

Investor Presentation

For the Six Months Ended September 30, 2006

November 15, 2006

Information Development Co., Ltd

- 1. Performance Overview**
- 2. Industry Trends and ID's Operating Status**
- 3. Performance Forecasts for the Year Ending March 31, 2007, and Future Prospectus**

1. Performance Overview

For the Six Months Ended September 30, 2006

- Revenue and Profits/Financial Position
- Revenue Analysis
- Customer and Segment Review

Financial Highlights

For the Six Months Ended September 30, 2006

• Record-high revenue for the 1st half: ¥6.64B

• Midterm net profit: ¥216M (+140.9% vs. Sept. 2005)

• Operating margin: 5.7% (-0.7p vs. Sept. 2005)

• Full-year ROE (E): 9.4% (+0.1p vs. March 2006)

Revenue and Profits

(¥ million)	For the Six Months Ended September 30				YOY % Change	Forecast at Beginning of Term	% Change to Forecast
	2005	(% of Revenue)	2006	(% of Revenue)			
Total Revenue	6,284		6,643		+5.7	6,530	+1.7
Cost of Sales	5,103		5,400		+5.8	5,350	+0.9
Gross Profit	1,181	(18.8)	1,243	(18.7)	+5.3	1,170	+6.2
SG&A Expenses	777	(12.4)	862	(13.0)	+10.9	850	+1.4
Operating Profit	403	(6.4)	381	(5.7)	-5.6	320	+19.1
Recurring Profit	394	(6.3)	382	(5.8)	-3.2	320	+19.4
Extraordinary Profit & Loss	(231)		1		-	-5	-
Net Profit	89	(1.4)	216	(3.3)	+140.9	180	+20.0
EPS (Yen)	15.06		28.16		+87.0	-	-

Medium-term business plan progresses well!

Total revenue:

+¥113M (+1.7%) vs. forecast;
+¥359M (+5.7%) vs. Sept. 2005

- Significant increase in SI (+7.1%) and ITO (+11.7%); well-performing outsourcing business; stable demand from financial institutions and insurance

SG&A expenses:

+¥12M (+1.4%) vs. forecast
+¥85M vs. Sept. 2005

- **SG&A Expenses to Revenue: 13.0% as we projected**

Operating profit:

+¥61M (+19.1%) vs. forecast;
-¥22M vs. Sept. 2005

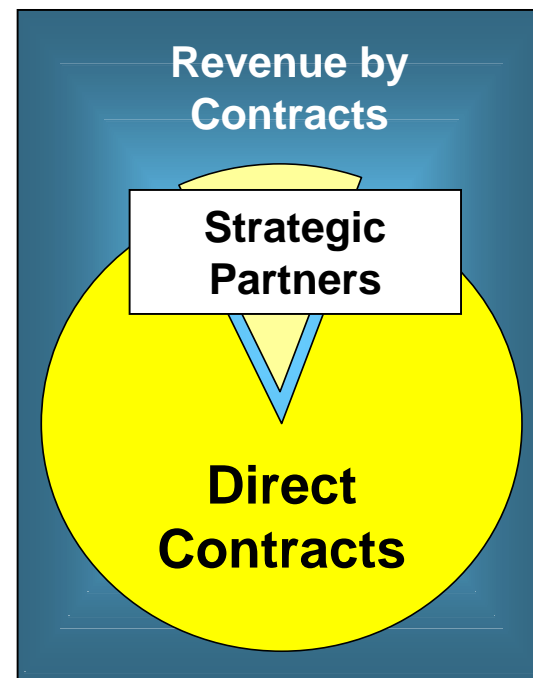
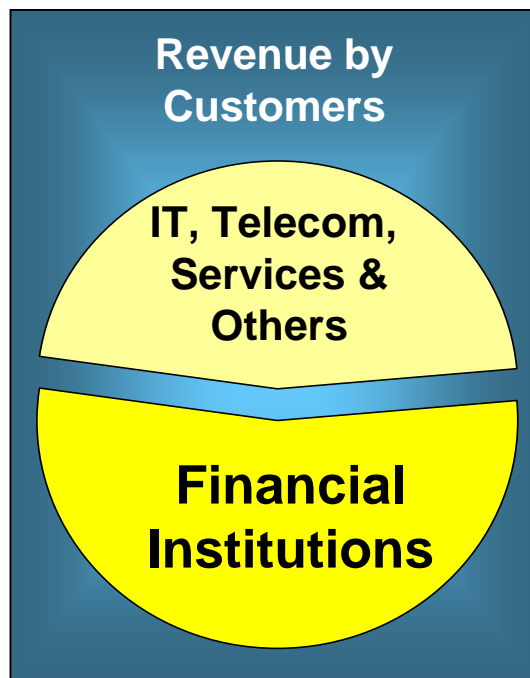
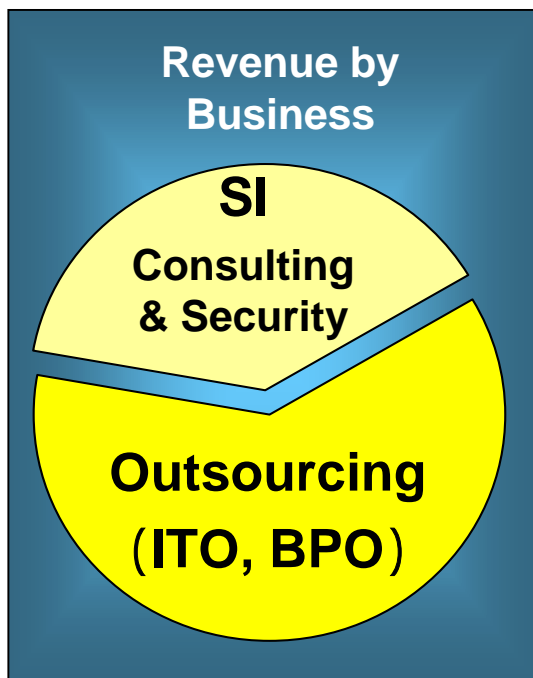
Financial Position & Cash flows

At September 30	At September 30		YOY % Change
	2005	2006	
(¥ million)			
Current Assets	3,107	3,619	+16.5
Fixed Assets	4,218	3,944	-6.5
Total Assets	7,325	7,564	+3.3
Liabilities	2,767	2,721	-1.7
Interest-Bearing Debt	337	76	-77.2
Shareholders' Equity	4,433	4,709	+6.2
Cash Flows from Operating Activities	382	(157)	-141.1
Cash Flows from Investing Activities	(42)	(79)	-89.2
Cash Flows from Financing Activities	(687)	(285)	+58.4
Increase of Cash and Cash Equivalents	(346)	(523)	-51.1
Cash and Cash Equivalents at Term-End	870	1,113	+27.9

Overview

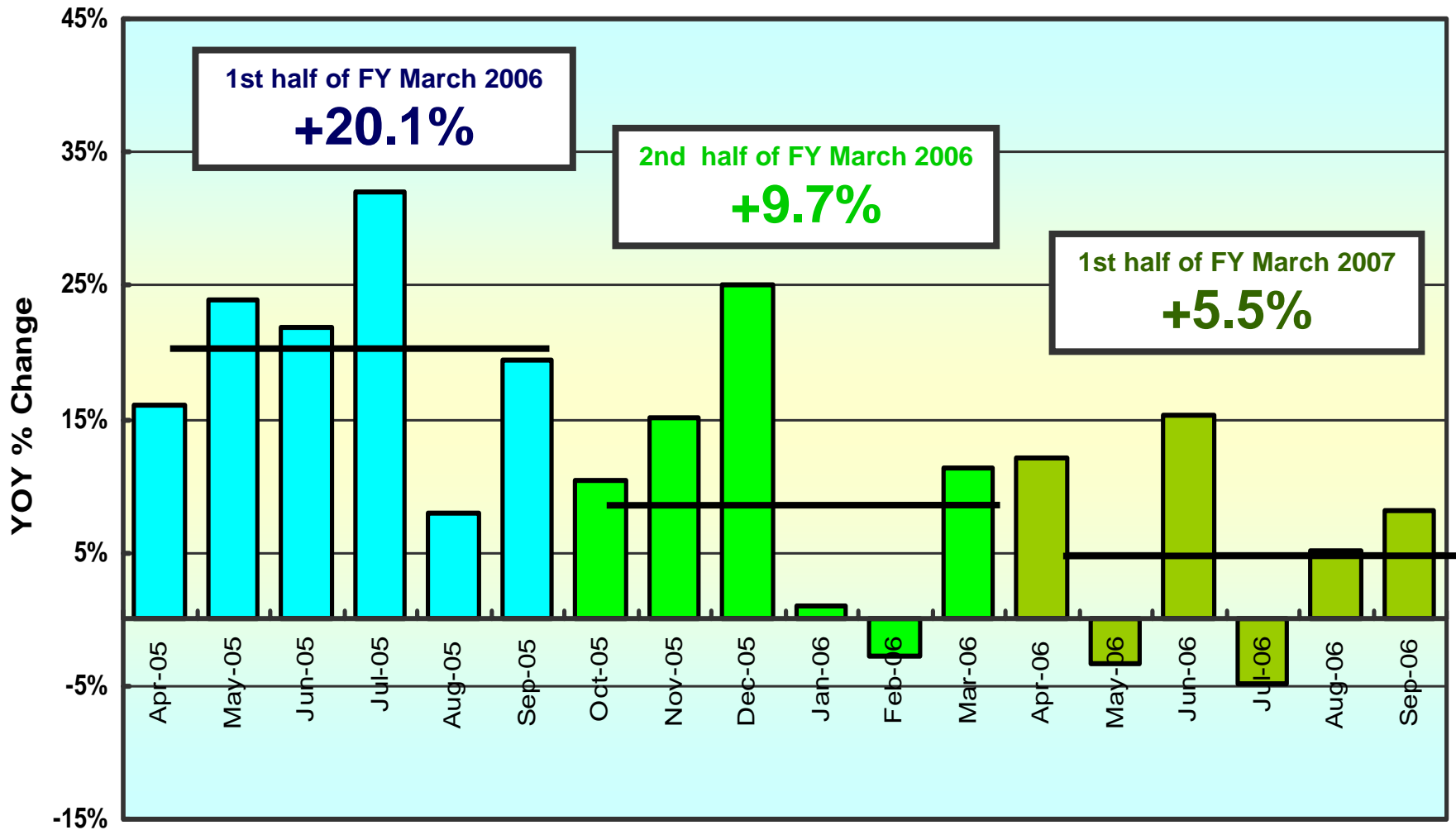
- ◆ **Free cash flows**
Payment of corporate tax
- ◆ **Financial cash flows**
Purchase of treasury stocks; payment of dividends
- ◆ **Record-low IBD**
-¥260M vs. Sept. 2005
- ◆ **Equity ratio**
62.3% (+1.8p vs. Sept. 2005); secure stable financial condition
- ◆ **Cash and cash equivalents at term-end**
¥1.11B (+¥240M vs. Sept. 2005); investment for business growth

Revenues Analysis (By Business; Customers; Contracts)

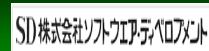


- **Outsourcing:** 61.2% (+0.9p vs. Sept. 2005)
- **Financial Institutions:** 53.7% (+4.6p vs. Sept. 2005)
- **Direct Contracts:** 87.4% (+3.4p vs. Sept. 2005)

Monthly Revenue (Non-consolidated)

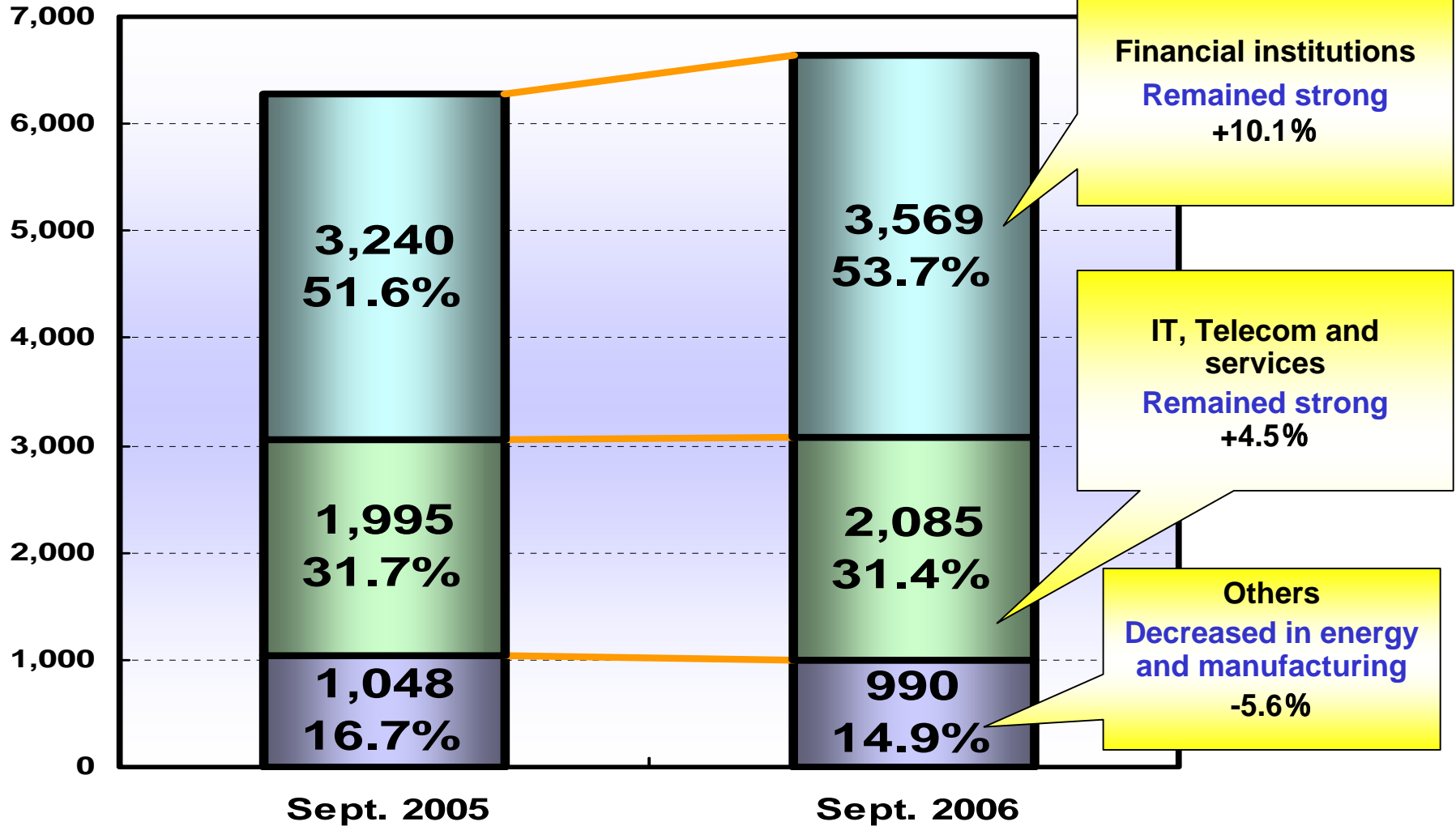


Challenge to 2008: Targeting ¥15B in Consolidated Revenue

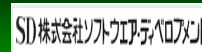


Revenue by Customers

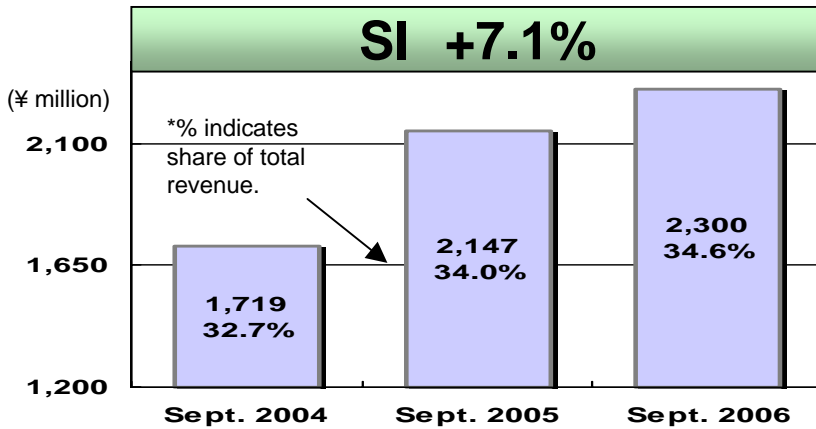
(¥ million) Figures with % indicate share of total revenue.



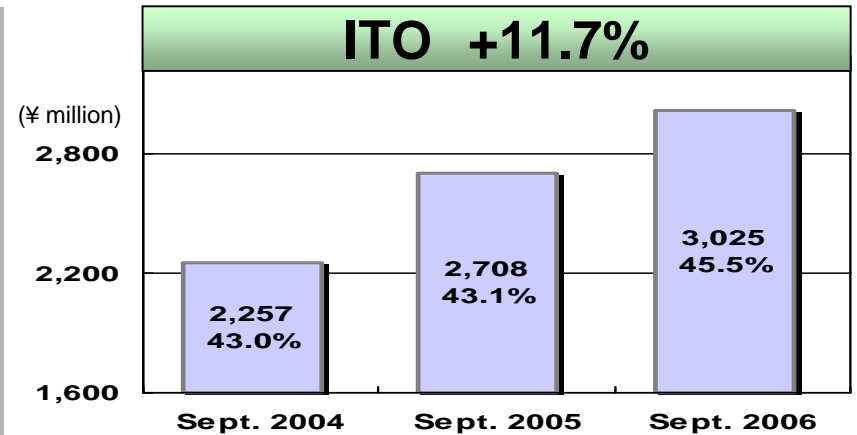
Challenge to 2008: Targeting ¥15B in Consolidated Revenue



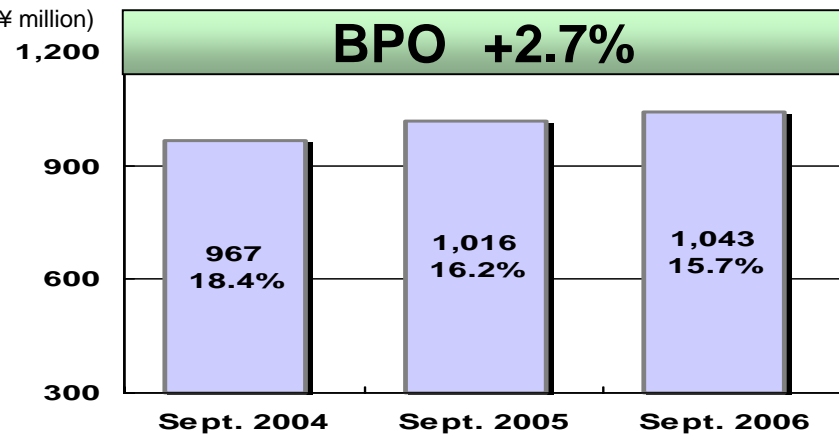
Revenue by Business



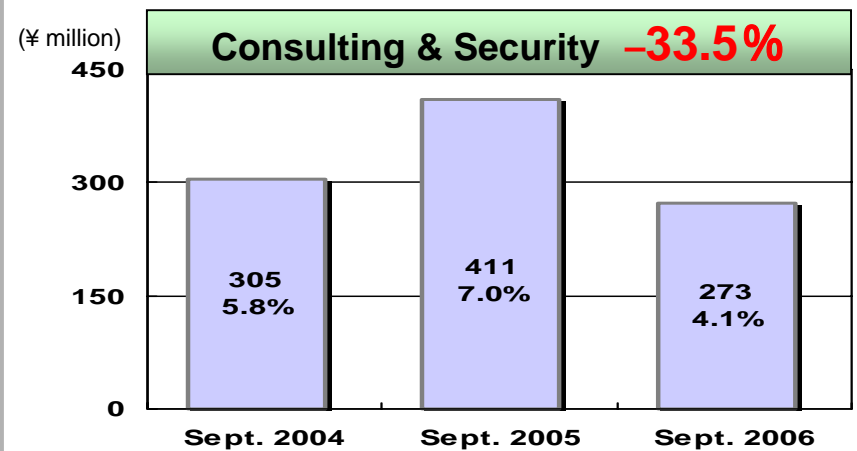
Strong demand from financial institutions and insurance.



Outsourcing business remained strong.



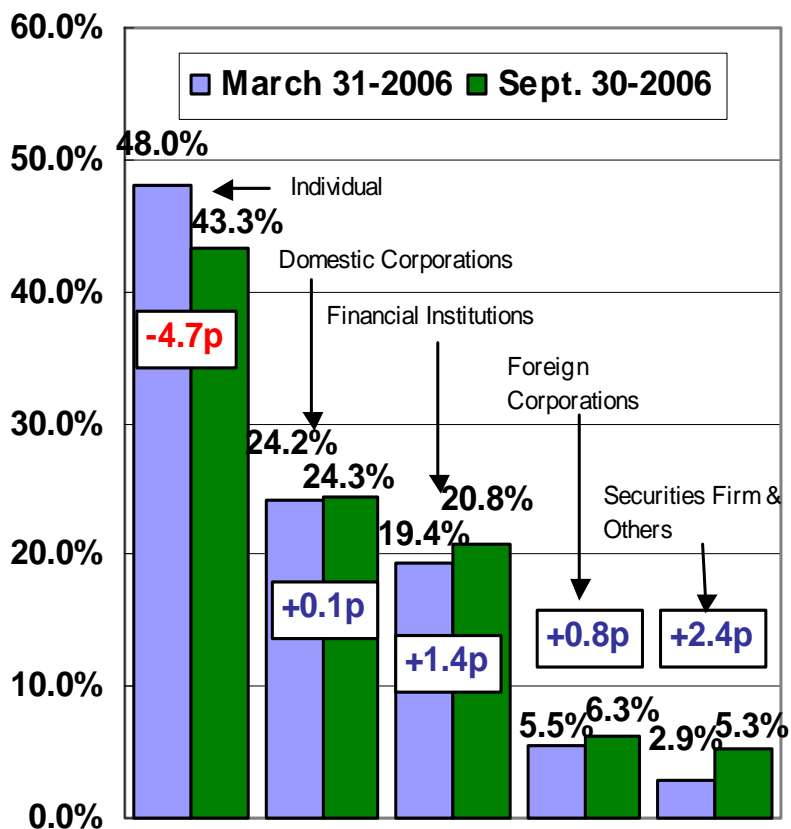
Data input moderately decreased while outsourcing services increased.



Sales from security products decreased.

Stock Data (As of September 30, 2006)

Shareholding by Investor Type



Number of shares outstanding: 8,003,725

Number of shareholders: 2,210 (-59 vs. March 2006)

Major Shareholders		Sept. 30-06	Mar. 31-06	% Change
1	A.K. Corporation	8.7%	8.8%	-0.1%
2	Mizuho Trust Systems Co., Ltd.	8.5%	8.6%	-0.1%
3	ID Employee Ownership Account	6.0%	6.0%	0.0%
4	JP Morgan Chase CREF Jasdec Lending Account	5.2%	5.4%	-0.2%
5	Trust & Custody Services Bank, Ltd. (Investment Trust Account)	4.0%	2.8%	1.2%
6	K.C.S Co., Ltd.	3.7%	4.0%	-0.3%
7	Mizuho Trust & Banking Co., Ltd.	3.5%	3.5%	0.0%
8	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.1%	3.4%	-0.3%
9	Trust & Custody Services Bank, Ltd. (Pension Tokkin Account)	2.8%	2.7%	0.1%
10	Mizuho Corporate Bank, Ltd.	2.8%	2.9%	-0.1%

Note: Treasury stocks are excluded from the above.

2. Industry Trends and ID's Operating Status

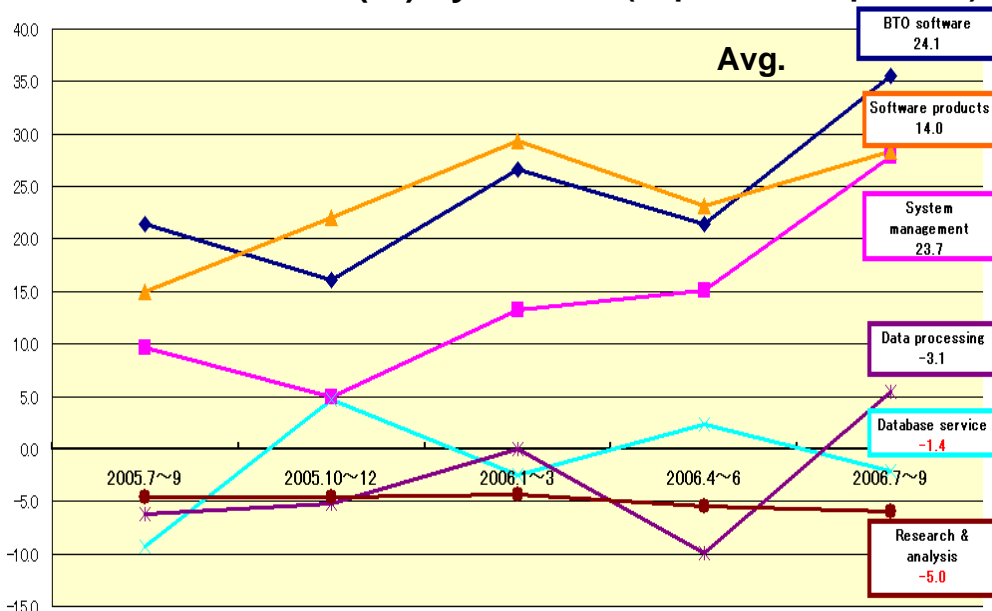
- Trends in the Information Services Industry (by service and sector)
- Comparison with Peers

Industry Trend and ID's Operating Status

Future Outlook by Service (Source: METI's Industry Trend)

Overall	BTO software	Software products	System management	Data processing	Database services	Research & analysis
					×	×

Diffusion Index (DI) by Service (Sept. 2005–Sept. 2006)



Revenue by ID's Business Segment

SI Business: +7.1%

ITO Business: +11.7%

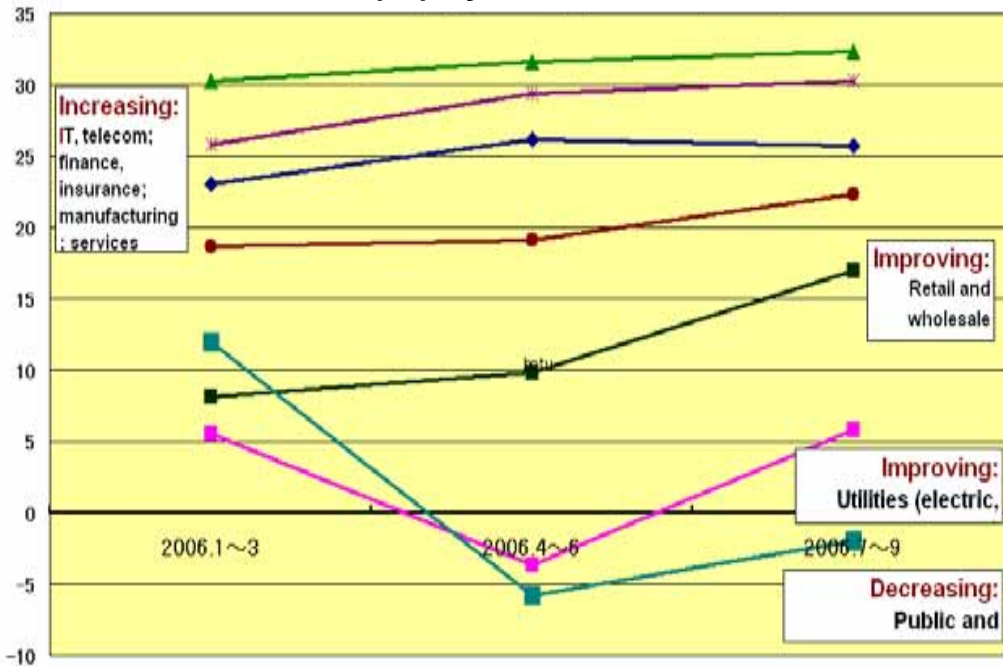
BPO Business: +2.7%

Industry Trend and ID's Operating Status

Future Outlook by Sector (Source: METI's Industry Trend)

Finance, insurance	IT, telecom	Wholesale, retail	Manufacturing	Service	Utilities	Public sector
						×

Diffusion Index (DI) by Sector (Sept. 2005–Sept. 2006)



ID's customers

Finance, insurance: **+10.1%**

IT/Telecom: **+4.5%**

Transportation: **+11.7%**

Electric, gas: **-11.6%**

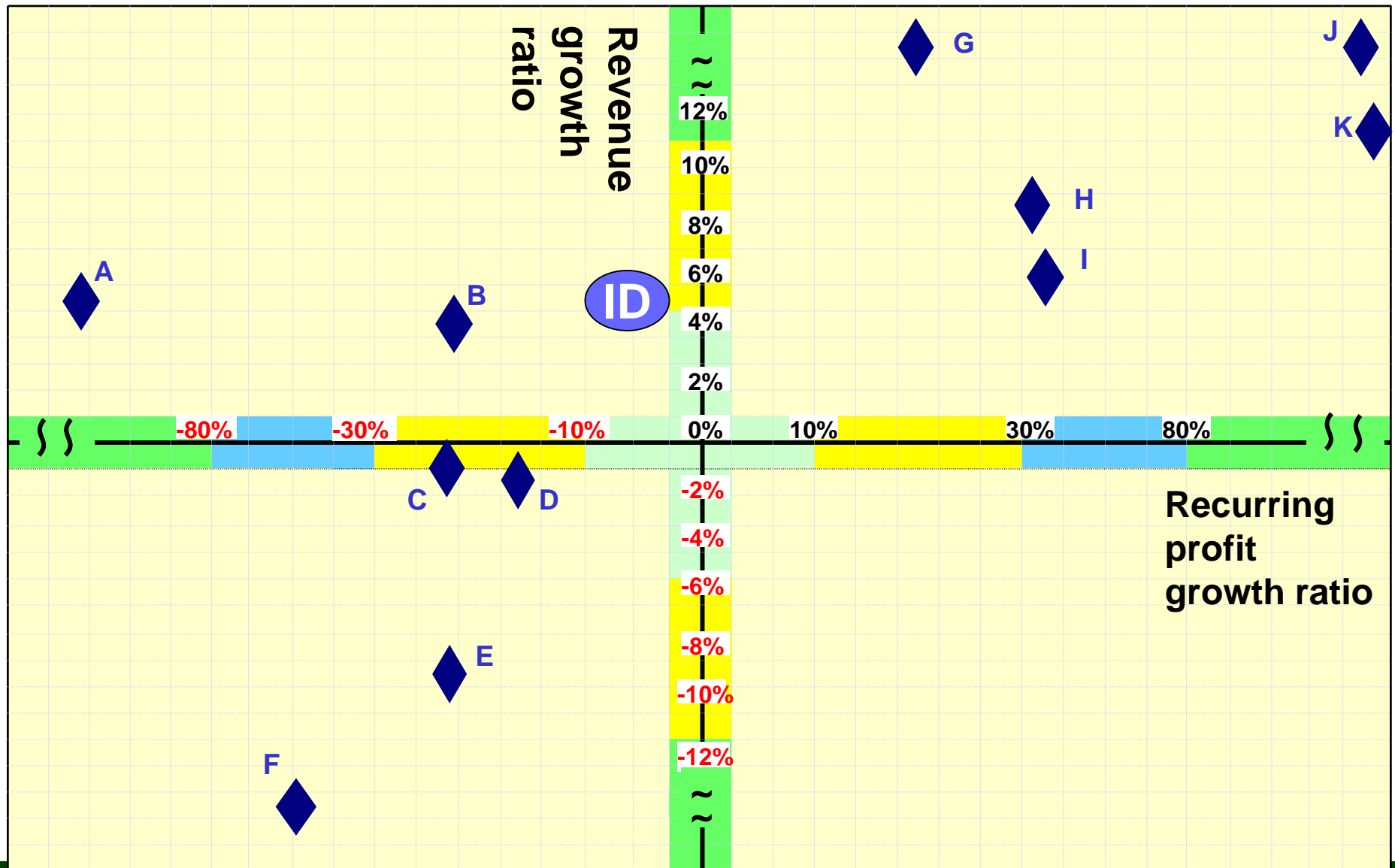
Manufacturing: **-13.2%**

Public, Association: **-7.1%**

Wholesale, retail: **+9.7%**

Comparison with Peers

(Business results for the six months ended September 30, 2006)



Challenge to 2008: Targeting ¥15B in Consolidated Revenue

SD株式会社ソフトウェア開発

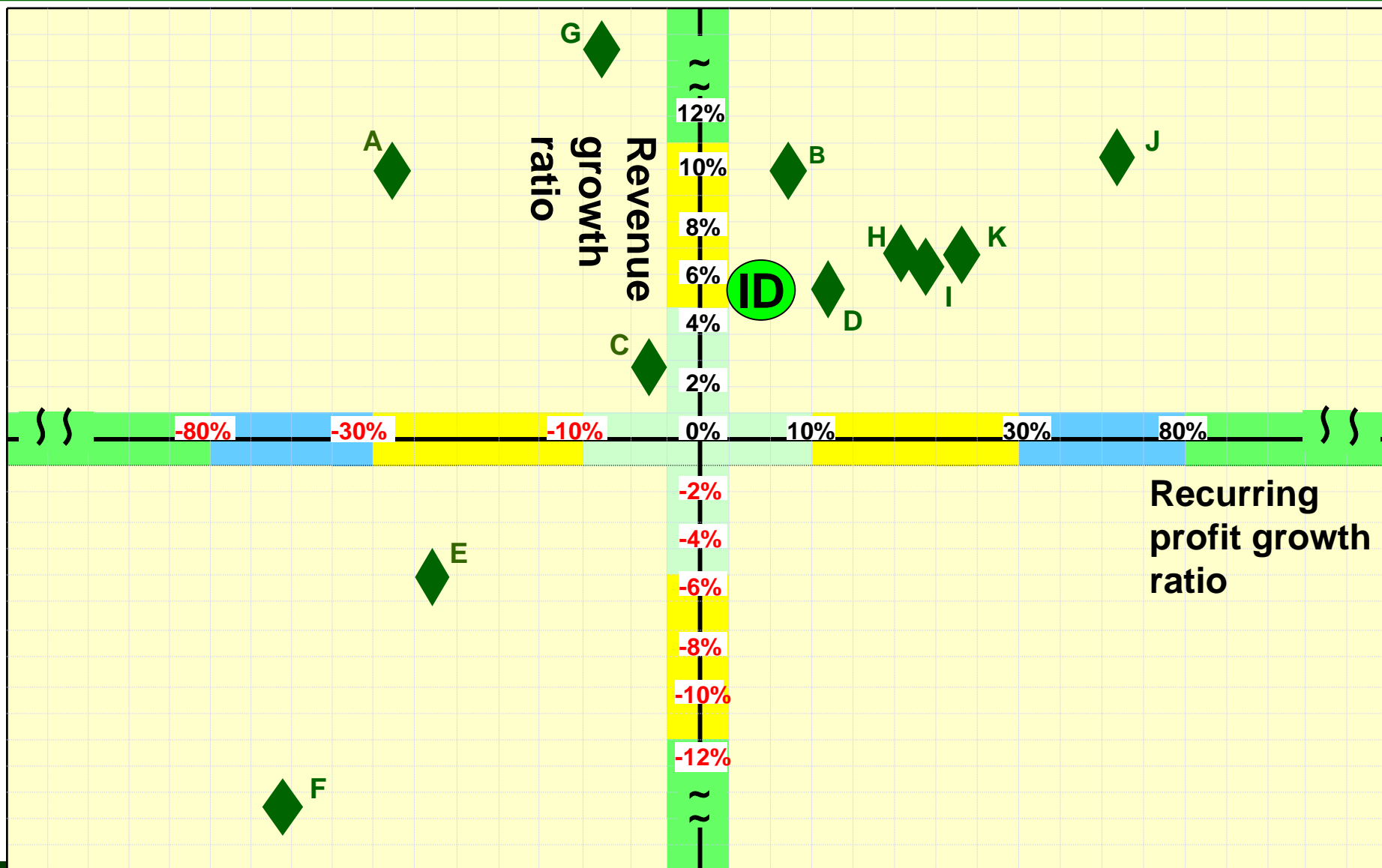


Space Link



Comparison with Peers

(Business results for the six months ended September 30, 2006)

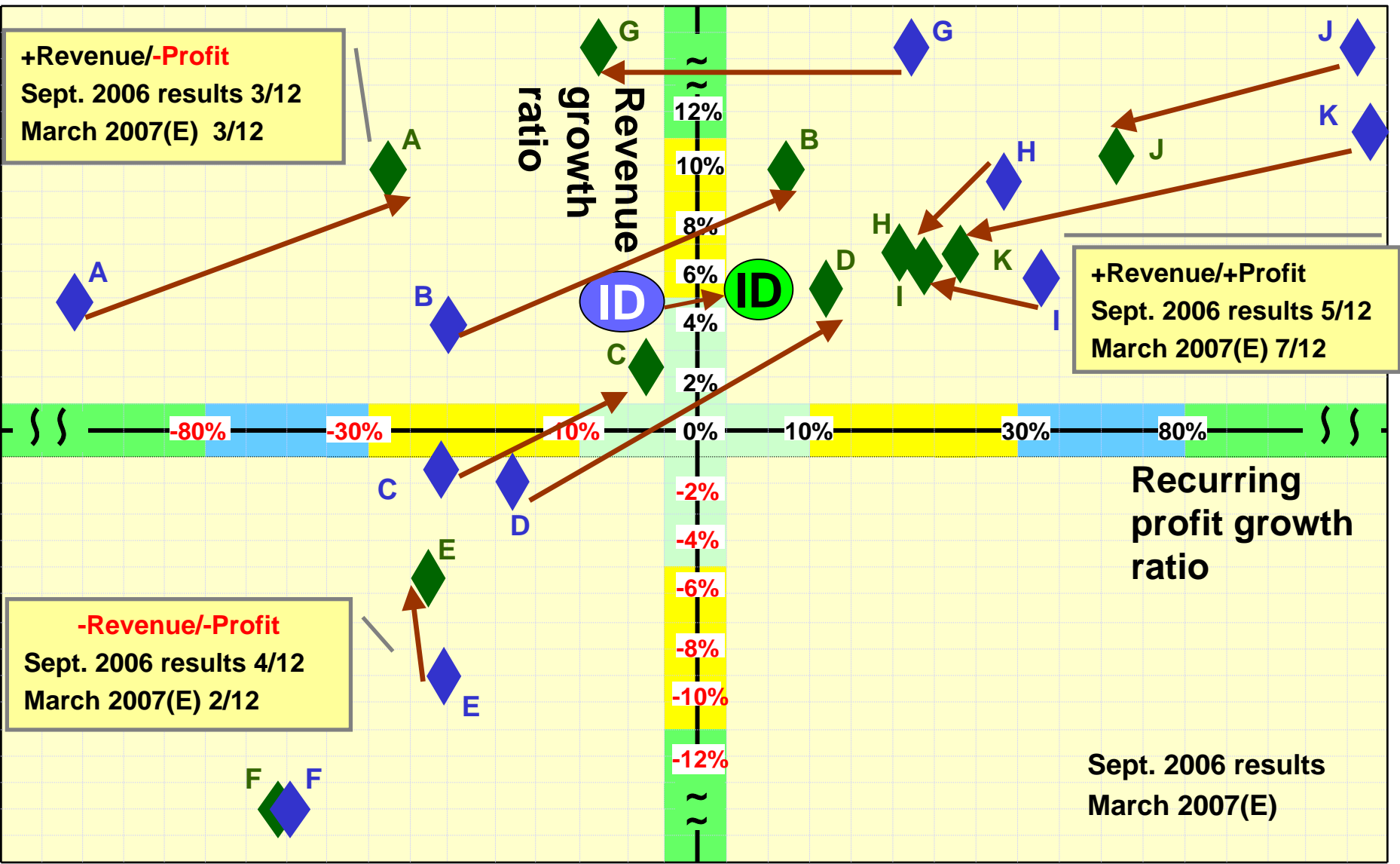


Challenge to 2008: Targeting ¥15B in Consolidated Revenue



Comparison with Peers

(Business results for the six months ended September 30, 2006)



Challenge to 2008: Targeting ¥15B in Consolidated Revenue

SD株式会社ソフトウェア開発



Space Link



3. Performance Forecasts and Future Outlook

- **Forecast for the year ending March 31, 2007**

Forecasts for the Year Ending March 31, 2007

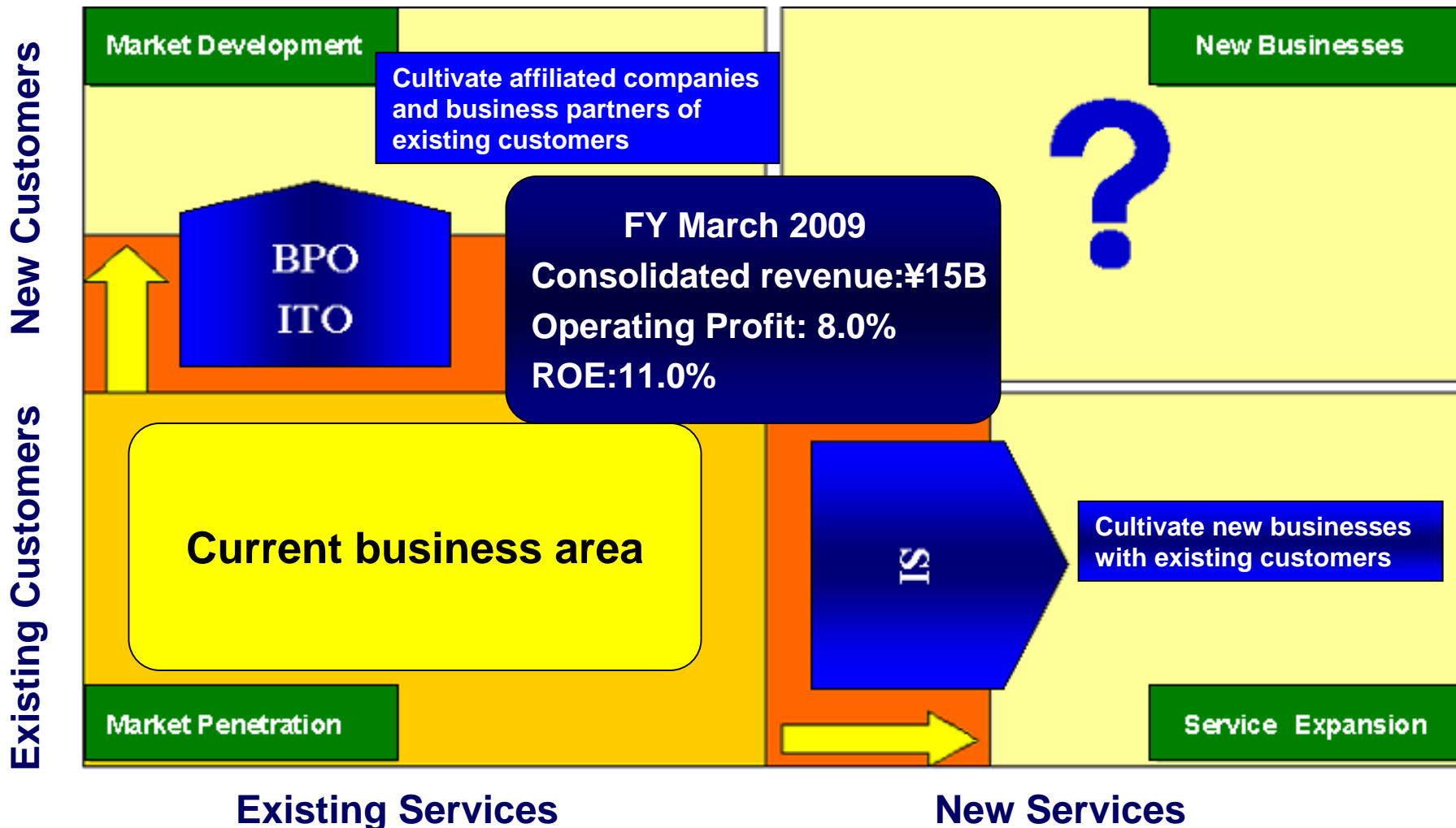
(¥ million)	2006 (Actual)	2007E		Share of Total Revenue (YOY % Change)
	Amount	Amount	YOY % Change	
Revenue	13,028	13,700	+5.2%	-
Operating Profit	851	890	+4.6%	6.5% (0.0p)
Recurring Profit	845	890	+5.3%	6.5% (0.0p)
Net Profit	430	480	+11.6%	3.5% (+0.2p)
EPS (Yen)	68.68	63.24	-7.9%	-

Full-year revenue and profits to increase

Stable growth in SI and ITO businesses

Full-year operating margin to improve to 6.5%

Business Expansion with Existing Customers



“Challenge to 2008”

Market Development

New Businesses

FY March 2007: Remain strong

- Mizuho-related: Continue to expand
- IBM: Increase vs. FY March 2006



- BPO: Expand outsourcing services to offset the decrease in data input
- ITO: Expand system operations and management (Mizuho-related: increase; IBM: flat from FY March 2006)

The plan is progressing well!

Revenue

+¥113M (+1.7%)

Operating profit

+¥61M(+19.1%)

- SI:
Expand system development.
Postpone large-scale projects.

FY March 2007: Remain strong

- Finance, insurance: Continue to expand
- Others: Increase or improve vs. FY March 2006

Market Penetration

Service Expansion

Trouble Reported

Trouble Rank	No. of Projects (April–Oct. 2006)	No. Changes vs. April–Oct. 2005
S	1	0
A	7	-5
B	18	-10
C	54	-1

Status of Retirees

	April–Oct. 2005	No. Changes vs. April–Oct. 2005
No. of Retirees	72	-8
Share of Total Employees	5.3%	-0.7%

No. of cutover delayed projects: None

Attract Human Resources

(25% Campaign for Female Staff)

	April 2006	Nov. 2006
% of female to total employees	33.0%	33.0%

BPO	92.0%	90.0%
ITO	16.5%	16.0%
SI	19.5%	19.3%

Actively recruit female engineers

- Development engineers
- Operations engineers

Excluding No. 5 Division of the ITO Department