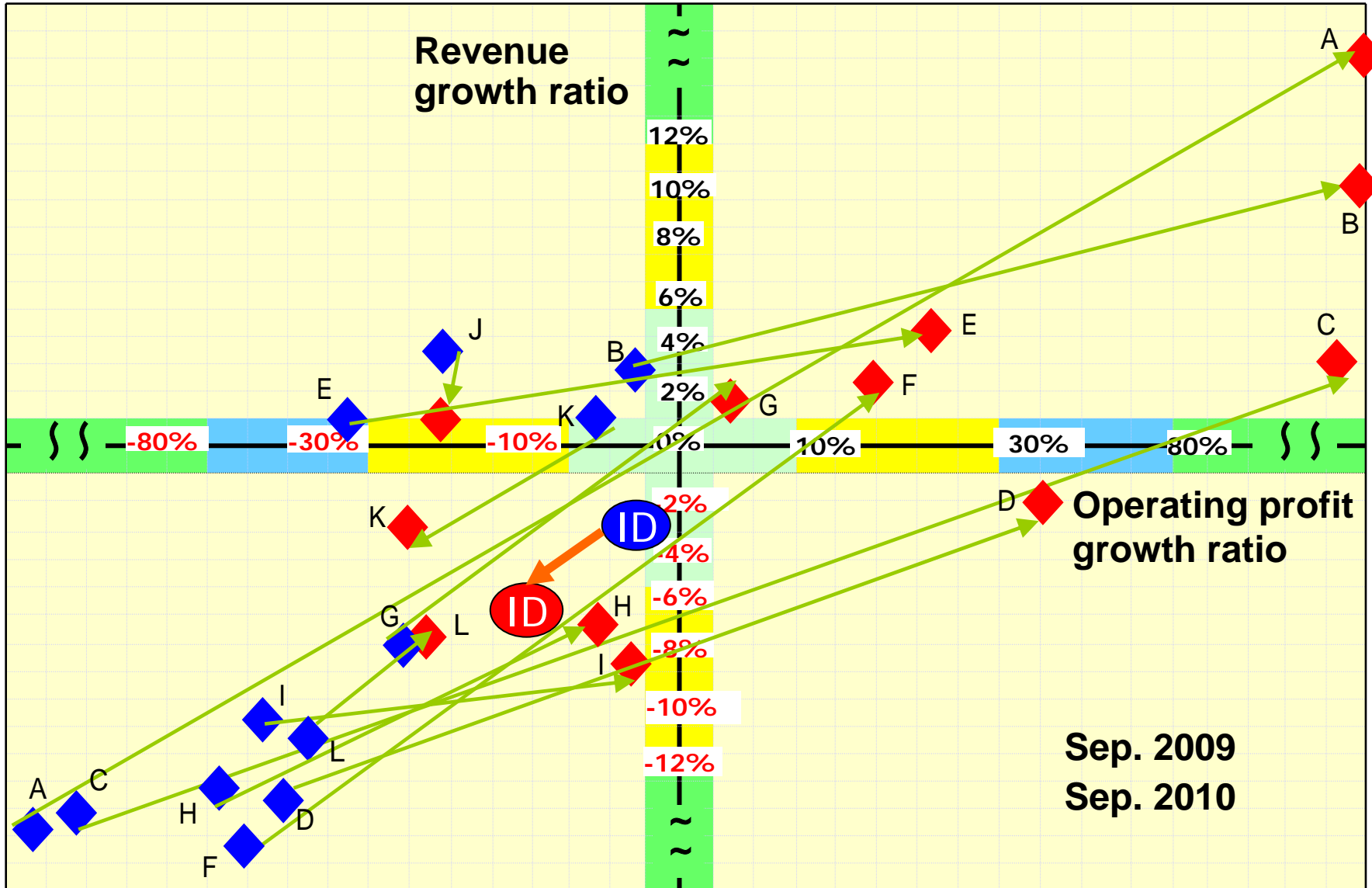
*The average is calculated from the total amount added simply together.

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

Performance comparison with peers

(Sep. 2009 vs. Sep. 2010)

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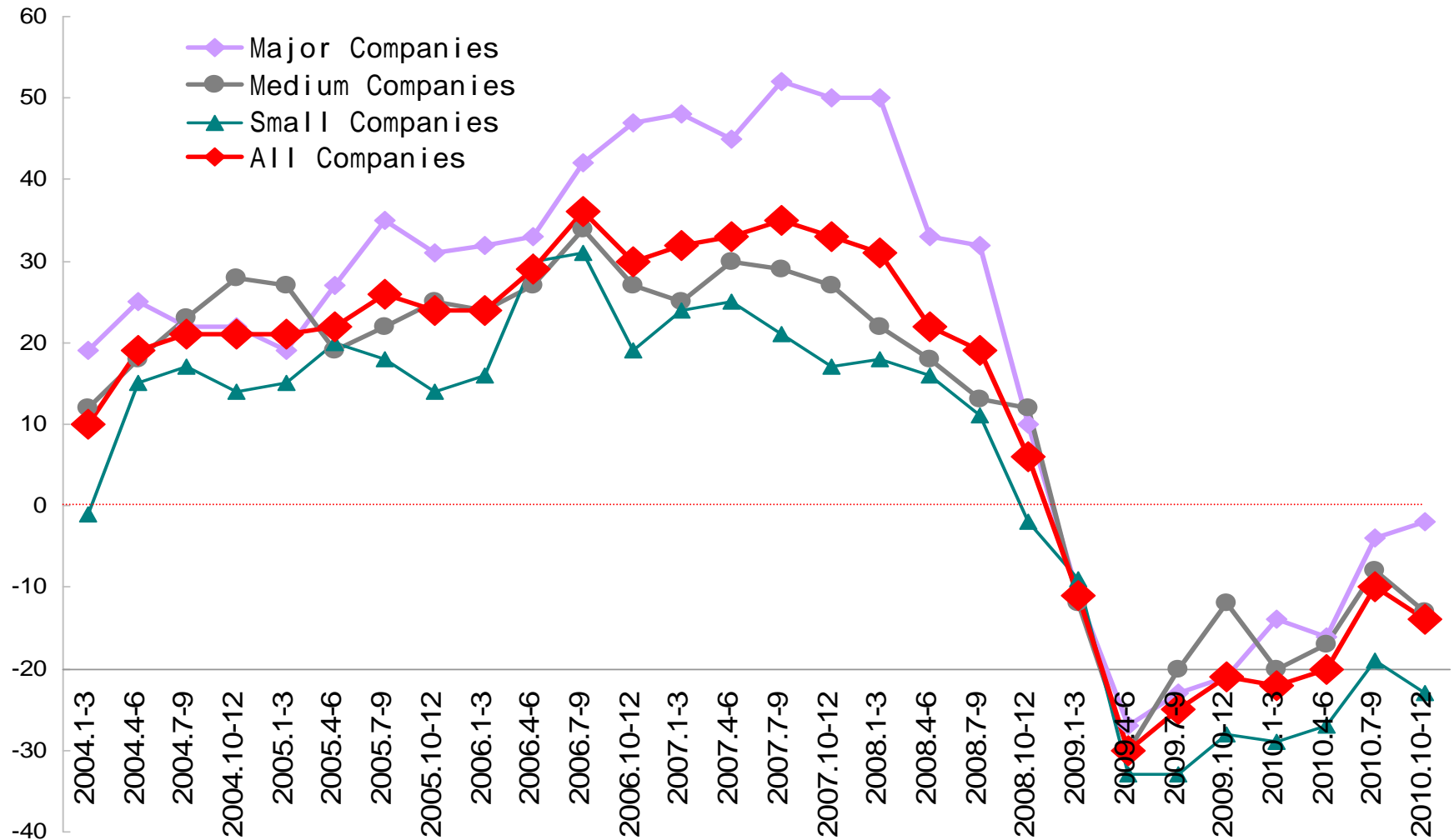


Source: Results announcements for the second quarter by each company (compiled by ID).

3. Growth strategy and forecast for the year ending March 31, 2011

- Industry trend
- **i-Bos24**[®] Growth strategy
- Forecast for the year ending March 31, 2011

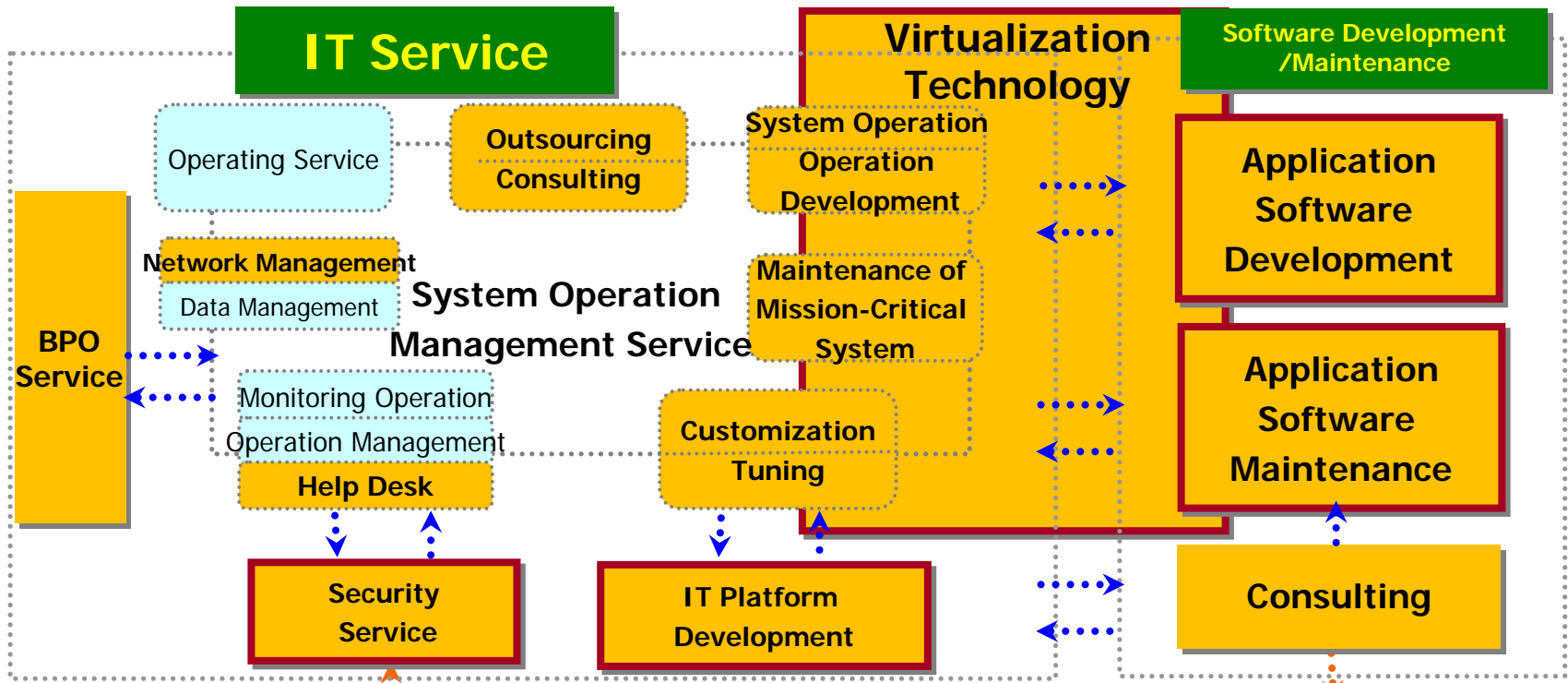
Business conditions Diffusion Index (DI) of IT industry



Source: Prepared by ID based on the Short-term Economic Survey of Principal Enterprise in Japan by the Bank of Japan

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Human resources strategy
corresponds to the expansion of cloud computing market



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Service increased by automation & integration
 Important service and technology with the rise of cloud
 Service decreased by automation & integration

Engineers: about 1,600
← Shift
Engineers: about 500

Promote BOO* strategy to expand services for existing and new customers of ID Group

*BOO strategy: An acronym for business operations outsourcing, BOO is the strategy of providing integrated upstream and downstream services.

Customers:	A	B	C	D	E	F	G	H	I	J
ITO ID CS ID Wuhan	Existing Business	<u>Target</u> Existing Business	<u>Target</u> Existing Business	Existing Business	<u>Target</u>	<u>Target</u>	Existing Business	<u>Target</u> new	<u>Target</u> new	<u>Target</u>
SI ID SD CS ID Wuhan	Existing Business	Existing Business	<u>Target</u>	Existing Business	Existing Business	Existing Business	<u>Target</u>	Existing Business	<u>Target</u>	<u>Target</u>
BPO ID C.A.T ID Wuhan	Existing Business	Existing Business <u>Target</u>	Existing Business <u>Target</u>	Existing Business	<u>Target</u>	new <u>Target</u>	<u>Target</u>	<u>Target</u>	<u>Target</u>	<u>Target</u>

PURAIIDO (Consulting)

ID Wuhan (Offshore)

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For Customer (BOO strategy)

New Customer

Approaching by
-IT Platform development
-Security service

Existing Customer

Promoting multi services

Hybrid-type
human resources
development

Revolution of
business process

M&A



Cooperation
with strategic
partner

Global

- ❖ IT support for existing customers' China business
- ❖ Establishment of service network with leading local vendors throughout China



- On-site Development
- Offshore
- Recruit, Training

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Performance forecast
(For the year ending March 31, 2011)



(¥million)	Mar.2010	(% of revenue)	Mar.2011	(% of revenue)	YOY % changes
Revenue	17,263		17,500		+1.4%
Gross Profit	3,319	19.2	3,470	19.8	+4.5%
SG&A Expenses	2,468	14.3	2,420	13.8	-2.0%
amortization of goodwill	150	0.9	78	0.4	-48.0%
Operating Profit	850	4.9	1,050	6.0	+23.4%
Recurring Profit	864	5.0	1,050	6.0	+21.5%
Net Profit	155	0.9	550	3.1	+254.7%
EPS (Yen)	20.88		74.04		+53.16
Dividend per Share (Yen)	19.00		19.00		

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