



# Investor Presentation

**For the Six Months Ended September 30, 2008**

**INFORMATION DEVELOPMENT CO., LTD**

Breakthrough 200 !

1. Consolidated Performance Overview
2. Industry Trend and Comparison with Peers
3. Performance Forecast for the Year Ending March 31, 2009, and Strategic Direction

# 1 . Consolidated Performance Overview

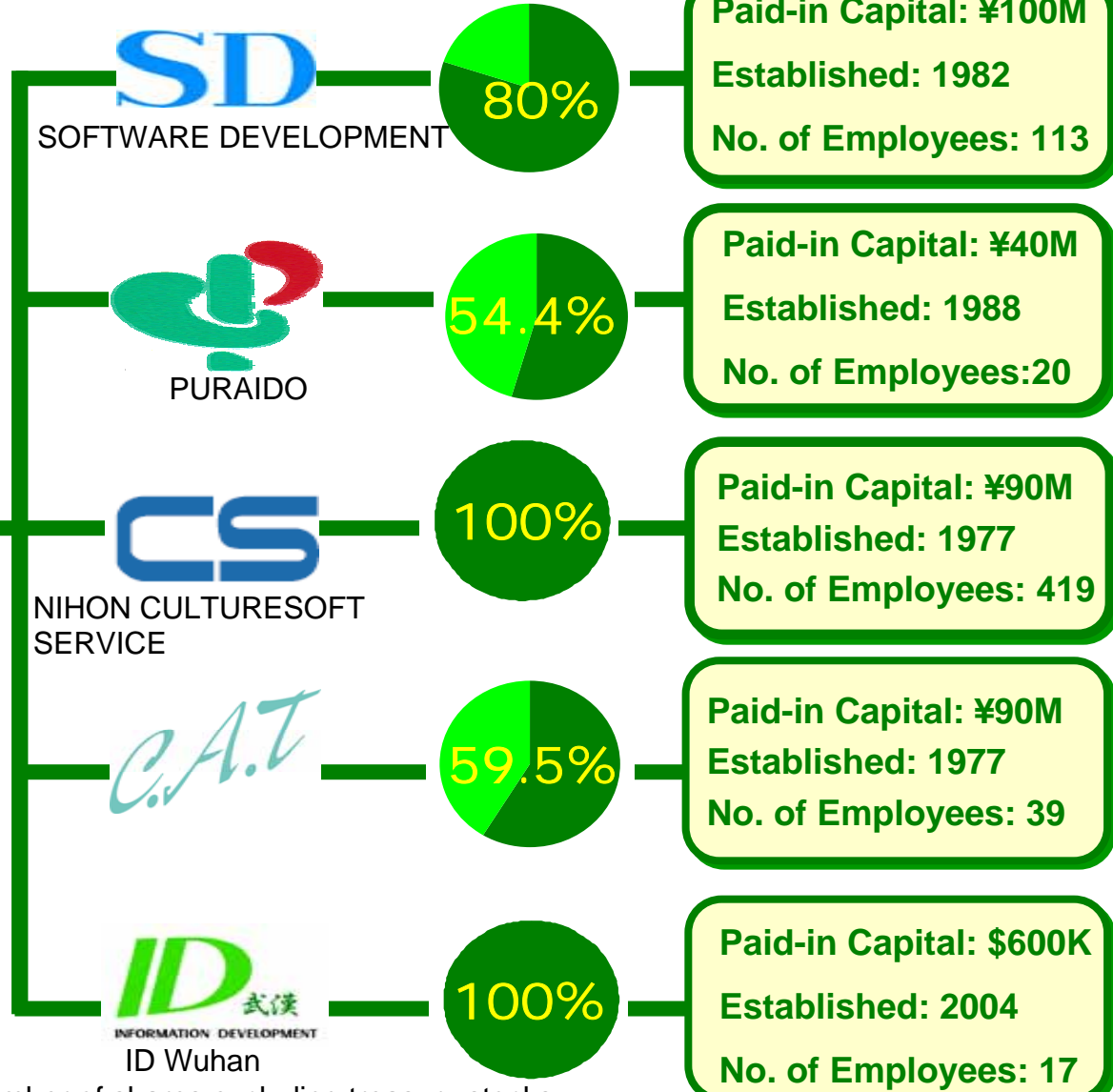
- Overview of ID Group
- Performance Highlights
- Revenue and Profits/Financial Position & Cash Flows
- Revenue Analysis
- Factors for Revenue and Profit Increase
- Performance of NCS
- Stock Data

# Overview of ID Group (As of September 30, 2008)



ID's Ownership

**Paid in Capital:**  
¥592.34million  
**Established:**  
October, 1969  
**No. of Employees:**  
1,676



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

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▶ **Total revenue: ¥8,888 million (+3.3% YOY)**

▶ **Operating profit: ¥497 million (+6.5% YOY)**

▶ **Recurring profit: ¥502 million (+9.7% YOY)**

▶ **Net profit: ¥271 billion (+31.1% YOY)**

▶ **CAT CO., LTD. became consolidated subsidiary on August 20, 2008**

▶ **Established ID Japanese Course at Hubei University of Economics (Wuhan, China)**

# Revenue and Profits



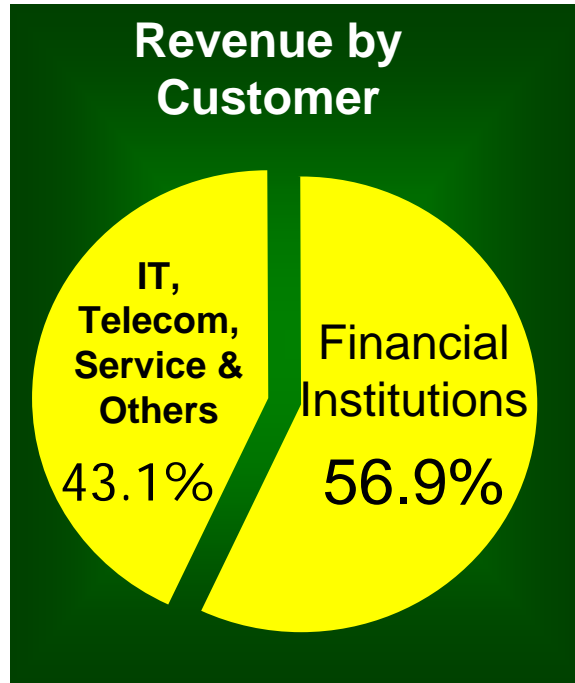
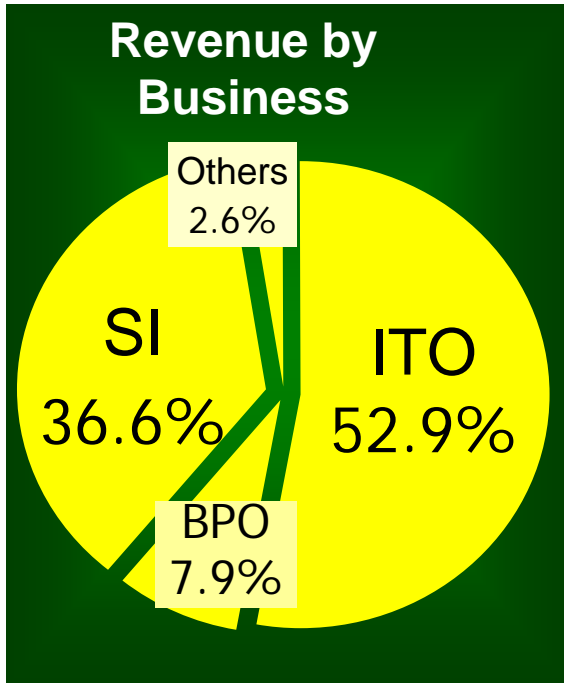
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(¥million)	Sept-07 (% of Revenue)	Sept-08 (% of Revenue)	YOY % Changes	% Changes to Forecast
Total Revenue	<b>8,606</b>	<b>8,888</b>	+3.3%	(1.5)%
Cost of Sales	<b>7,047</b> 81.9	<b>7,254</b> 81.6	+2.9%	(1.1)%
Gross Profit	<b>1,559</b> 18.1	<b>1,633</b> 18.4	+4.7%	(3.6)%
SG&A Expenses	<b>1,092</b> 12.7	<b>1,135</b> 12.8	+4.0%	(1.3)%
Operating Profit	<b>467</b> 5.4	<b>497</b> 5.6	+6.5%	(8.5)%
Recurring Profit	<b>458</b> 5.3	<b>502</b> 5.7	+9.7%	(5.1)%
Extraordinary Profit & Loss	<b>(67)</b>	<b>7</b>	-	-
Net Profit	<b>207</b> 2.4	<b>271</b> 3.1	+31.1%	(1.8)%
EPS (Yen)	<b>27.51</b>	<b>36.54</b>	-	-

# Financial Position & Cash Flows



(¥million)	Sept-07	Mar-08	Sept-08	YOY % Changes
<b>Current Assets</b>	4,649	4,849	4,381	(9.6)%
<b>Cash and Deposits</b>	1,452	1,550	1,355	(12.6)%
<b>Fixed Assets</b>	4,947	4,770	5,044	+5.7%
<b>Total Assets</b>	9,597	9,620	9,426	(2.0)%
<b>Liabilities</b>	4,503	4,201	3,817	(9.1)%
<b>Interest-Bearing Debt</b>	1,302	880	982	+11.6%
<b>Earned Surplus</b>	4,210	4,598	4,728	+2.8%
<b>Total Shareholders' Equity</b>	4,917	5,305	5,436	+2.5%
<b>Cash Flows from Operating Activities</b>	205	795	257	-
<b>Cash Flows from Investing Activities</b>	(15)	(73)	(410)	-
<b>Cash Flows from Financing Activities</b>	(261)	(684)	(42)	-



SI: System Integration BPO: Business Process Outsourcing ITO: IT Outsourcing

- Outsourcing Service : 60.8%
- Financial Institutions : 56.9%
- Prime Contracts : 83.6%



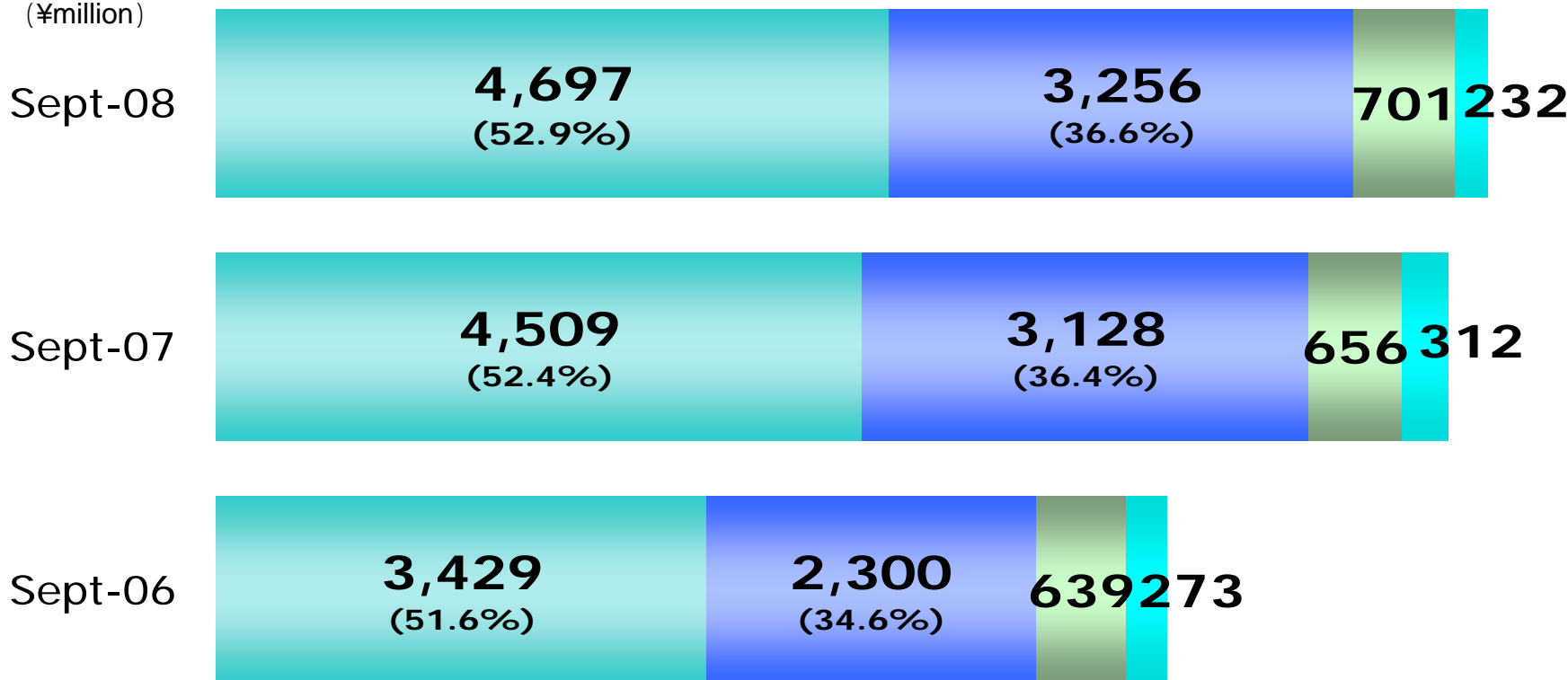
# Revenue Analysis 2 ( by Business )



## YOY % Changes

ITO	SI	BPO	Others
+4.2%	+4.1%	+6.9%	(25.4)%

(¥million)



\*Figures in brackets indicate % of revenue.

ITO

SI

BPO

Others

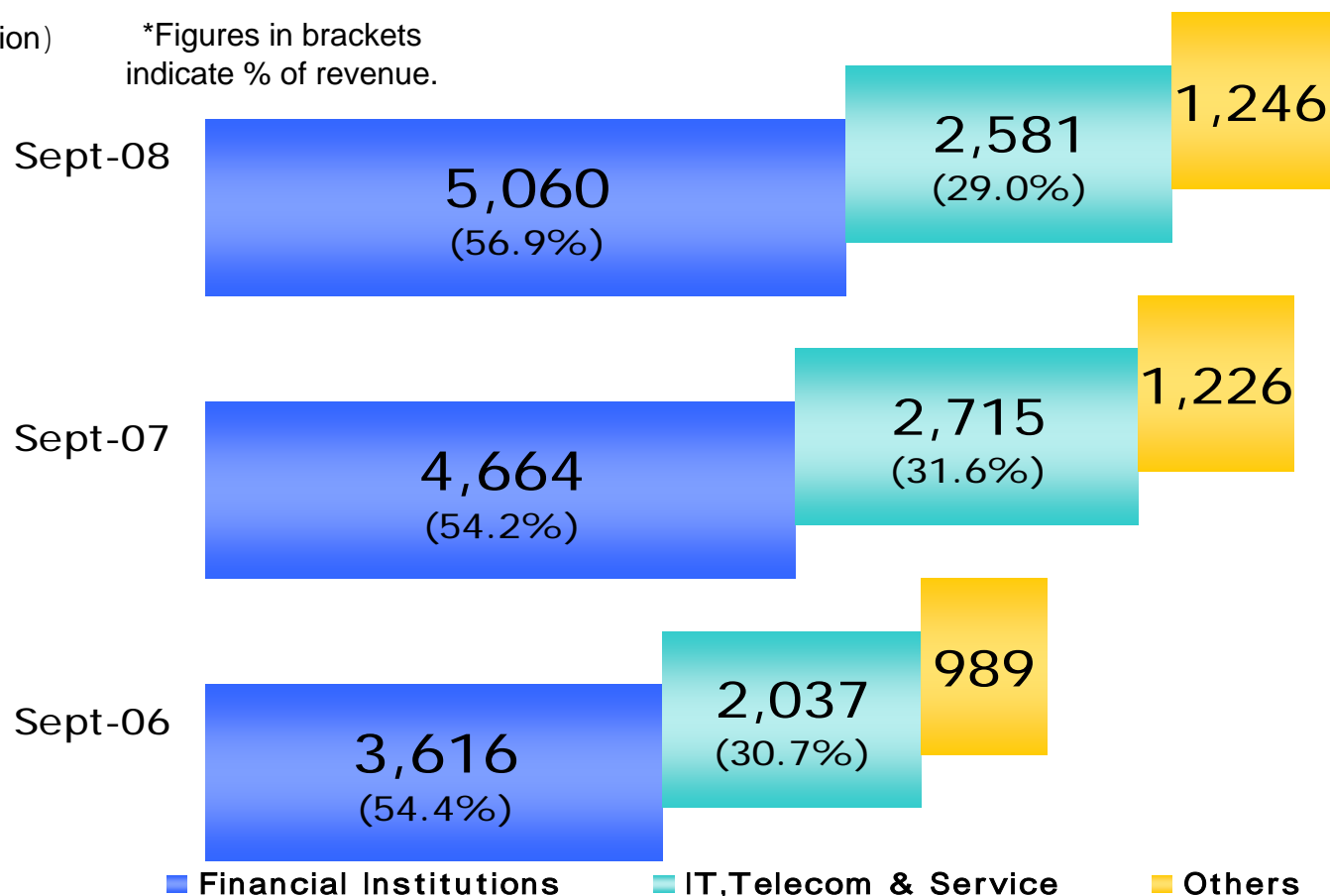
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## YOY % Changes

Financial Institutions	IT, Telecom & Service	Others
<b>+8.5%</b>	<b>(4.9)%</b>	<b>+1.6%</b>

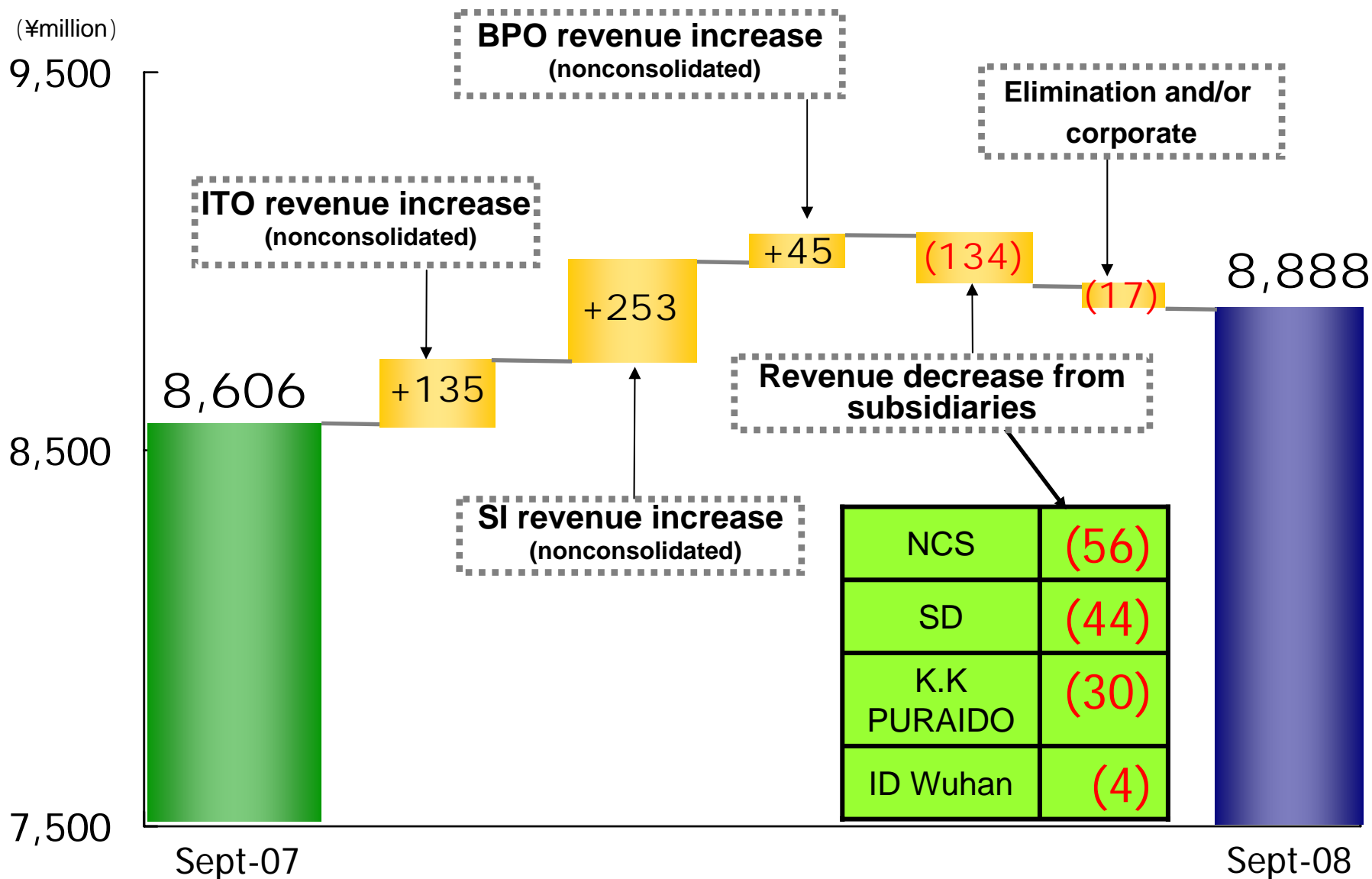
(¥million)

\*Figures in brackets indicate % of revenue.



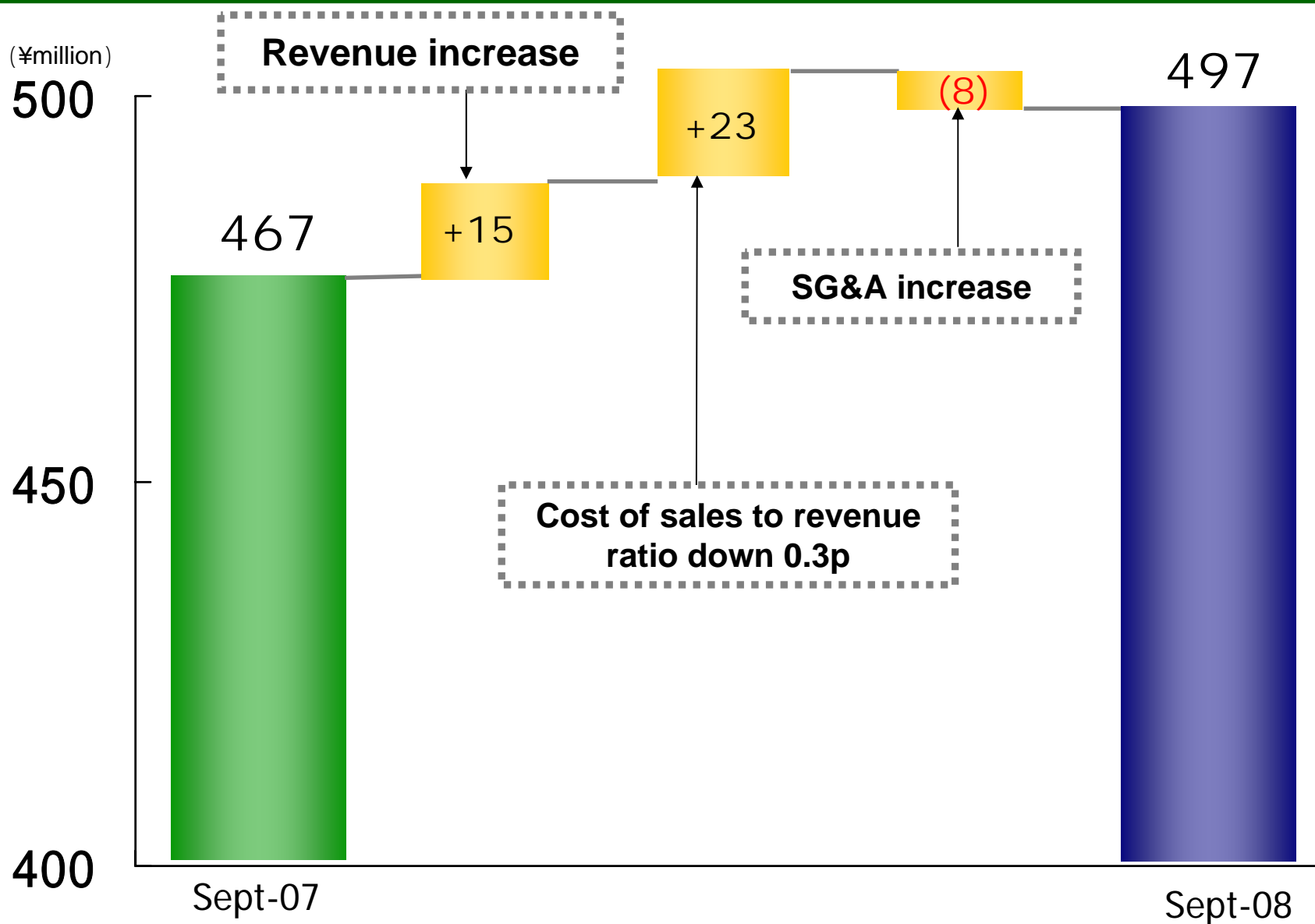
# Factors for Revenue Increase

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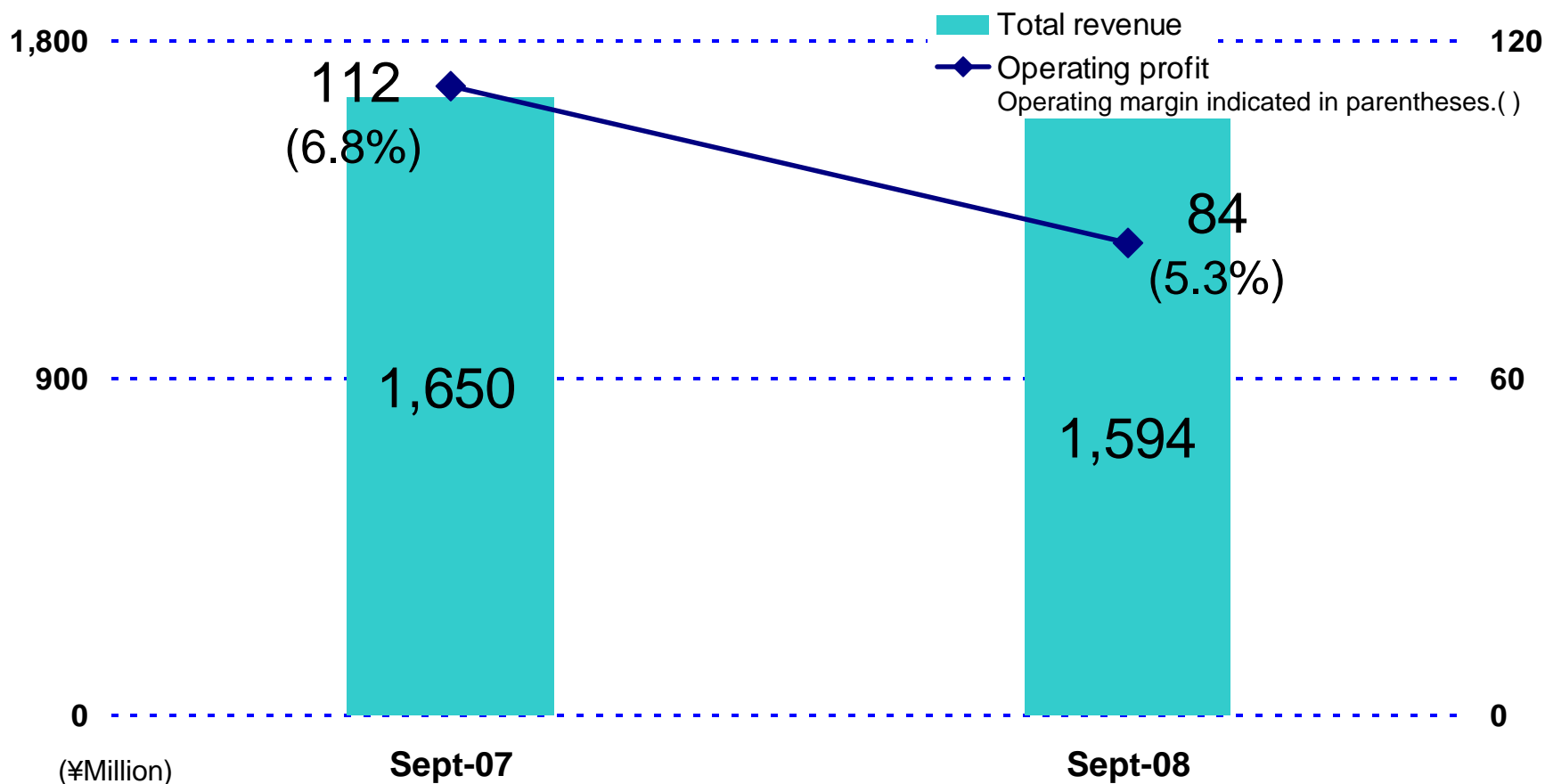


# Factors for Operating Profit Increase

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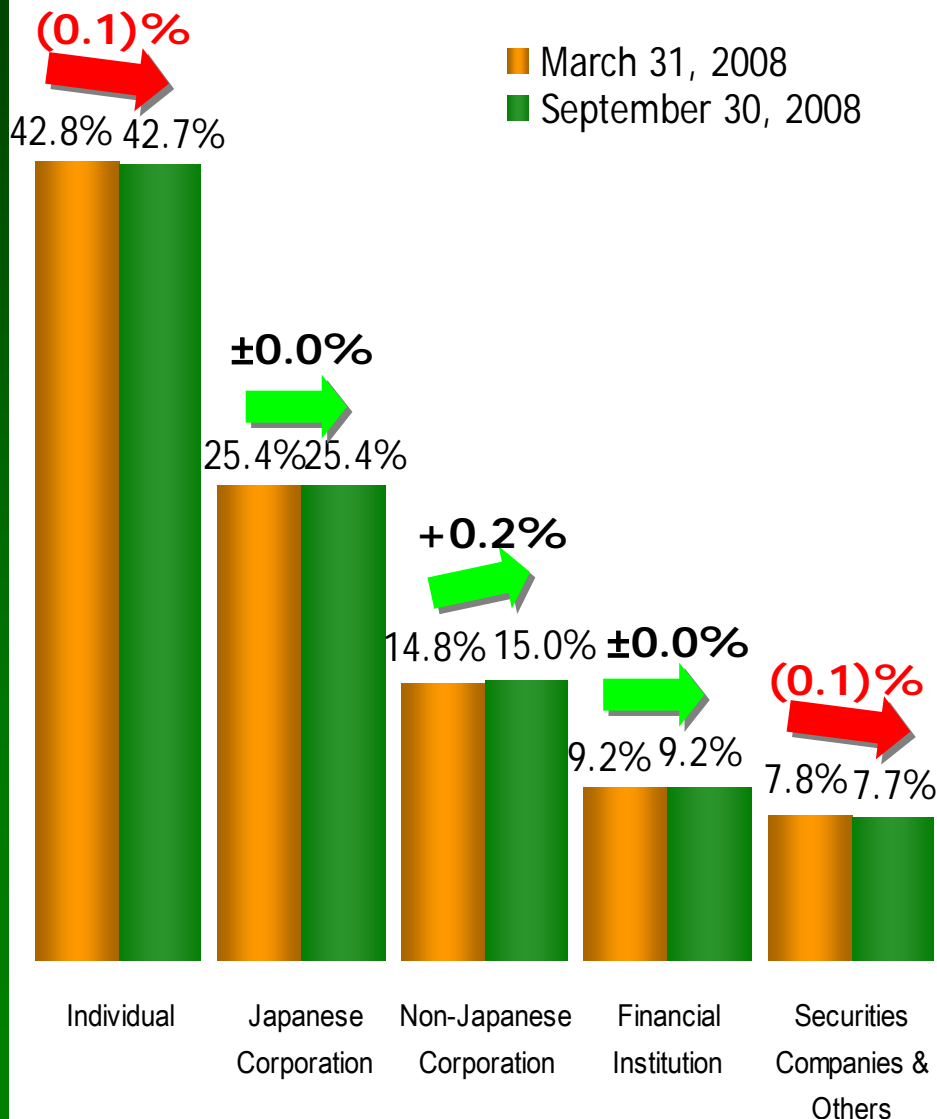
- Business reorganization and intra-Group collaboration progressing smoothly
- Revenue and profit down, owing to delays and discontinuation of development projects at three domestic locations



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◆ Shareholding by Investor Type



◆ No. of Shareholders: 1,975

(Decreased 57 from March 31, 2008)

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	6.2%
5	State Street Bank and Trust Company 505104	5.4%
6	Mizuho Trust & Banking Co., Ltd.	3.5%
7	K.C.S Co., Ltd.	3.5%
8	The Master Trust Bank of Japan, Ltd. (Trust Account)	2.9%
9	Wahei Takeda	2.3%
10	Akemi Funakoshi	1.6%

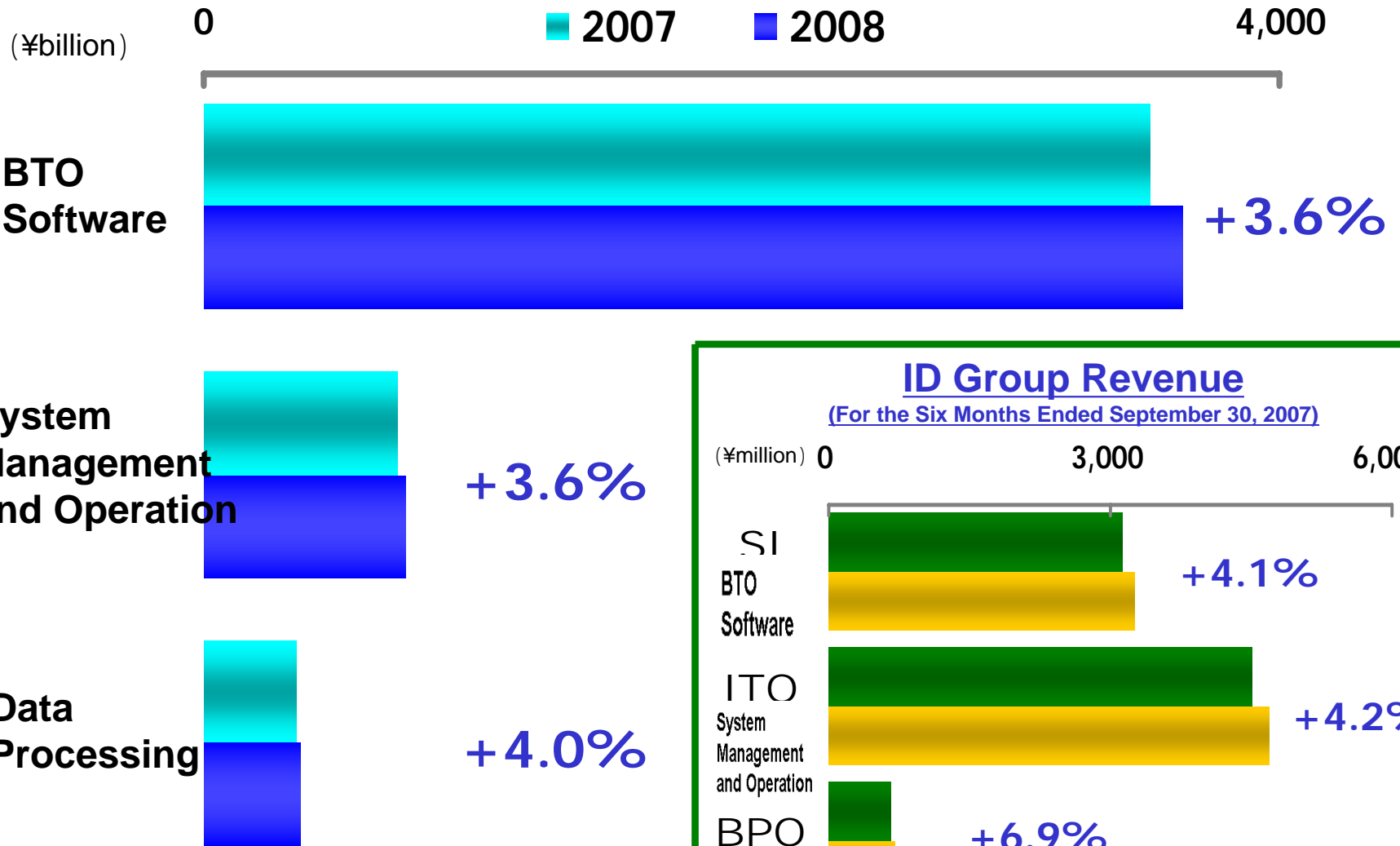
\*601,485 of treasury stocks are excluded from the above.

## 2. Industry Trend and Comparison with Peers

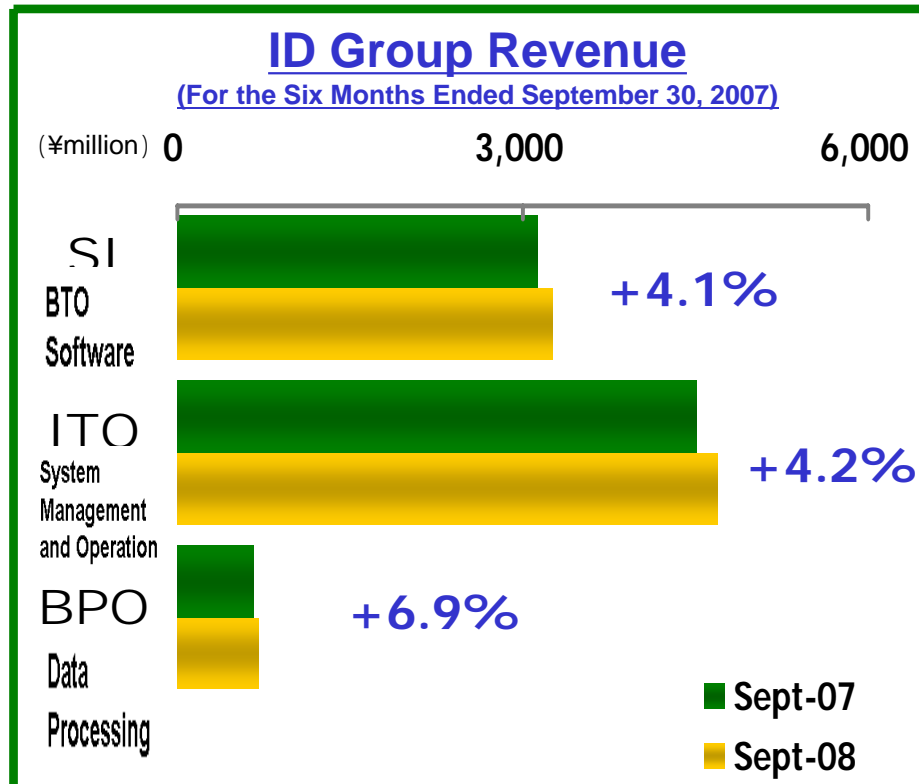
- Industry Trends
- Performance Comparison with Peers

# Industry Trend (1<sup>st</sup> Half of FY2008)

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Source: Above graph data was compiled by the company based on "Trends in specific Service Sector (METI)" from January-June 2007 and 2008.



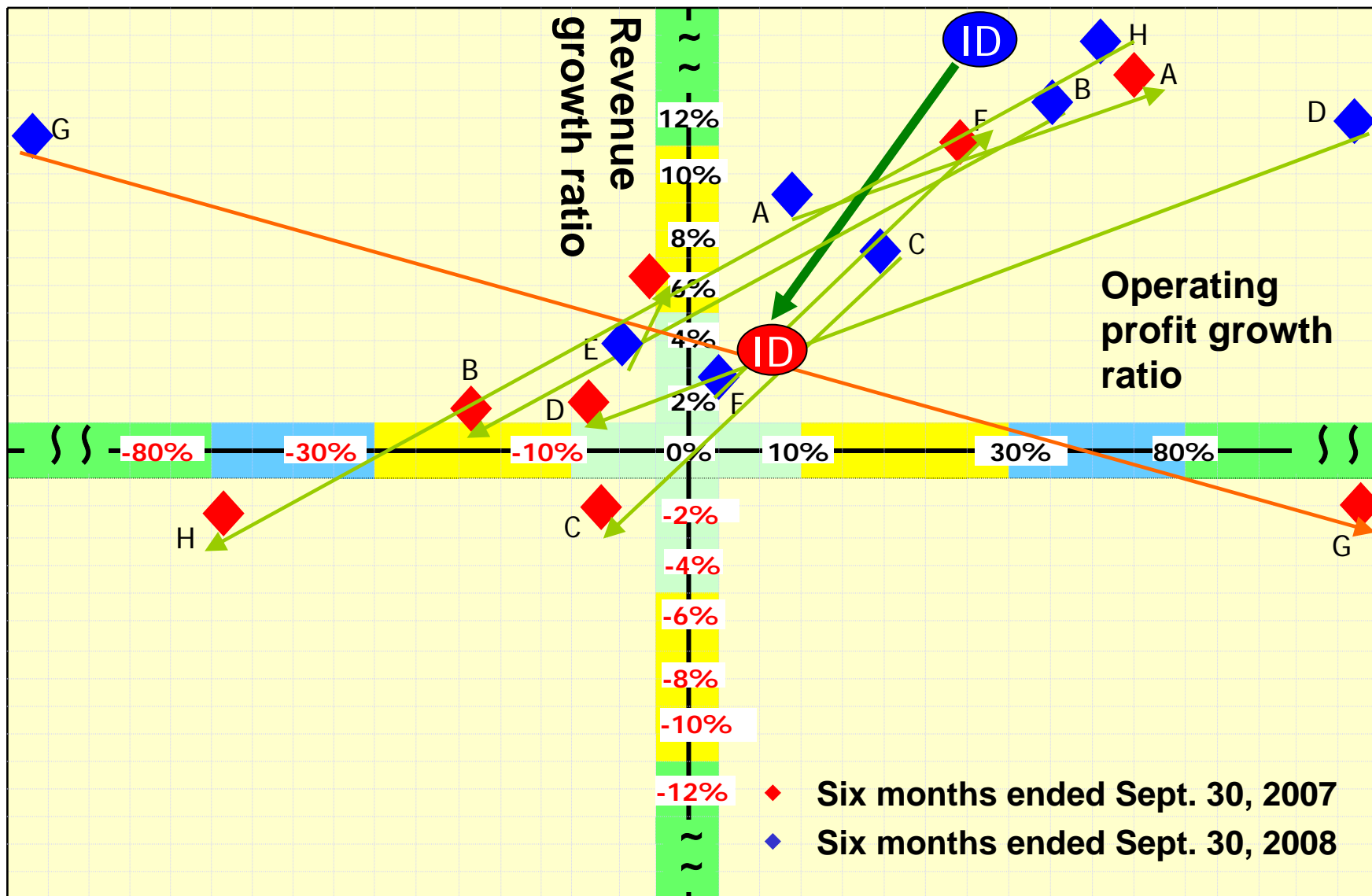


# Performance Comparisons with Peers

(Sept.-2008 vs. Sept.-2007)



Breakthrough 200!



Source: Results announcements for the six months ended September 30, 2008 by each company (compiled by the Company).

ID Group Medium-Term Business Plan

# Breakthrough ¥ 20B!

## 3. Full-Year Forecast and Strategic Direction

- Full-year Forecast
- Strategic Direction: Medium-Term Business Plan and Growth Strategy

Performance Forecast  
(For the Year Ending March 31, 2009)



(¥million)	<b>Mar-09</b>	Mar-08	YOY % Changes
<b>Total Revenue</b>	<b>19,050</b>	18,032	+5.6%
<b>Operating Profit</b>	<b>1,270</b>	1,200	+5.8%
<b>Recurring Profit</b>	<b>1,250</b>	1,191	+4.9%
<b>Net Profit</b>	<b>670</b>	594	+12.6%
<b>EPS (yen)</b>	<b>90.20</b>	79.58	+13.3%
<b>Cash dividend per share (yen)</b>	<b>19</b>	19	
<b>Dividend Yield</b>	<b>4.0%*</b>	3.1%	
<b>Payout Ratio (consolidated)</b>	<b>21.1%</b>	23.9%	

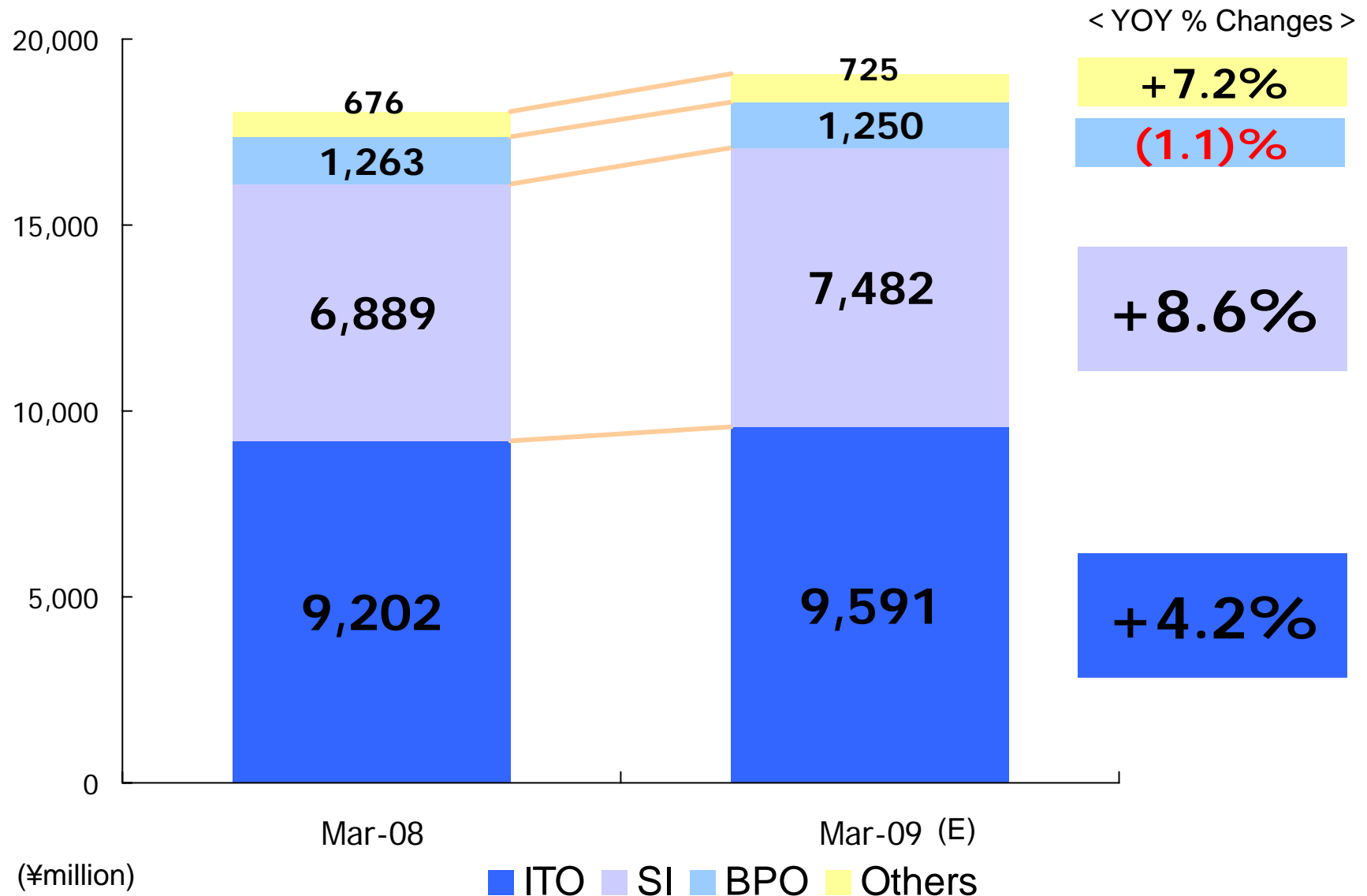
\*Stock Price: 470 yen as of October 31, 2008

# Performance Forecast by Business

(For the Year Ending March 31, 2009)



Breakthrough 200!

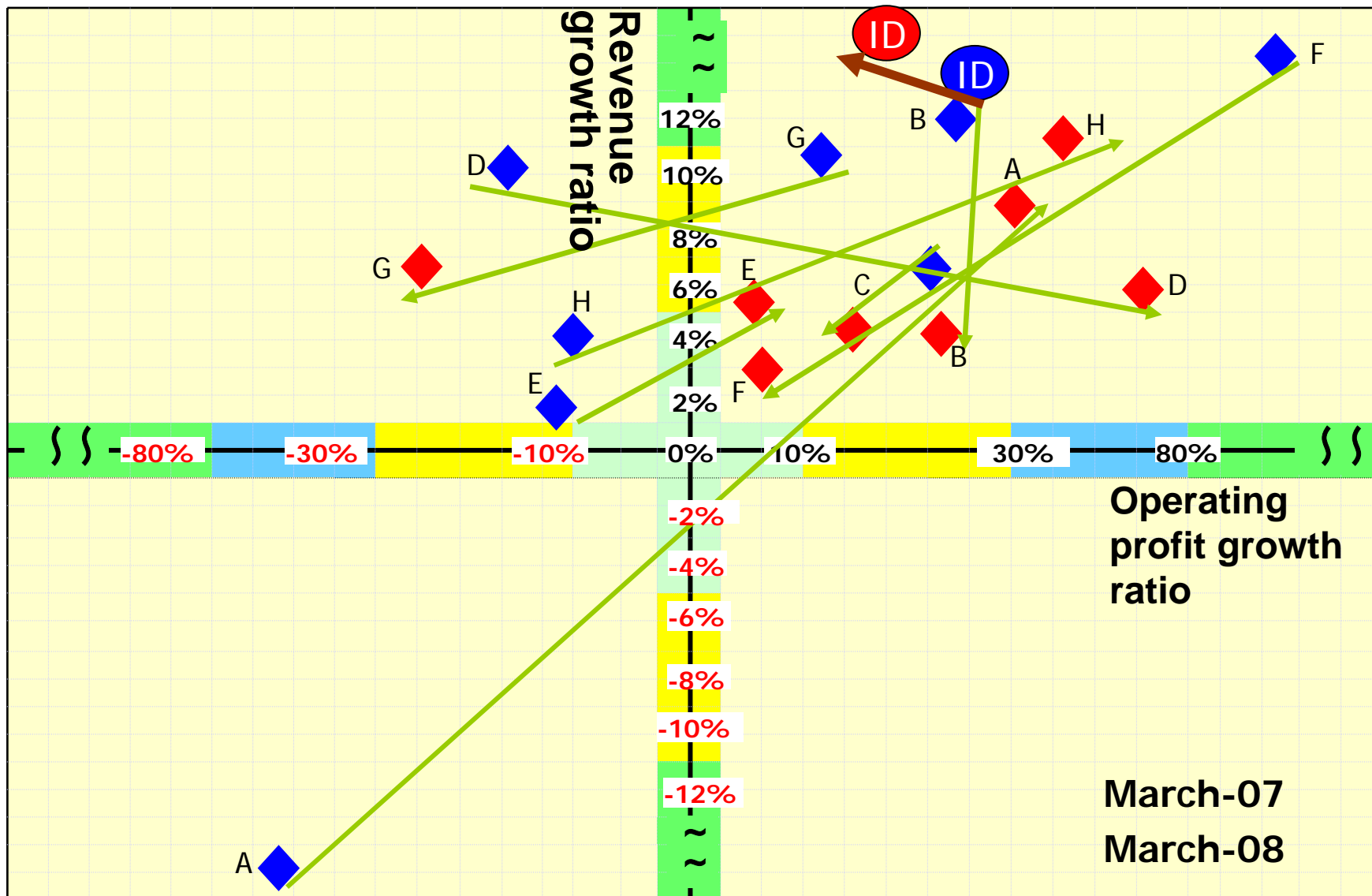


# Performance Comparisons with Peers

(Mar.-2008 vs. Mar.-2007)



Breakthrough 200!



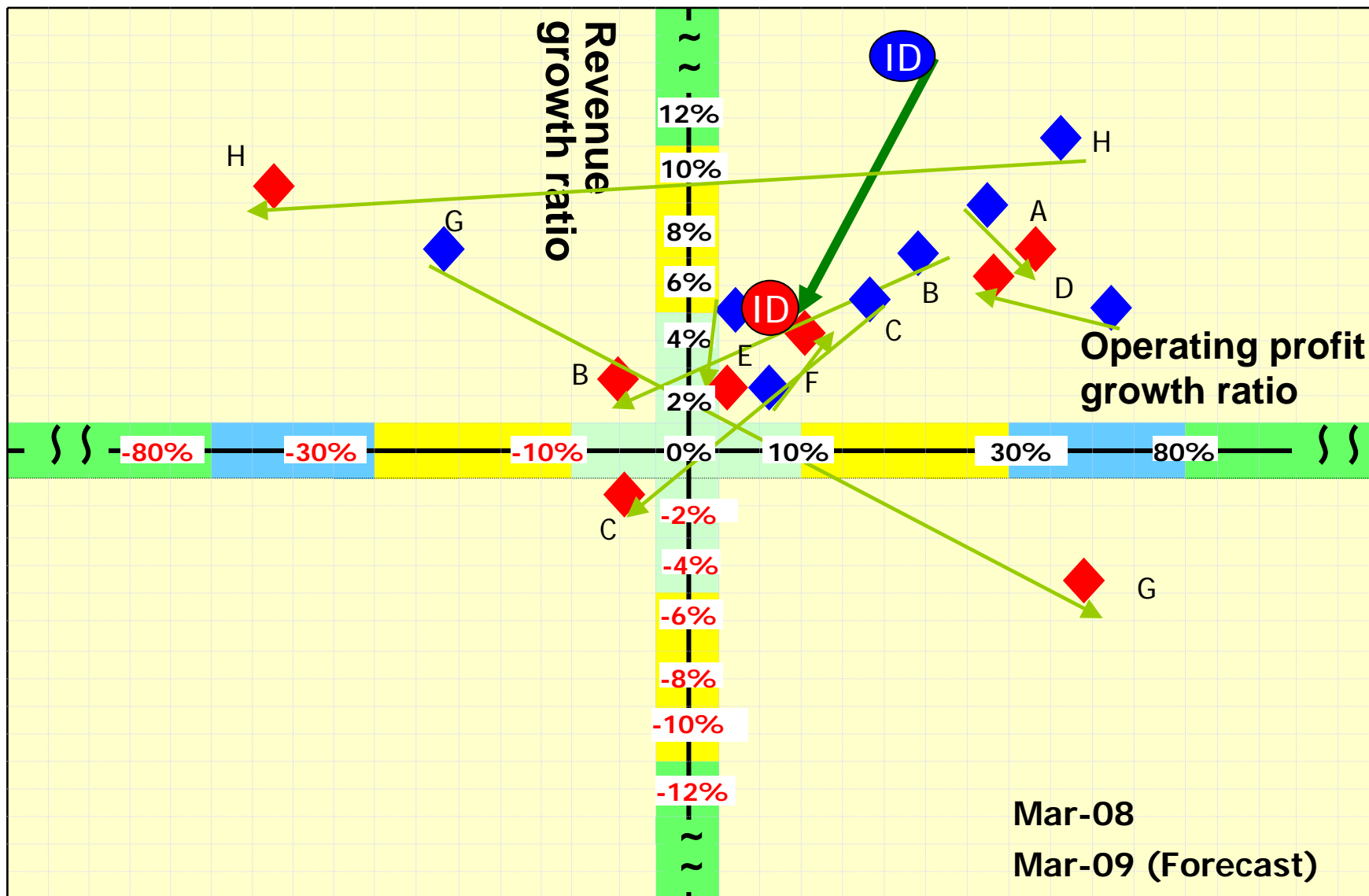
Source: Results announcements for the year ended March 31, 2008 by each company (compiled by the Company).

# Performance Comparisons with Peers

(Mar.-2009 Forecast vs. Mar.-2008)



Breakthrough 200!



Source: Results announcements for the six months ended September 30, 2008 by each company (compiled by the Company).

173 companies with revenue of ¥10.0 billion or more in the information services industry (FY2007)

112  
companies

25 companies  
27 companies  
9 companies  
¥50.0 bn+: 61 companies

10.1 - 50.0 bn yen    50.1 - 100.0 bn yen    100.1 - 300.0 bn yen    300.0+ bn yen

STEP 2. Total revenue of ¥50.0 bn

STEP 1. Rank 100th in industry

STEP 2

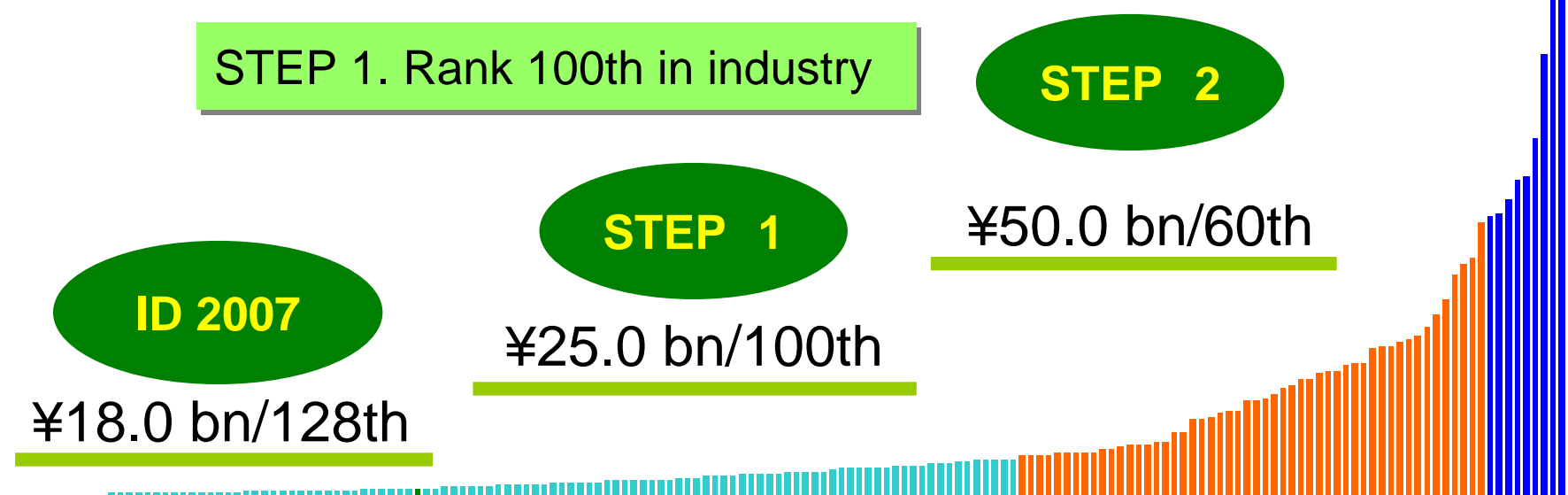
STEP 1

¥50.0 bn/60th

ID 2007

¥18.0 bn/128th

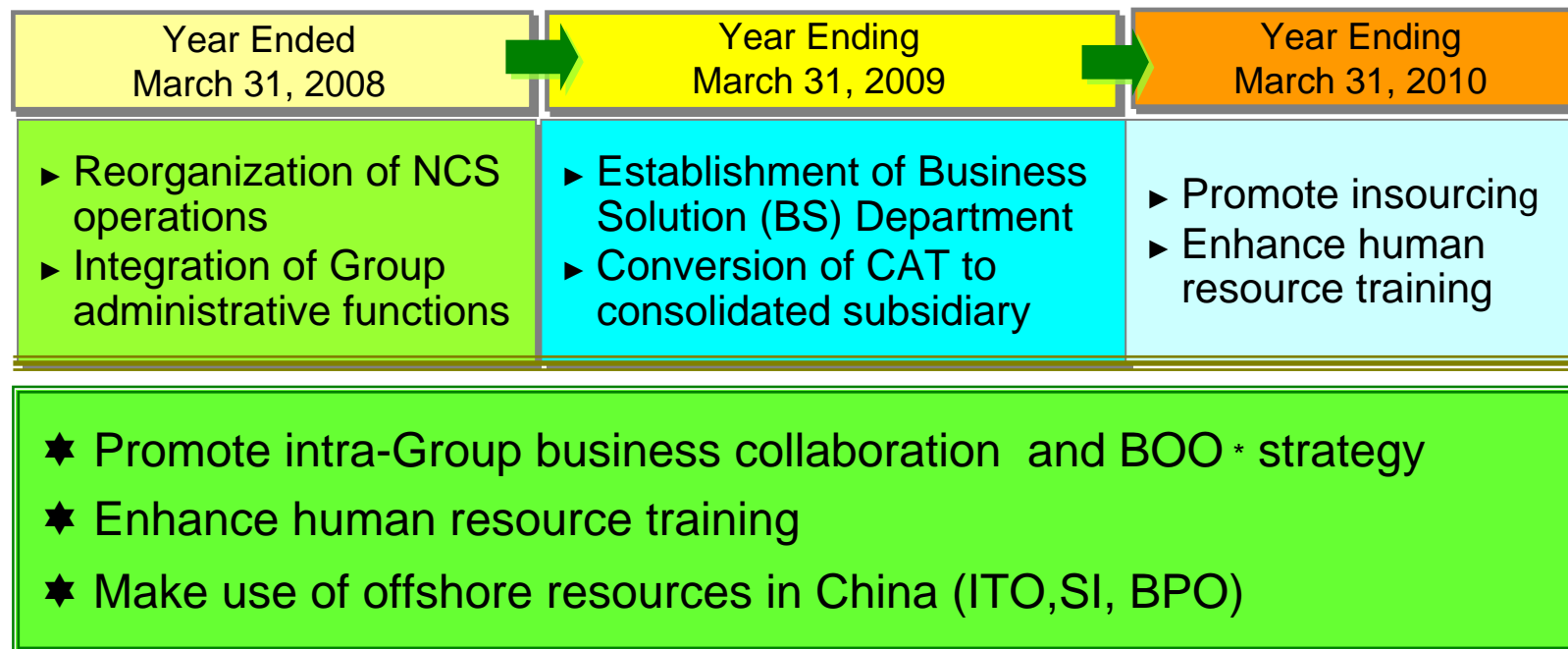
¥25.0 bn/100th



Source: "FY2007 Solution Provider Industry Ranking," *Nikkei Business Solutions*, 07/30/2008 edition

# Breakthrough ¥20B!

- Targets
- Raise productivity
  - Ensure stable growth
  - Cultivate personnel



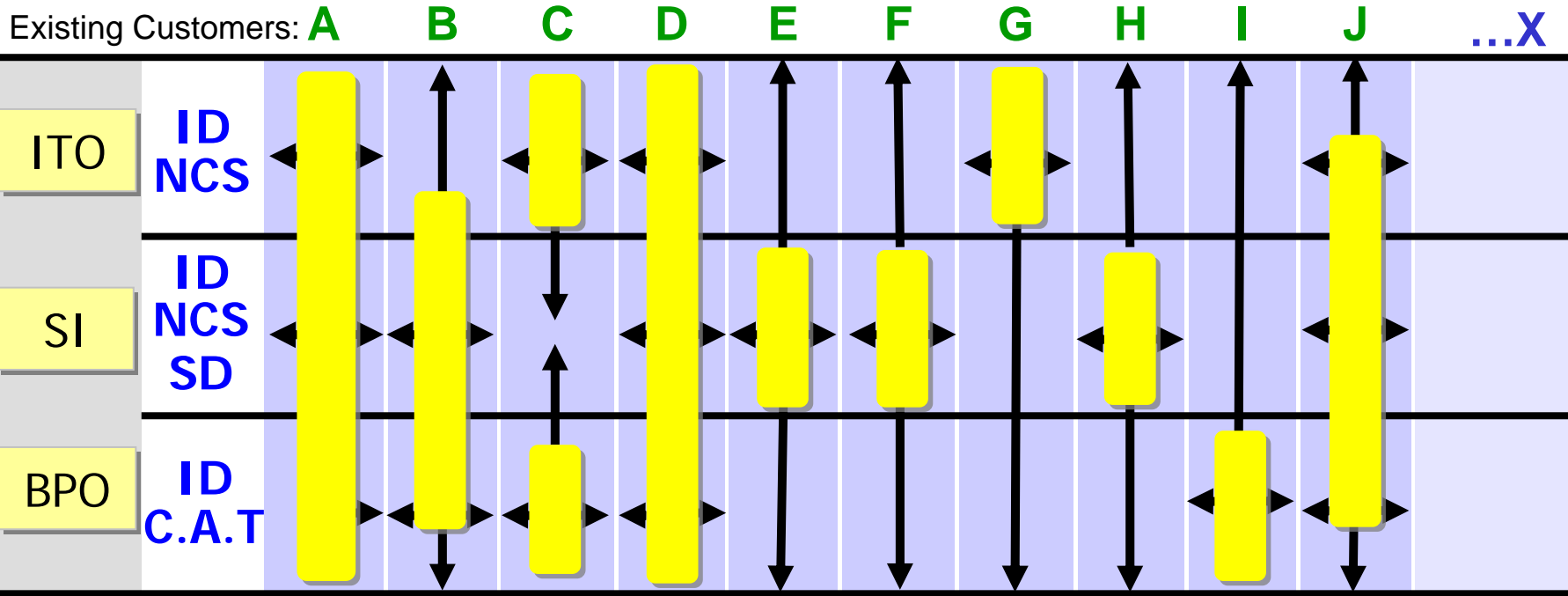
\*BOO strategy: An acronym for business operations outsourcing, BOO is the strategy of providing integrated upstream to downstream services.



# Promote BOO\* Strategy to Expand Services for Existing Customers of ID Group

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

Breakthrough 200!



Present Future

↑  
**PURAIIDO (Consulting)**  
**ID Wuhan (Offshore)**

↑  
**New Clients**  
**New Services C.A.T**

Strategic Consolidated Subsidiary

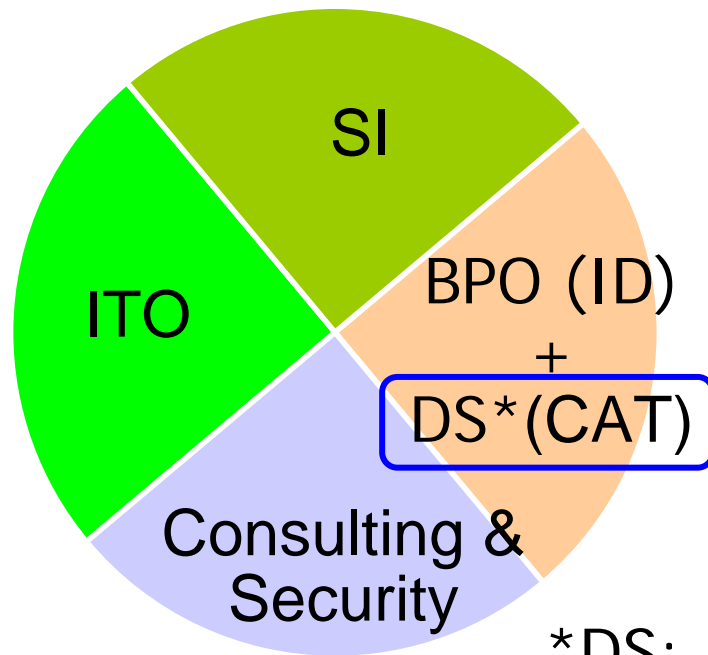
Offer Extra Service



Promote BOO\* Strategy in ID Group

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

Business of ID Group



E-Document

- Scanning
- Data Entry
- CAD
- Image Processing
- DTP

\*DS: Digital Solution

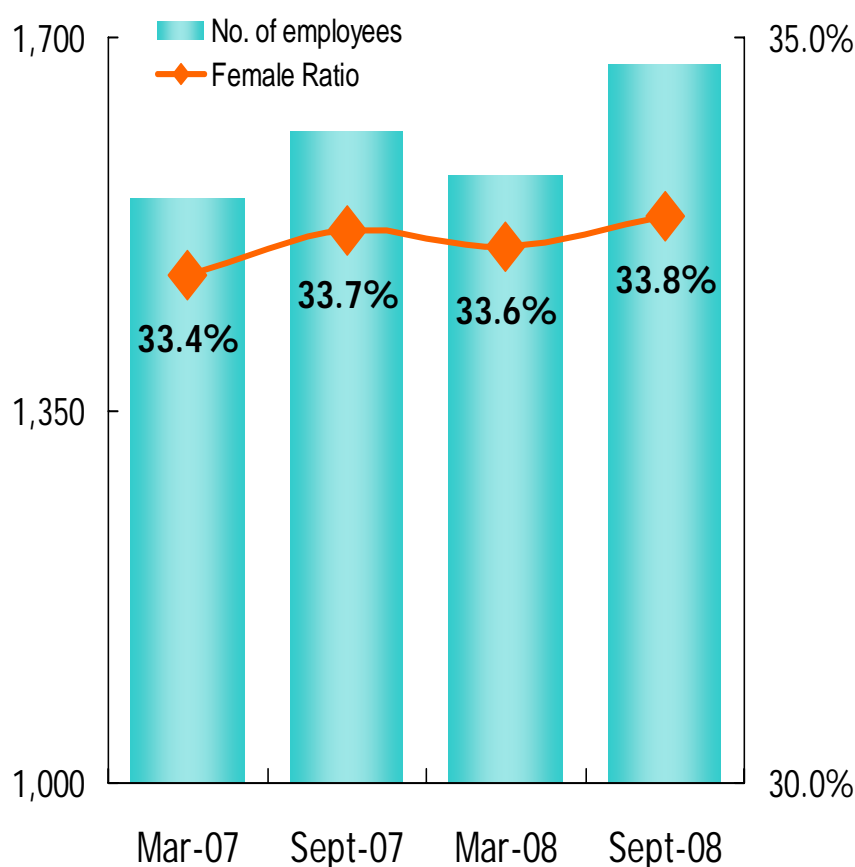
SI: System Integration BPO: Business Process Outsourcing ITO: IT Outsourcing

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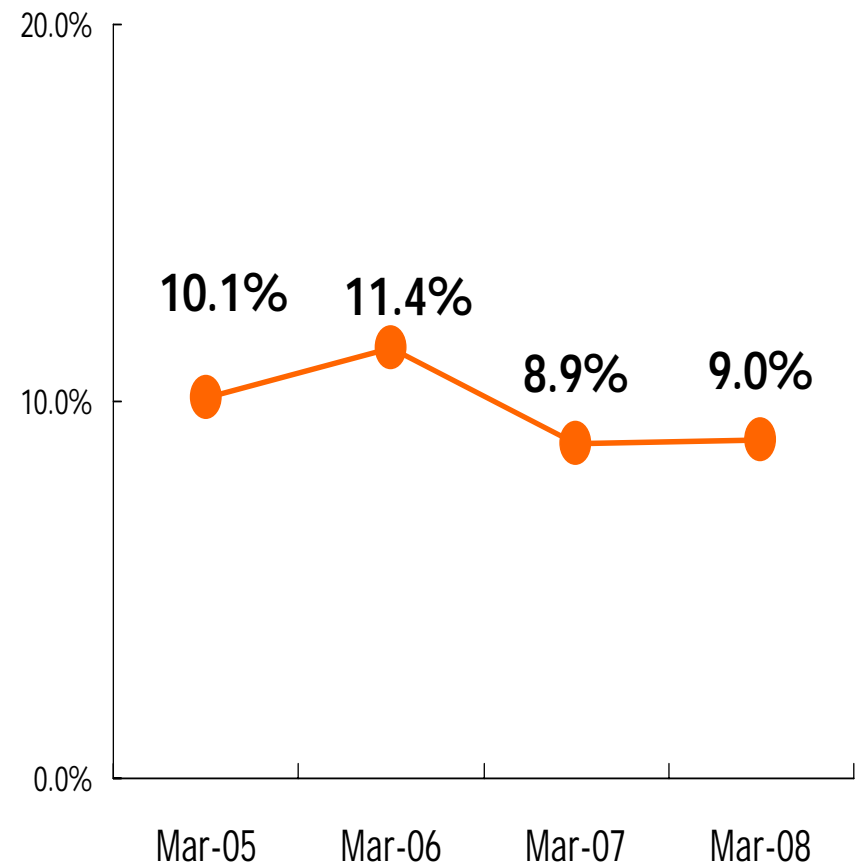
Recruiting that takes into consideration the percentage of female employees, and policies to improve the employee turnover ratio

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**No. of Employees and Female Ratio**  
(Nonconsolidated)



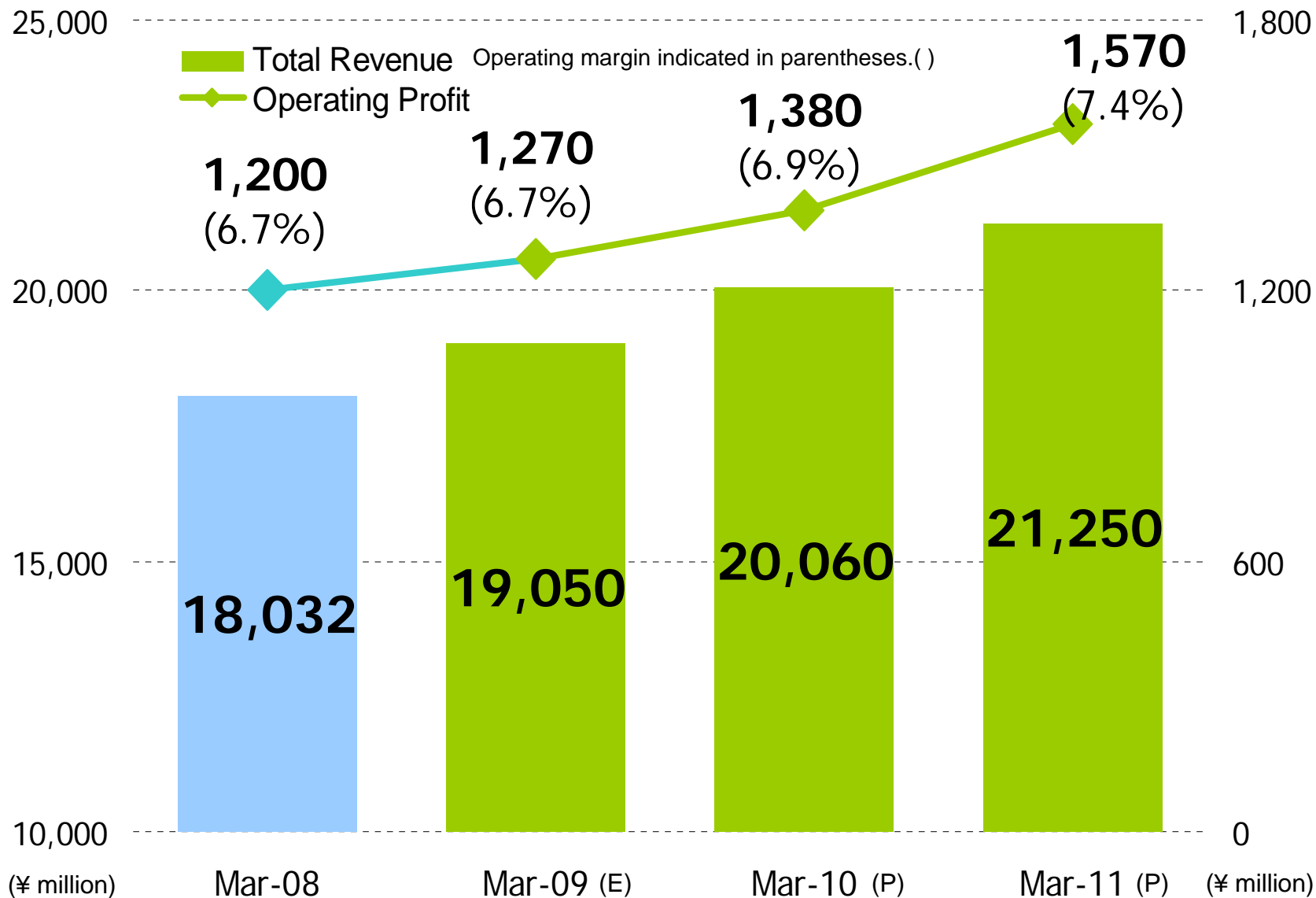
**Employee Turnover Ratio**  
(Nonconsolidated)



# Medium-term Business Plan Consolidated Performance Target



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