



# Investor Presentation

For the Year Ended March 31, 2009

May 2009

INFORMATION DEVELOPMENT CO., LTD.

Change or Die!

- 1. Consolidated Performance Overview**
- 2. Industry Trend and Comparison with Peers**
- 3. Performance Forecast for the Year Ending March 31, 2010, and Strategic Direction**

# 1. Consolidated Performance Overview

- Overview of ID Group
- Performance Highlights
- Revenue and Profits/Financial Position & Cash Flows
- Revenue Analysis by Business and Customers
- Factors for Revenue and Profit Increase
- Performance of Domestic Subsidiaries
- Stock Data

# Overview of ID Group (As of March 31, 2009)



ID's Ownership

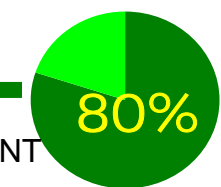
**Paid in Capital:**  
¥592.34million  
**Established:**  
October, 1969  
**No. of Employees:**  
1,627

**CS**  
NIHON CULTURES  
SOFTWARE SERVICE



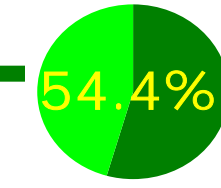
**Paid-in Capital: ¥90M**  
**Established: 1977**  
**No. of Employees: 423**

**SD**  
SOFTWARE DEVELOPMENT



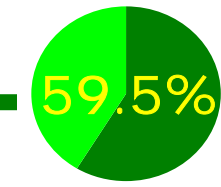
**Paid-in Capital: ¥100M**  
**Established: 1982**  
**No. of Employees: 109**

**PURAI**  
DIDO



**Paid-in Capital: ¥40M**  
**Established: 1988**  
**No. of Employees: 20**

**C.A.T**



**Paid-in Capital: ¥90M**  
**Established: 1992**  
**No. of Employees: 35**

**ID**  
INFORMATION DEVELOPMENT  
ID Wuhan



**Paid-in Capital: \$600K**  
**Established: 2004**  
**No. of Employees: 25**

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

Change or Die!

# Performance Highlights

(For the year ended March 31, 2008)



- ▶ **Total revenue: ¥184,58million (+2.4% YOY)**
- ▶ **Operating profit: ¥1,057 million (-12.0% YOY)**
- ▶ **Recurring profit: ¥1,109 million (-6.9% YOY)**
- ▶ **Net profit: ¥563 billion (-5.3% YOY)**

Change or Die!

# Revenue and Profits (Consolidated)



Change or Die!

| (¥million)           | Mar-08 | (% of Revenue) | Mar-09        | (% of Revenue) | YOY % Changes | % Changes to Forecast |
|----------------------|--------|----------------|---------------|----------------|---------------|-----------------------|
| Total Revenue        | 18,032 |                | <b>18,458</b> |                | +2.4%         | (3.1%)                |
| Cost of Sales        | 14,641 | 81.2           | <b>15,018</b> | 81.4           | +2.6%         | (2.8%)                |
| Gross Profit         | 3,391  | 18.8           | <b>3,439</b>  | 18.6           | +1.4%         | (4.3%)                |
| SG&A Expenses        | 2,190  | 12.1           | <b>2,382</b>  | 12.9           | +8.7%         | +2.5%                 |
| Operating Profit     | 1,200  | 6.7            | <b>1,057</b>  | 5.7            | (12.0%)       | (16.7%)               |
| Recurring Profit     | 1,191  | 6.6            | <b>1,109</b>  | 6.0            | (6.9%)        | (11.5%)               |
| Net Profit           | 594    | 3.3            | <b>563</b>    | 3.1            | (5.3%)        | (15.9%)               |
| EPS (Yen)            | 79.58  |                | <b>75.87</b>  |                | -             | -                     |
| Non-operating Income | 28     |                | <b>87</b>     |                | +207.7% (YOY) |                       |

# Revenue and Profits (Non-Consolidated)



| (¥million)           | Mar-08 | (% of Revenue) | Mar-09        | (% of Revenue) | YOY % Changes | % Changes to Forecast |
|----------------------|--------|----------------|---------------|----------------|---------------|-----------------------|
| Total Revenue        | 13,524 |                | <b>13,994</b> |                | +3.5%         | (1.0%)                |
| Cost of Sales        | 11,007 | 81.4           | <b>11,380</b> | 81.3           | +3.4%         | (1.3%)                |
| Gross Profit         | 2,517  | 18.6           | <b>2,614</b>  | 18.7           | +3.9%         | +0.5%                 |
| SG&A Expenses        | 1,636  | 12.1           | <b>1,741</b>  | 12.4           | +6.4%         | +3.5%                 |
| Operating Profit     | 880    | 6.5            | <b>873</b>    | 6.2            | (0.8%)        | (5.1%)                |
| Recurring Profit     | 921    | 6.8            | <b>986</b>    | 7.0            | +7.0%         | +3.0%                 |
| Net Profit           | 524    | 3.9            | <b>563</b>    | 4.0            | +7.5%         | +2.3%                 |
| EPS (Yen)            | 70.12  |                | <b>75.91</b>  |                | -             | -                     |
| Non-operating Income | 65     |                | <b>139</b>    |                | +112.6%(YOY)  |                       |

Change or Die!

# Financial Position & Cash Flows



Change or Die!

| (¥million)                                  | Mar-08 | Mar-09 | YOY % Changes |
|---|--------|--------|---------------|
| <b>Current Assets</b>                       | 4,849  | 5,187  | +7.0%         |
| <b>Cash and Deposits</b>                    | 1,550  | 1,894  | +22.2%        |
| <b>Fixed Assets</b>                         | 4,770  | 4,867  | +2.0%         |
| <b>Total Assets</b>                         | 9,620  | 10,055 | +4.5%         |
| <b>Liabilities</b>                          | 4,201  | 4,159  | (1.0%)        |
| <b>Interest-Bearing Debt</b>                | 880    | 903    | +2.5%         |
| <b>Earned Surplus</b>                       | 4,598  | 5,020  | +9.2%         |
| <b>Total Shareholders' Equity</b>           | 5,305  | 5,728  | +8.0%         |
| <b>Cash Flows from Operating Activities</b> |        | 913    |               |
| <b>Cash Flows from Investing Activities</b> |        | (442)  |               |
| <b>Cash Flows from Financing Activities</b> |        | (122)  |               |

Changes due to purchasing CAT CO., LTD. (Aug., 2008) as 393 million yen.

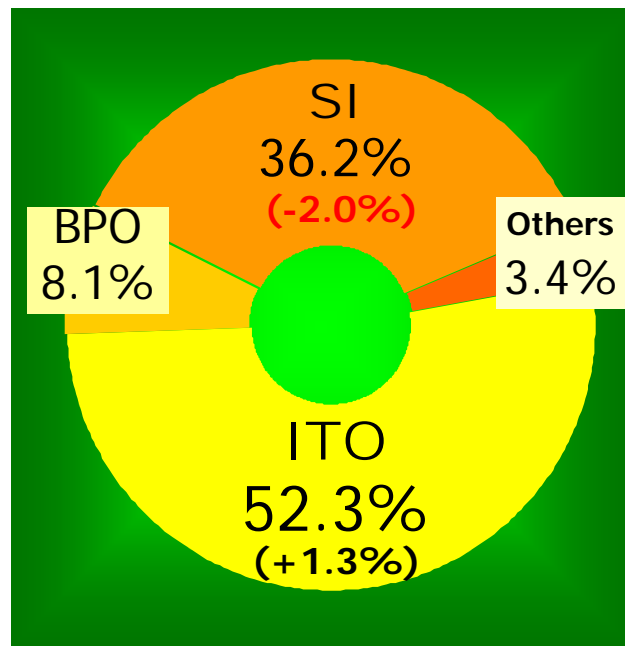


# Revenue Analysis 1 (By Business)

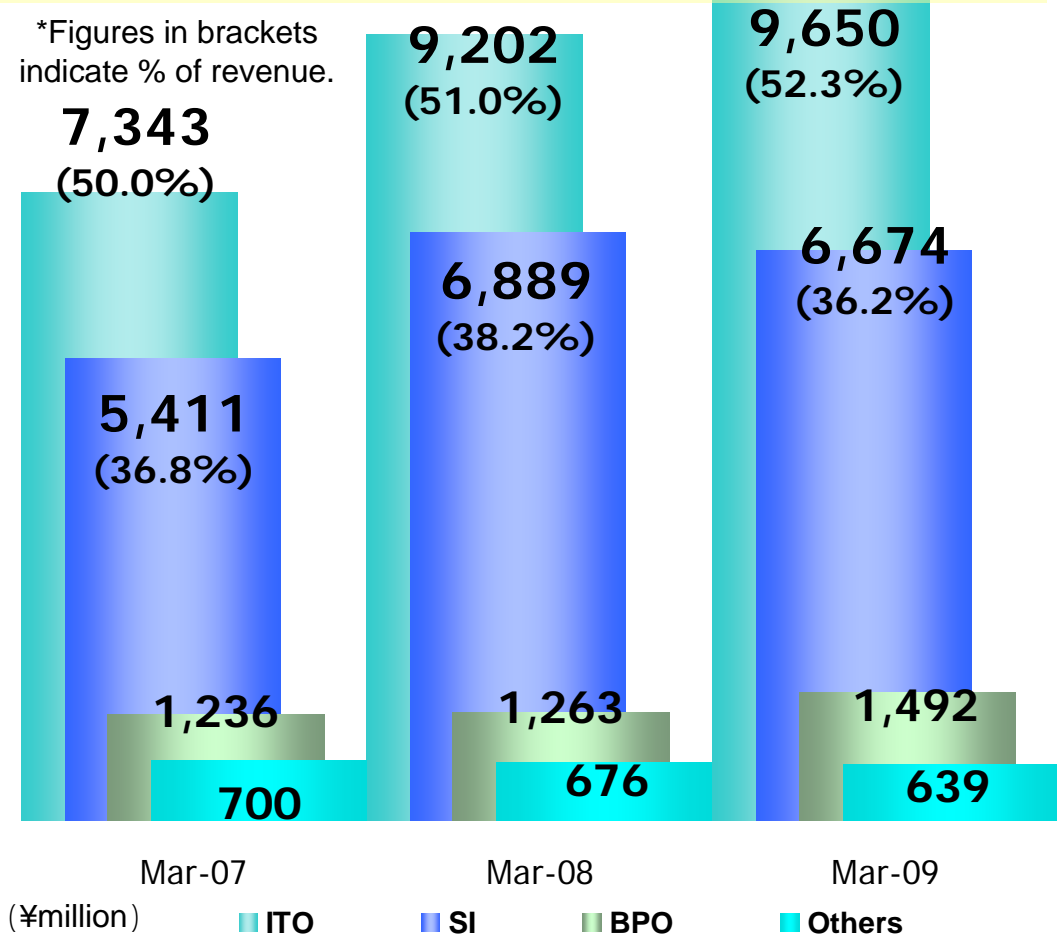
<YOY % Changes>

| ITO   | SI     | BPO    | Others |
|-------|--------|--------|--------|
| +4.9% | (3.1%) | +18.1% | (5.5)% |

## Revenue by Business



\*Figures in brackets indicate YOY change of % of revenue



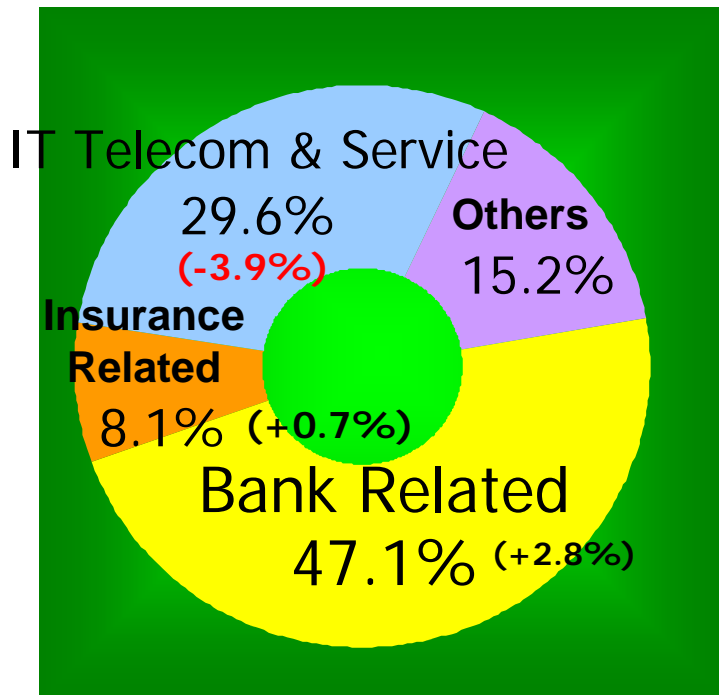
Change or Die!

# Revenue Analysis 2 (By Customer)



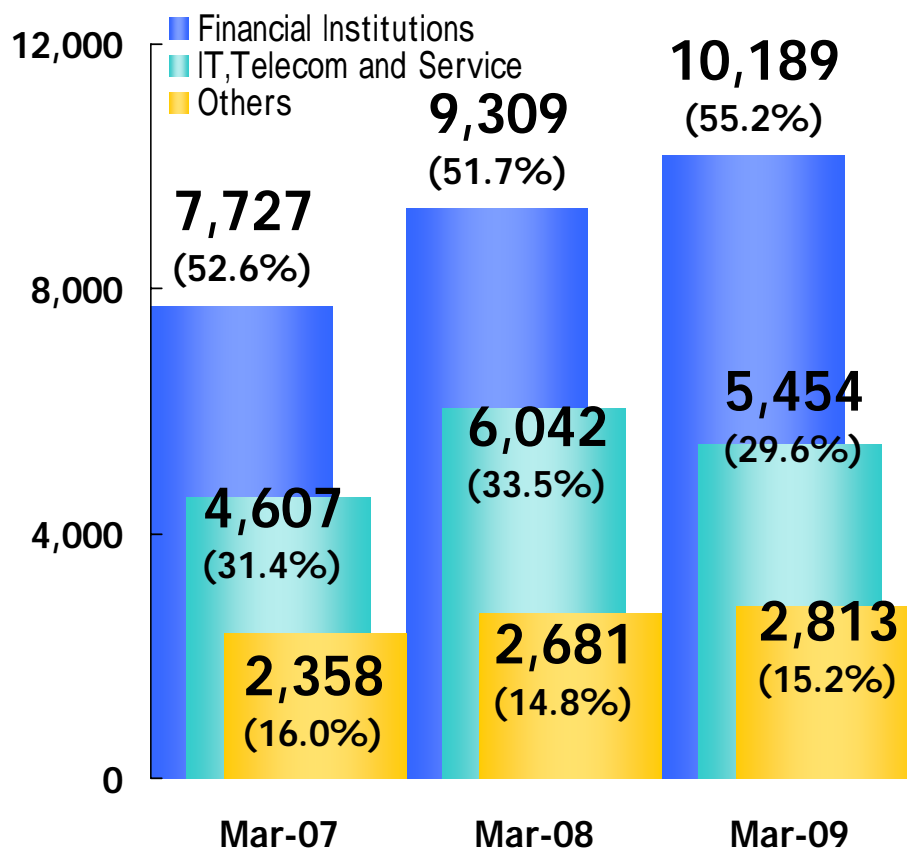
| <YOY % Changes> | Financial Institutions | IT, Telecom and Service | Others       |
|-----------------|------------------------|-------------------------|--------------|
|                 | <b>+9.5%</b>           | <b>(9.7)%</b>           | <b>+4.9%</b> |

## Revenue by Customer



\*Figures in brackets indicate YOY change of % of revenue

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

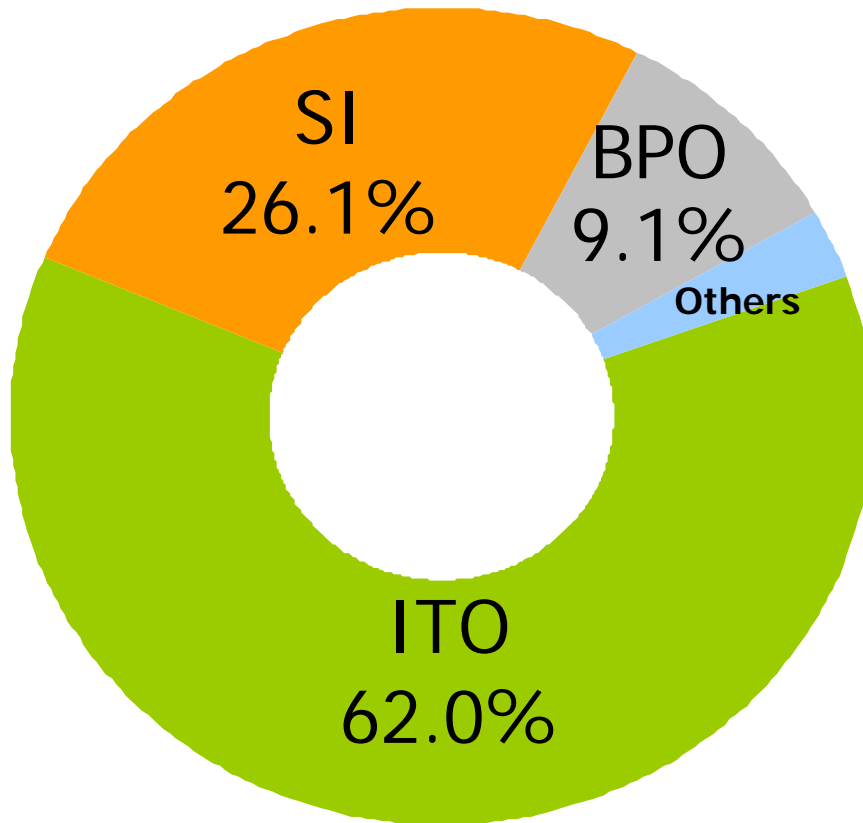


Change or Die!

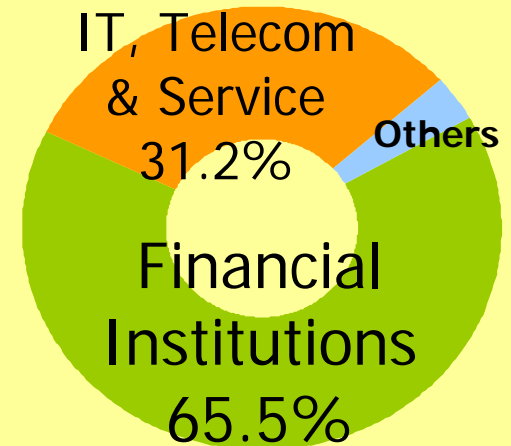
Robust data center operational management services for financial institutions

Change or Die!

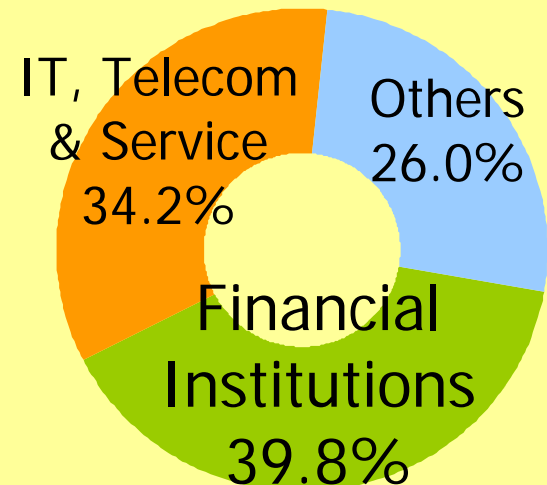
< Revenue for Financial Institutions >



**ITO**

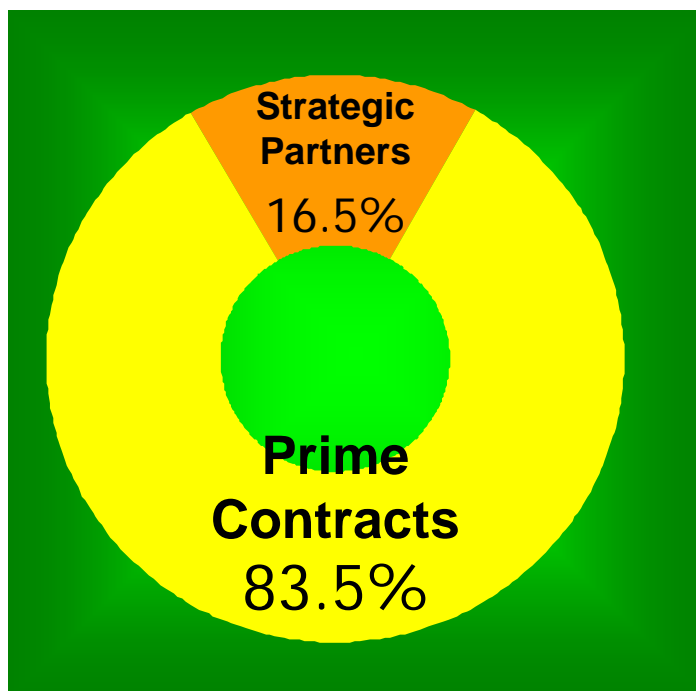


**SI**



Prime Contracts: over 80%

## Revenue by Contract



< Major Customers >

## Prime Contracts

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

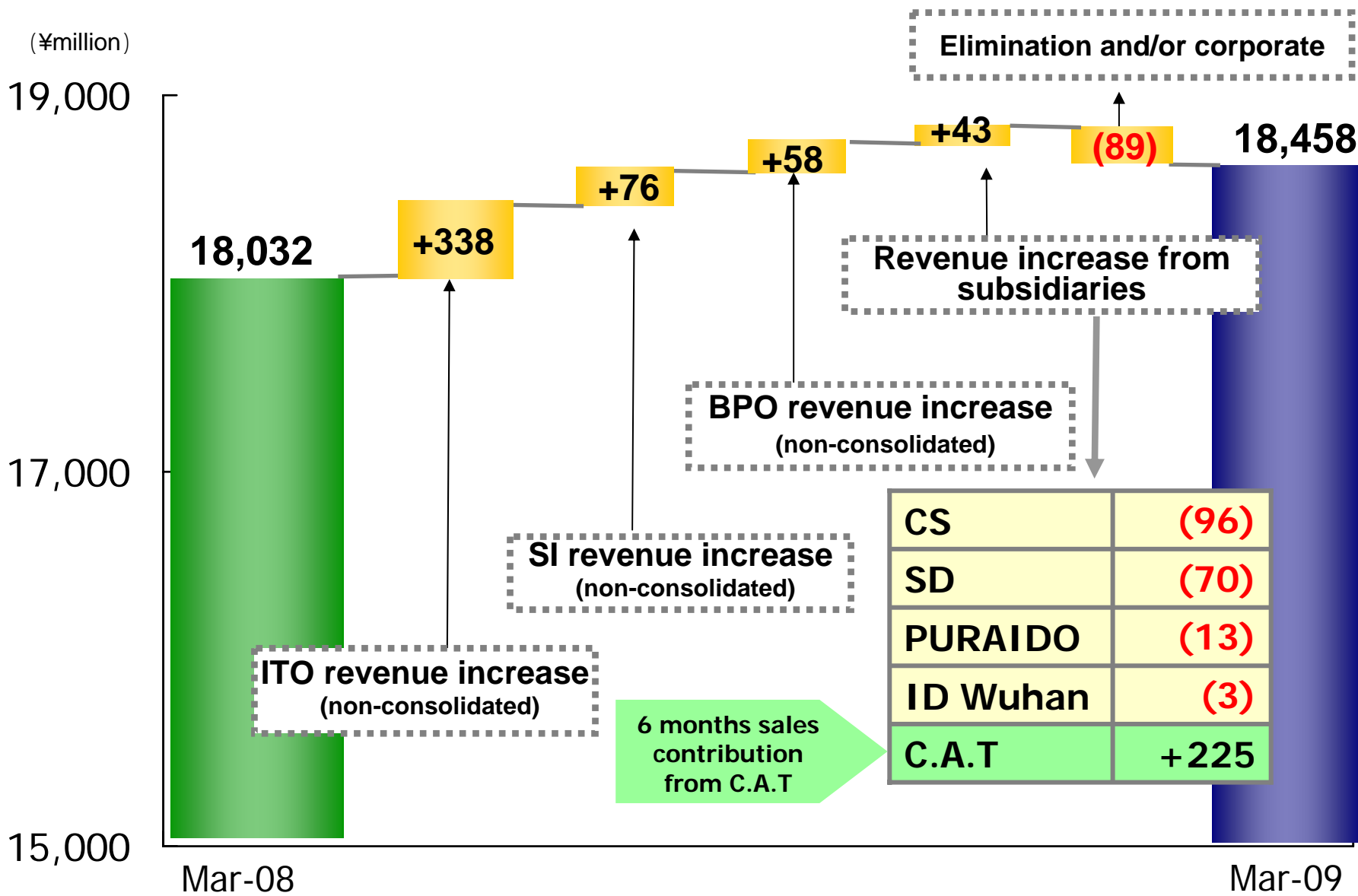
## Strategic Partners

Major IT Vendors

Change or Die!

# Factors for Revenue Increase

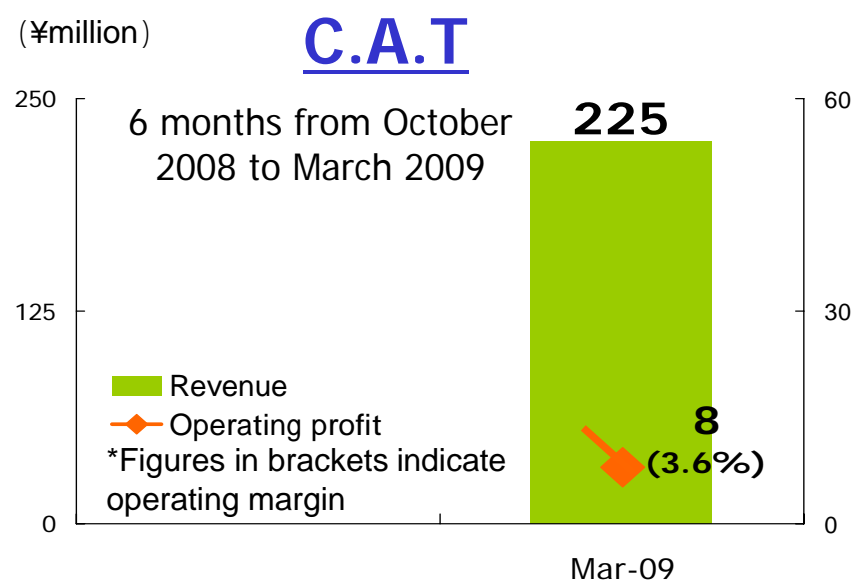
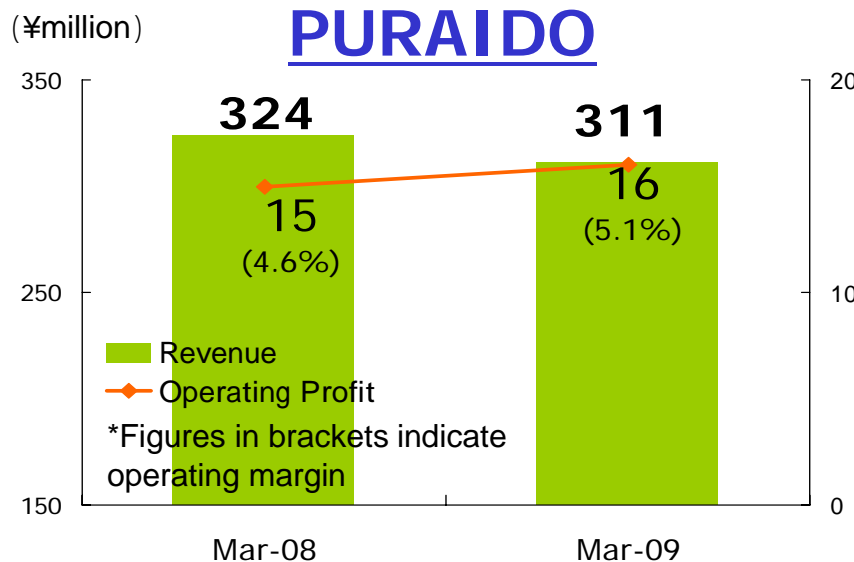
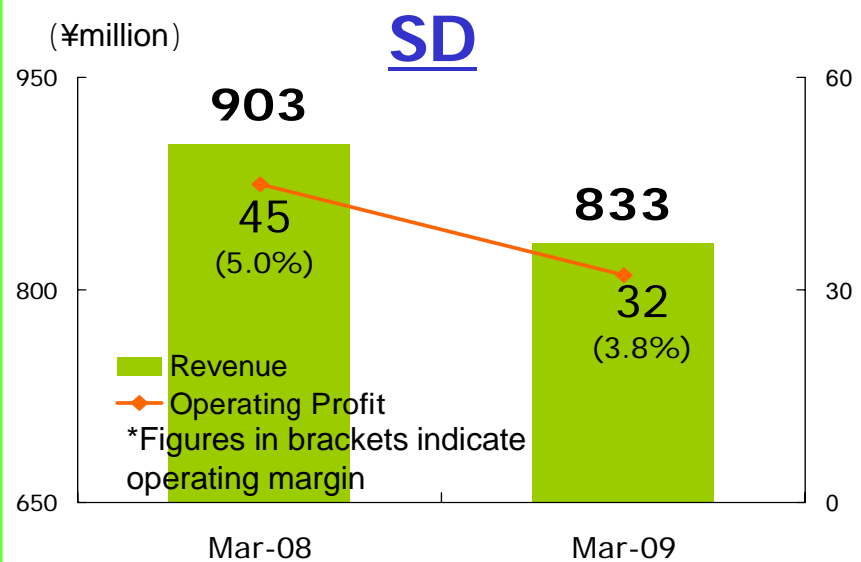
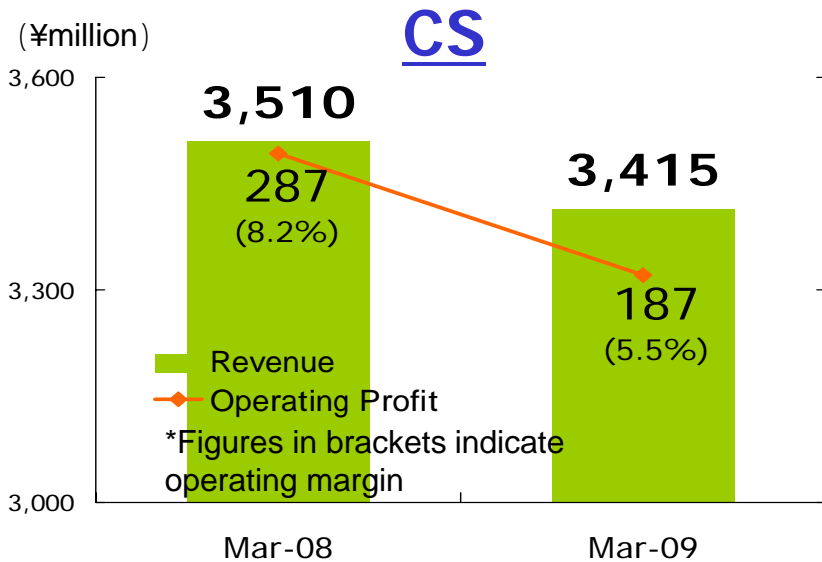
Change or Die!



# Performance of Domestic Subsidiaries

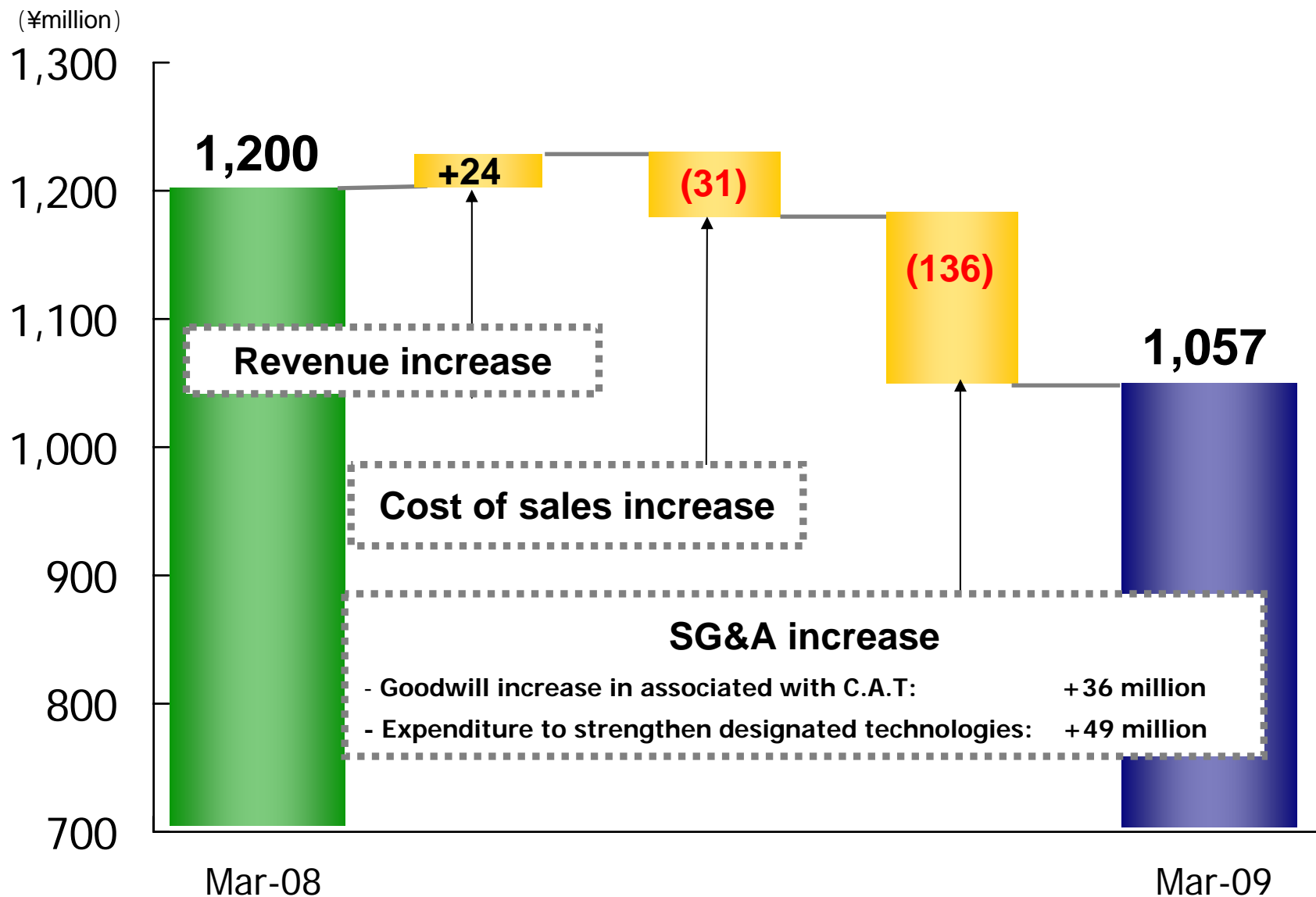


Change or Die!

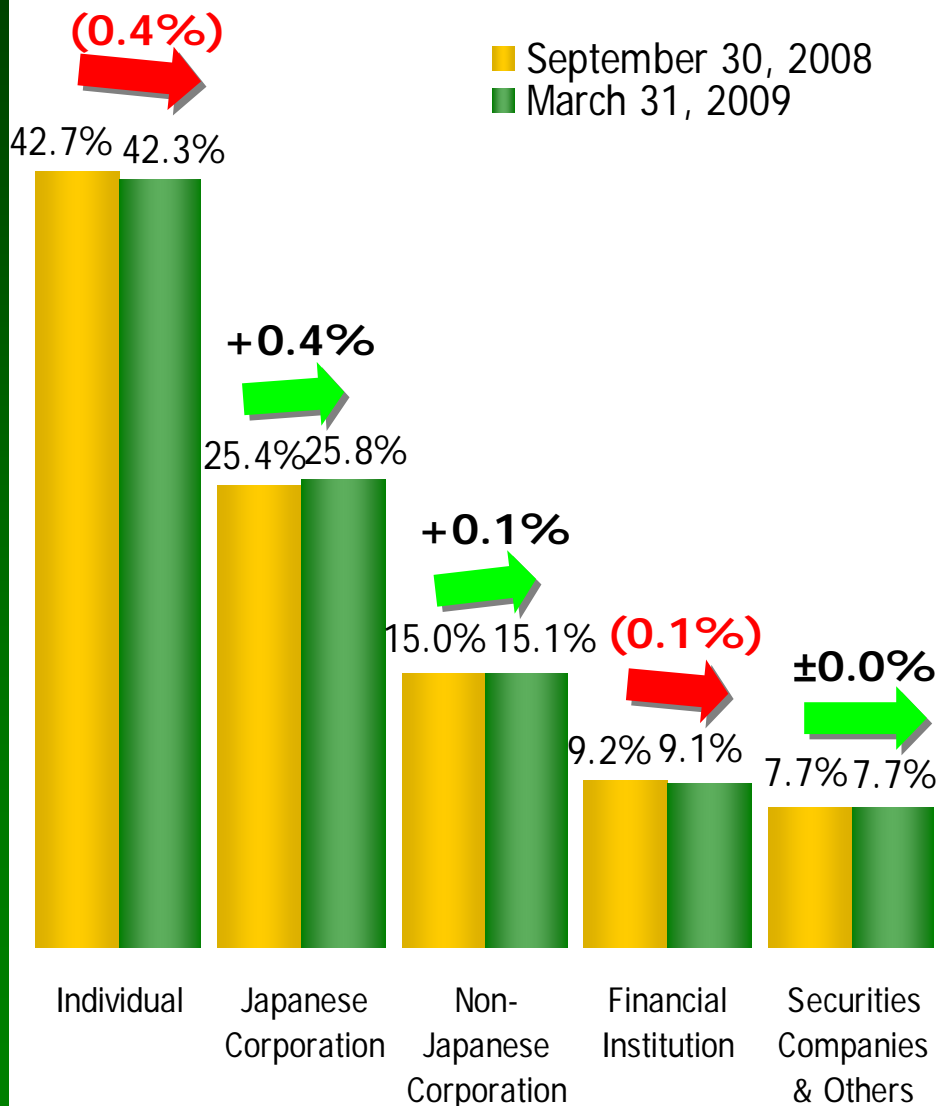


# Factors for Operating Profit Increase

Change or Die!



## ◆ Shareholding by Investor Type



## ◆ No. of Shareholders: 1,975

(No change from September 30, 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                        | 6.6%              |
| 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%              |

\*601,666 of treasury stocks are excluded from the above.

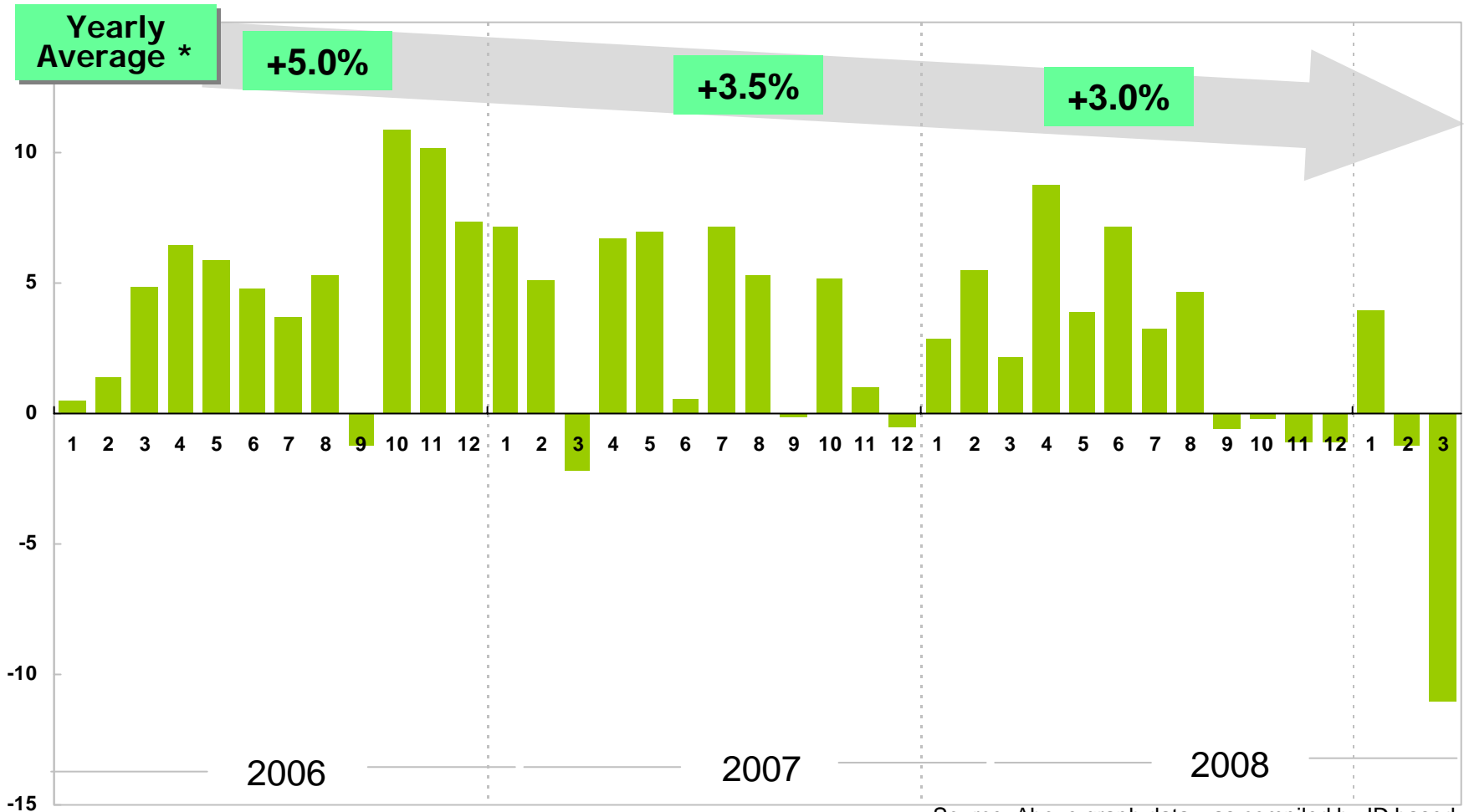


## 2. Industry Trend and Comparison with Peers

- Industry Trend
- Performance Comparison with Peers

## Trend of IT Industry's Monthly Sales Changes (compared with same month of previous year)

(%)



Change or Die!

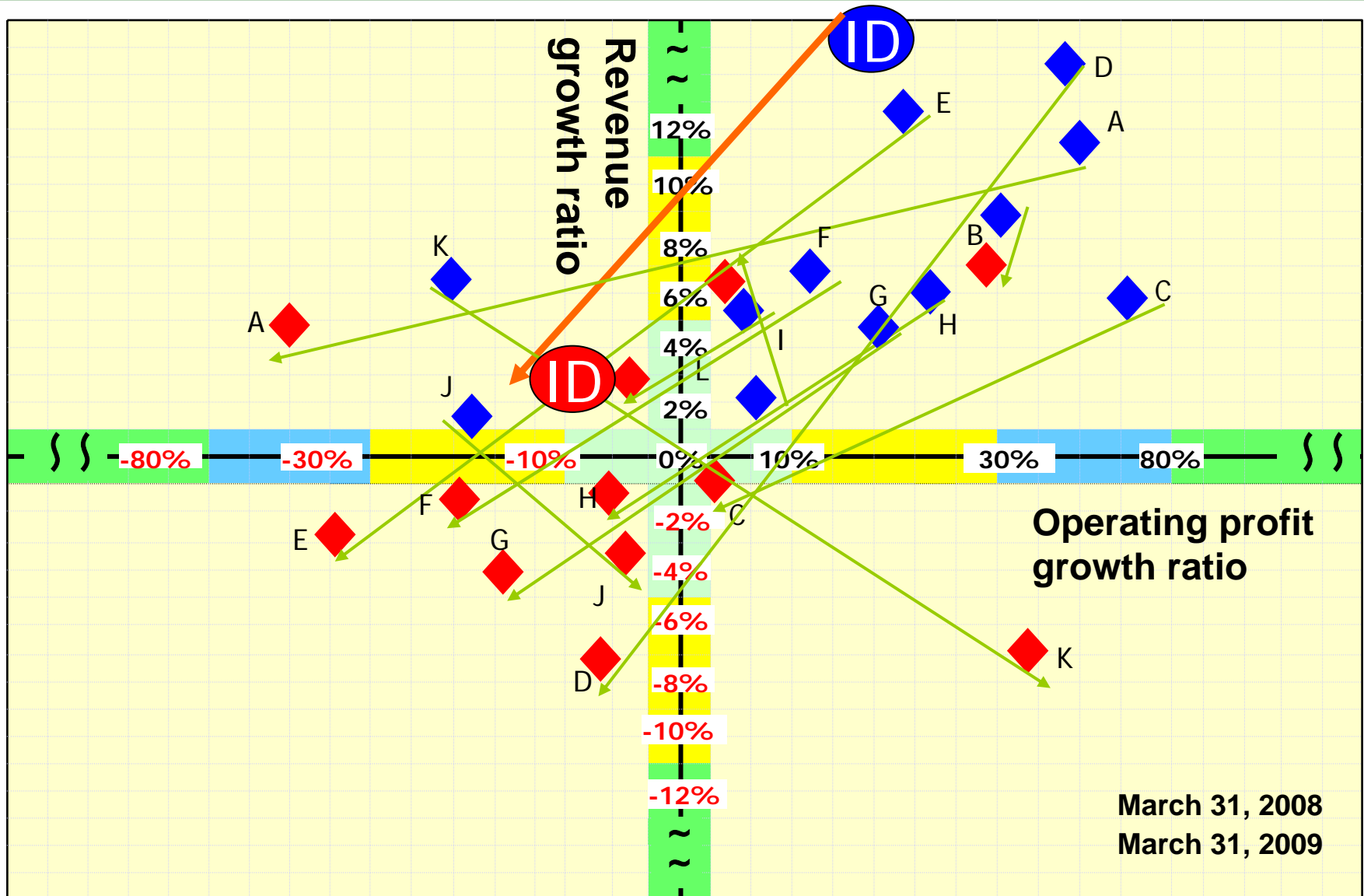
\*The average is calculated from the total amount added simply together.

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

# Performance Comparisons with Peers

(Mar.2008 vs.Mar.2009)

Change or Die!

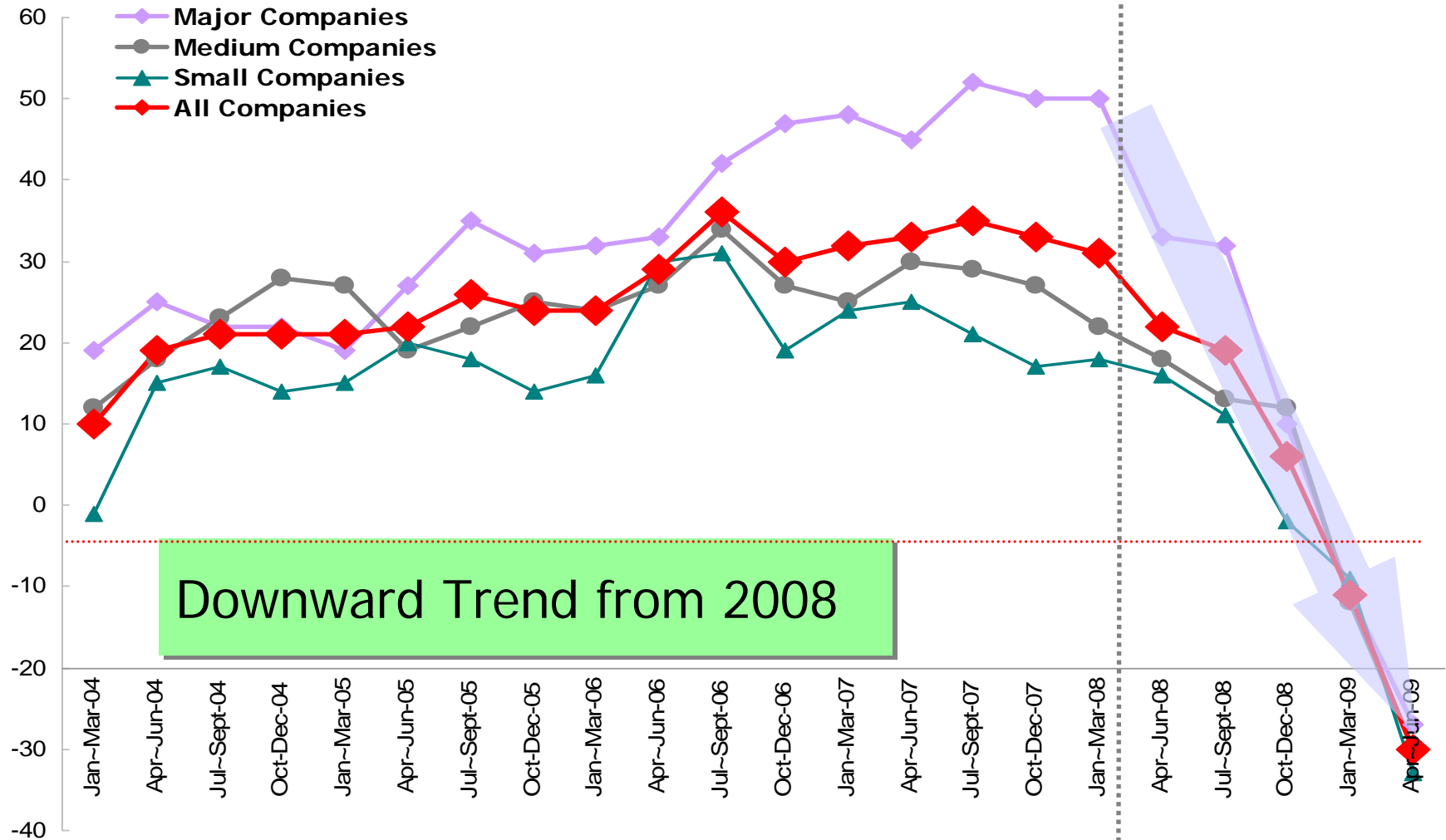


Source: Results announcements for the year ended on March 31, 2009 by each company (compiled by ID).

### 3. Full-Year Forecast and Strategic Direction

- Industry Trends and Forecast for the year ending March 31, 2010
- Strategic Direction: Medium-Term Business Plan and Tactics

## Business Conditions Diffusion Index (DI) of IT Industry

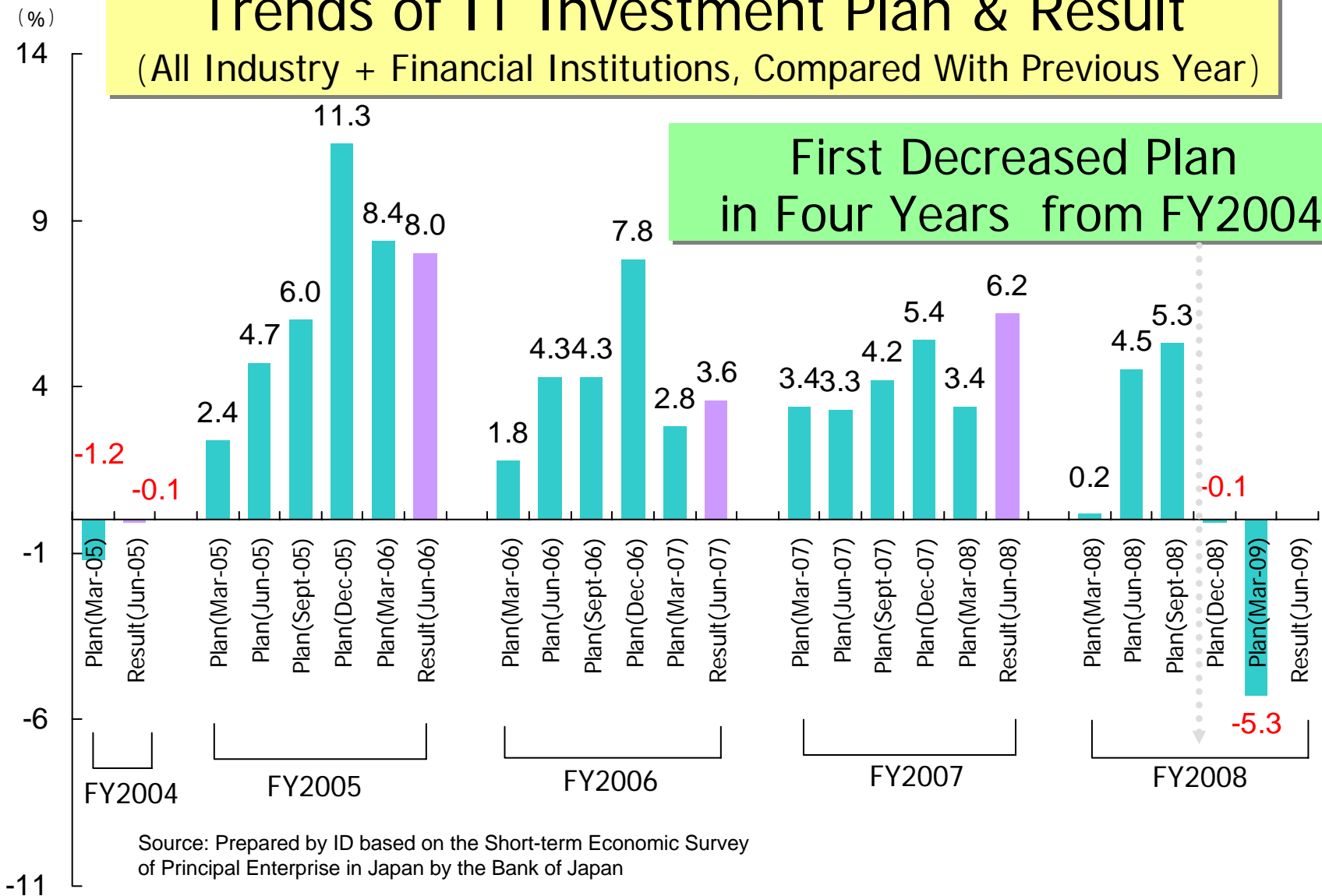


Source: Prepared by ID based on the Short-term Economic Survey of Principal Enterprise in Japan by the Bank of Japan

Change or Die!

## Trends of IT Investment Plan & Result (All Industry + Financial Institutions, Compared With Previous Year)

First Decreased Plan  
in Four Years from FY2004



Change or Die!

# Performance Forecast

(For the Year Ending March 31, 2010)



| (¥million)                           | <b>Mar-10</b>            | Mar-09             | YOY %<br>Changes |
|--------------------------------------|--------------------------|--------------------|------------------|
| <b>Total Revenue</b>                 | <b>18,650</b>            | 18,458             | <b>+1.0%</b>     |
| <b>Operating Profit</b>              | <b>1,130</b>             | 1,057              | <b>+6.9%</b>     |
| <b>Recurring Profit</b>              | <b>1,110</b>             | 1,109              | <b>+0.1%</b>     |
| <b>Net Profit</b>                    | <b>570</b>               | 563                | <b>+1.2%</b>     |
| <b>EPS (yen)</b>                     | <b>76.74</b>             | 75.87              | <b>+1.1%</b>     |
| <b>Cash dividend per share (yen)</b> | <b>19</b>                | 19                 |                  |
| <b>Dividend Yield</b>                | <b>3.7%*<sub>1</sub></b> | 3.7%* <sub>2</sub> |                  |
| <b>Payout Ratio (consolidated)</b>   | <b>24.8%</b>             | 25.0%              |                  |

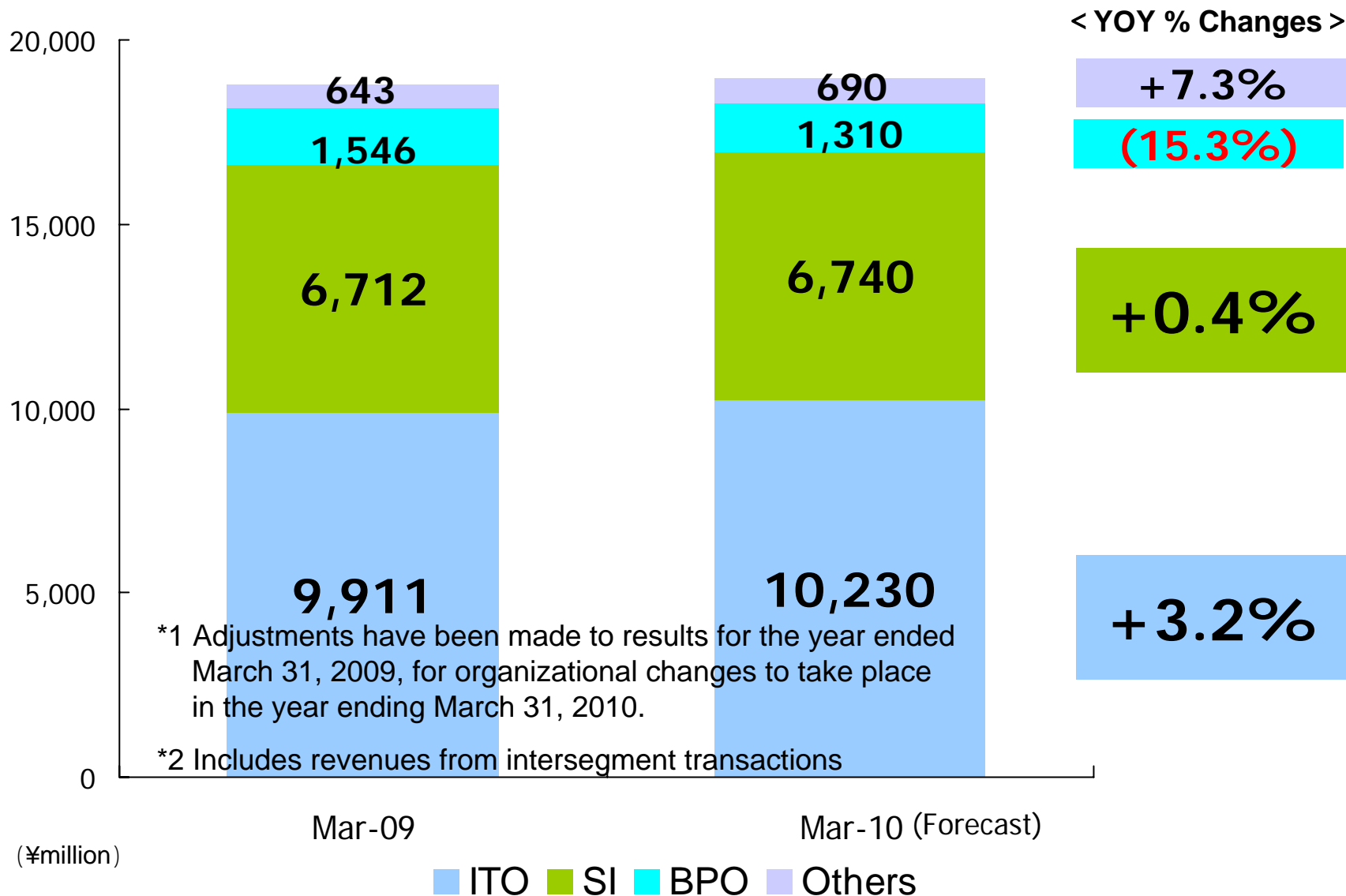
\*1 Stock Price:520 yen as of March 31, 2009 \*2 Stock Price:516 yen as of April 30, 2009

# Performance Forecast by Business

(For the Year Ending March 31, 2010)



Change or Die!



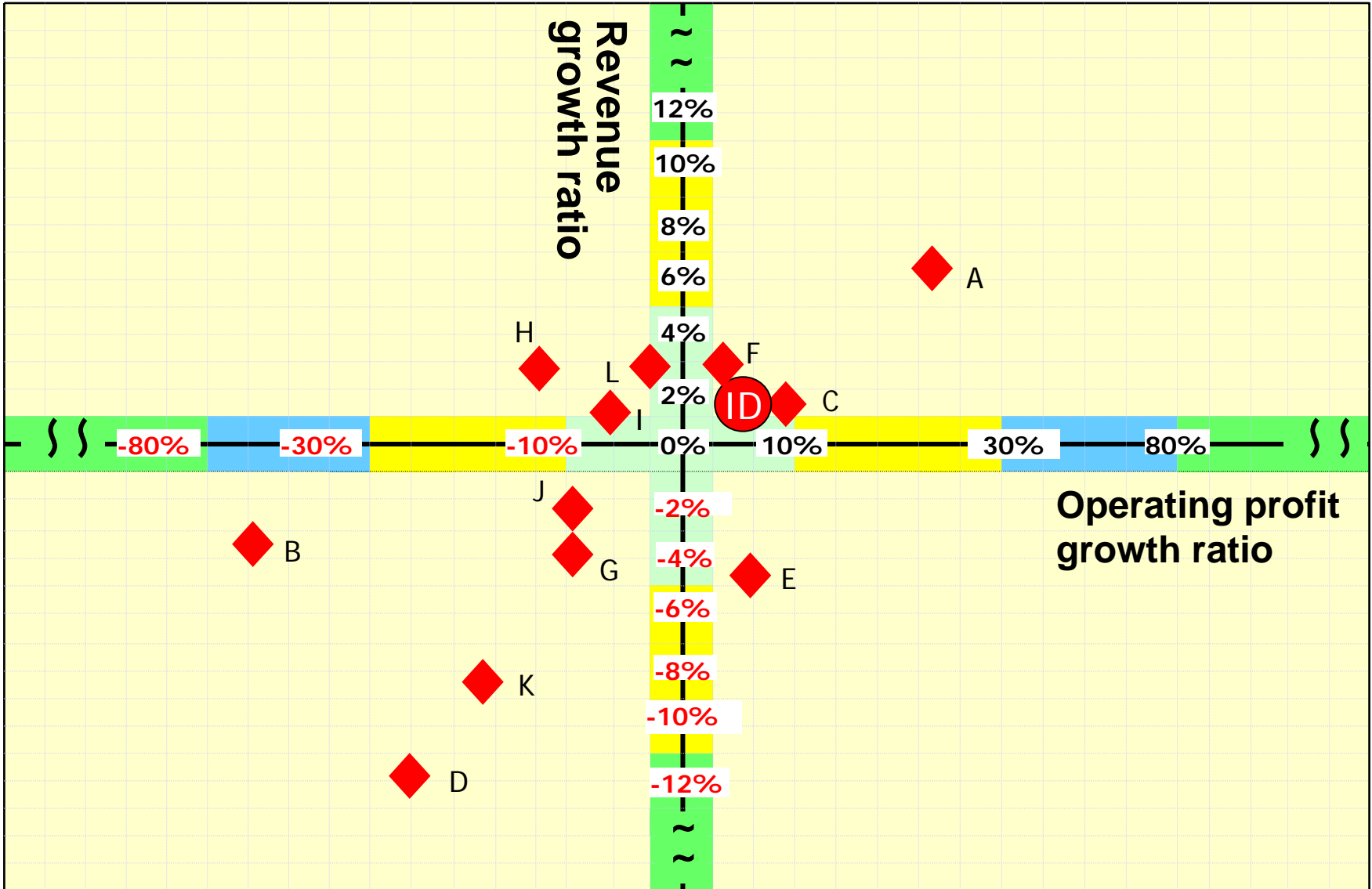


# Forecast Comparisons with Peers

(For the year ending March 31, 2010)

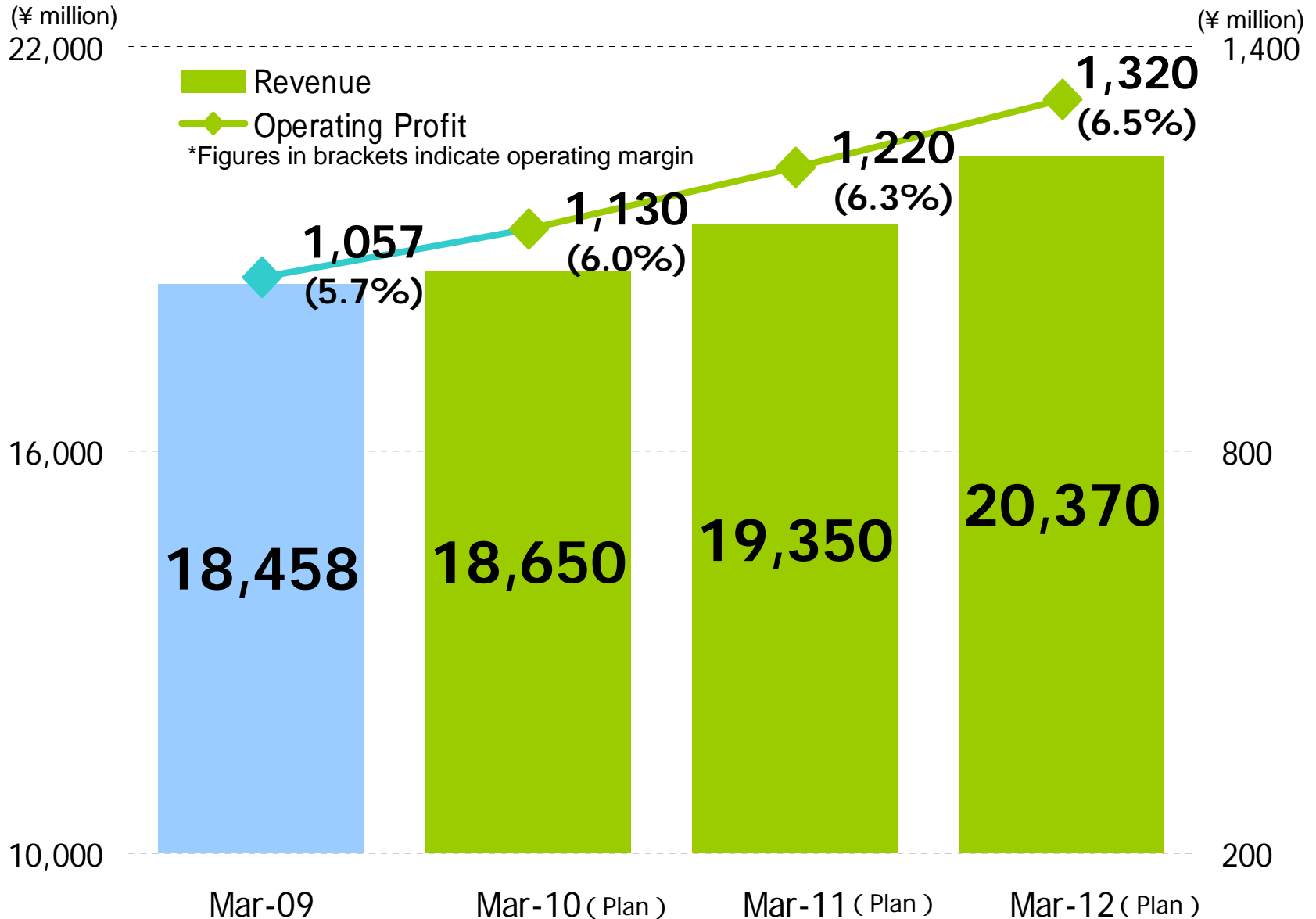


Change or Die!



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

# Medium-term Business Plan Consolidated Performance Target



Change or Die!

Globalization

IT Industry Restructuring

More advanced technologies

Results

Business acquisitions, tie-ups

Tie-up

Acquisitions

TDC  
Software  
Engineering  
(2006)

PURAIIDO (2002)  
CS (2006)  
C.A.T (2008)  
NSK\* (2009)

\*Some business transfers

Offer new services

- Employ leading-edge system operations management technologies
- ???

Cultivate new customers

- Important markets to cultivate:
  - ✓ Finance, insurance
  - ✓ Data center operations
  - ✓ Global markets

Provide high-value-added services

- IT platform development
- Off-shore business in China
- SaaS, operation of cloud computing data centers

Core businesses

System operations management (ITO)  
Software development, maintenance (SI)  
BPO

Cultivation of existing customers

BOO strategy: multiple transactions per customer

¥300 billion +

Now

¥50 billion +

X years in future

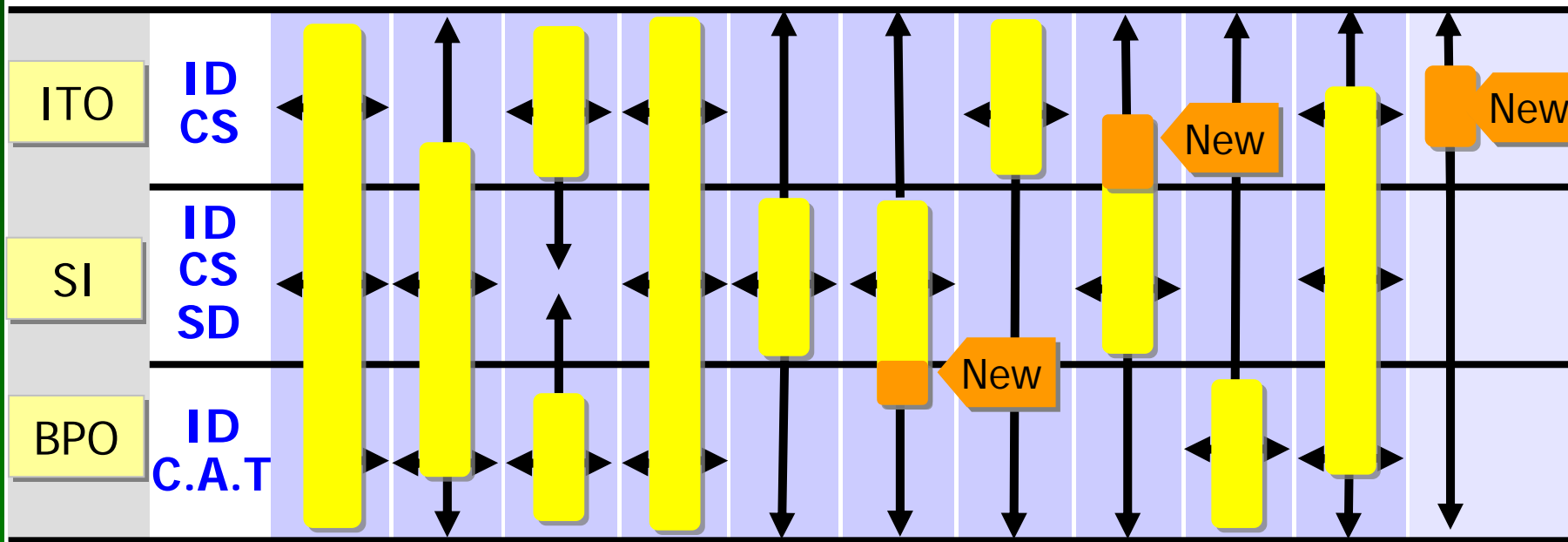
Change or Die!

### 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.

Existing Customers: **A B C D E F G H I J ...X**

Change or Die!



Present Future

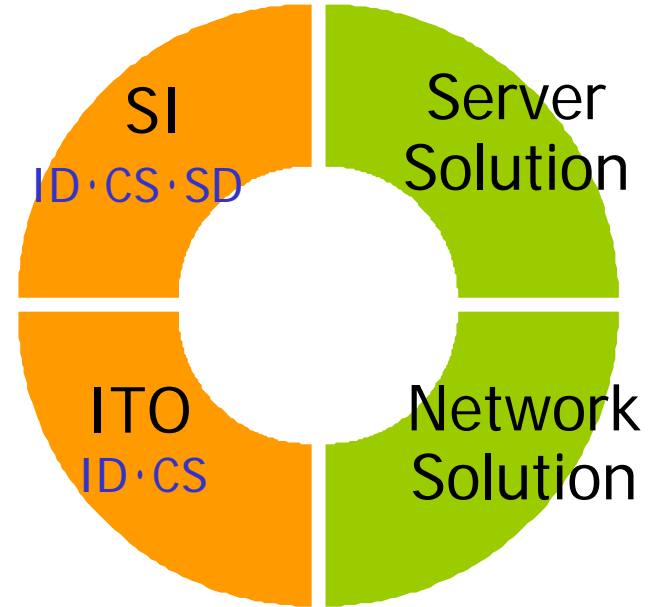
PURAIIDO (Consulting)  
ID Wuhan (Offshore)

New Clients  
New Services C.A.T

### ■ IT Platform Solution Business



➡ Penetrate the market for SaaS, cloud computing data center operations



Business Area Technology Area

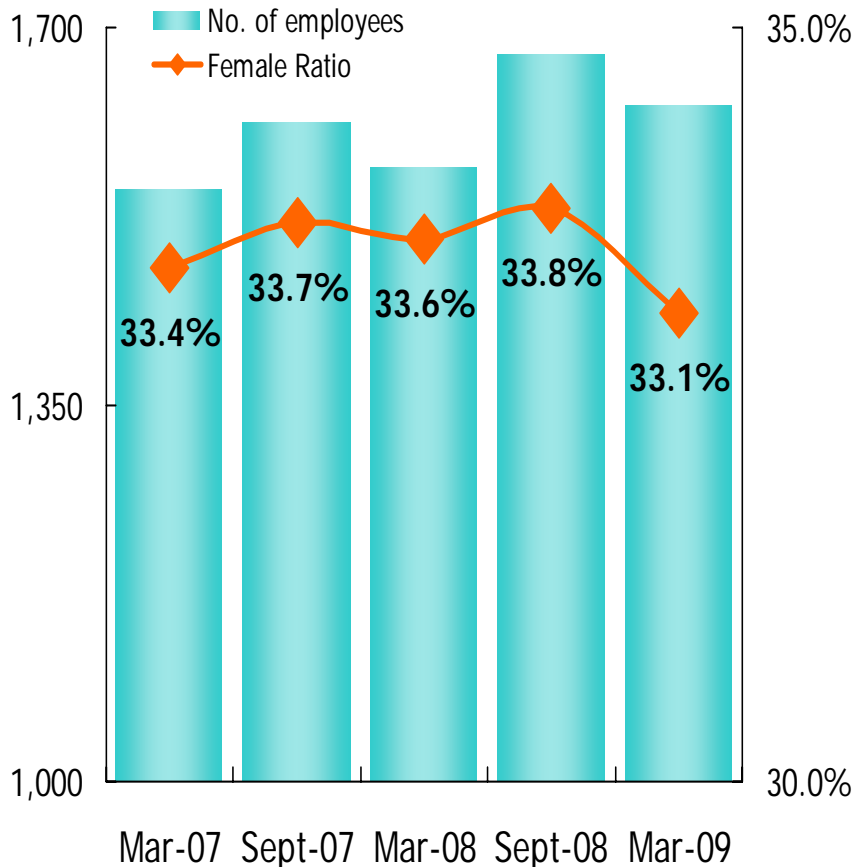
Change or Die!

# Medium-Term Tactics 3

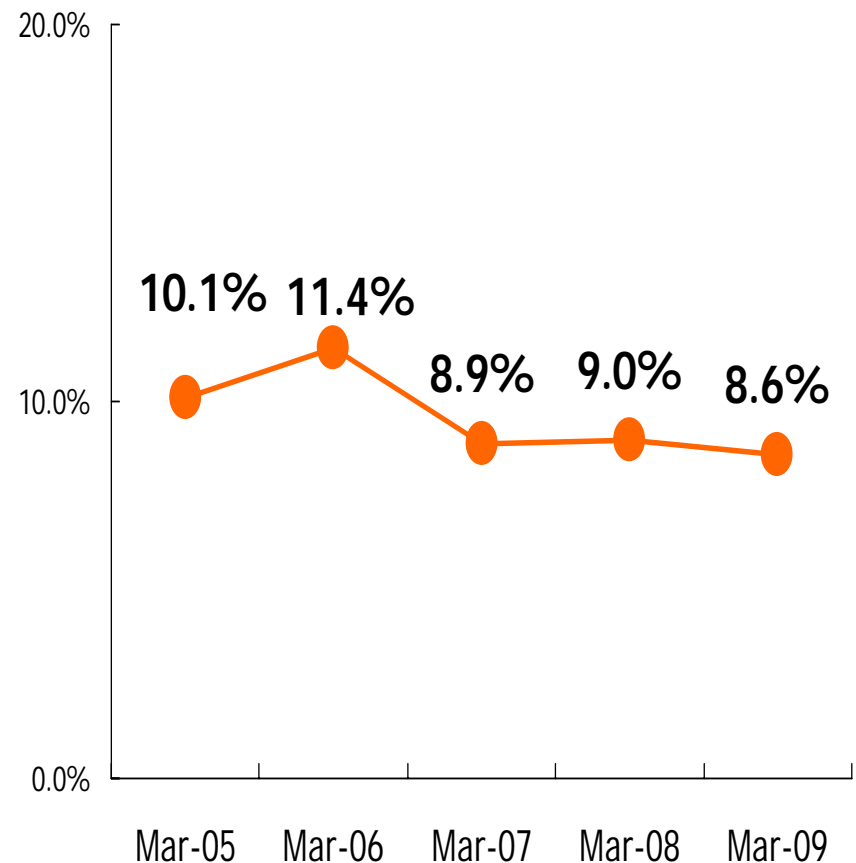
## Securing Human Resources

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

**No. of Employees and Female Ratio**  
(Non-consolidated)



**Employee Turnover Ratio**  
(Non-consolidated)



Change or Die!

This presentation material contains statements and information about future forecasts, including financial projections, strategies and business plans of INFORMATION DEVELOPMENT CO., LTD.

Such forward-looking statements and information are based on data available when this presentation was prepared, and not based on historical facts.

These forward-looking statements and information also incorporate potential risk and uncertainties caused by changing economic trends, the competitive environment, and other factors. The Company's actual results, business development progress, and financial situation may differ significantly from forward-looking statements and information contained herein, due to competition in the industry, market demand, exchange rates, and other socioeconomic and political factors.