

# Information Development Co., Ltd. FY2005 Semiannual Fiscal Summary January 2006



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- 2. Mid/Long Term Strategy**
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# **FY 2005**

## **Semiannual Fiscal Result & Annual Forecast**



- Revenue: 6.28 billions yen <Record setting performance>  
(Y/Y +19.7%)

- Operating profit margin : 6.4% (Y/Y +4.6point)
- Much improved labor productivity

- Extraordinary Loss :230millions yen  
- Disposition of old company housing

- Interest-Bearing Debt decreased

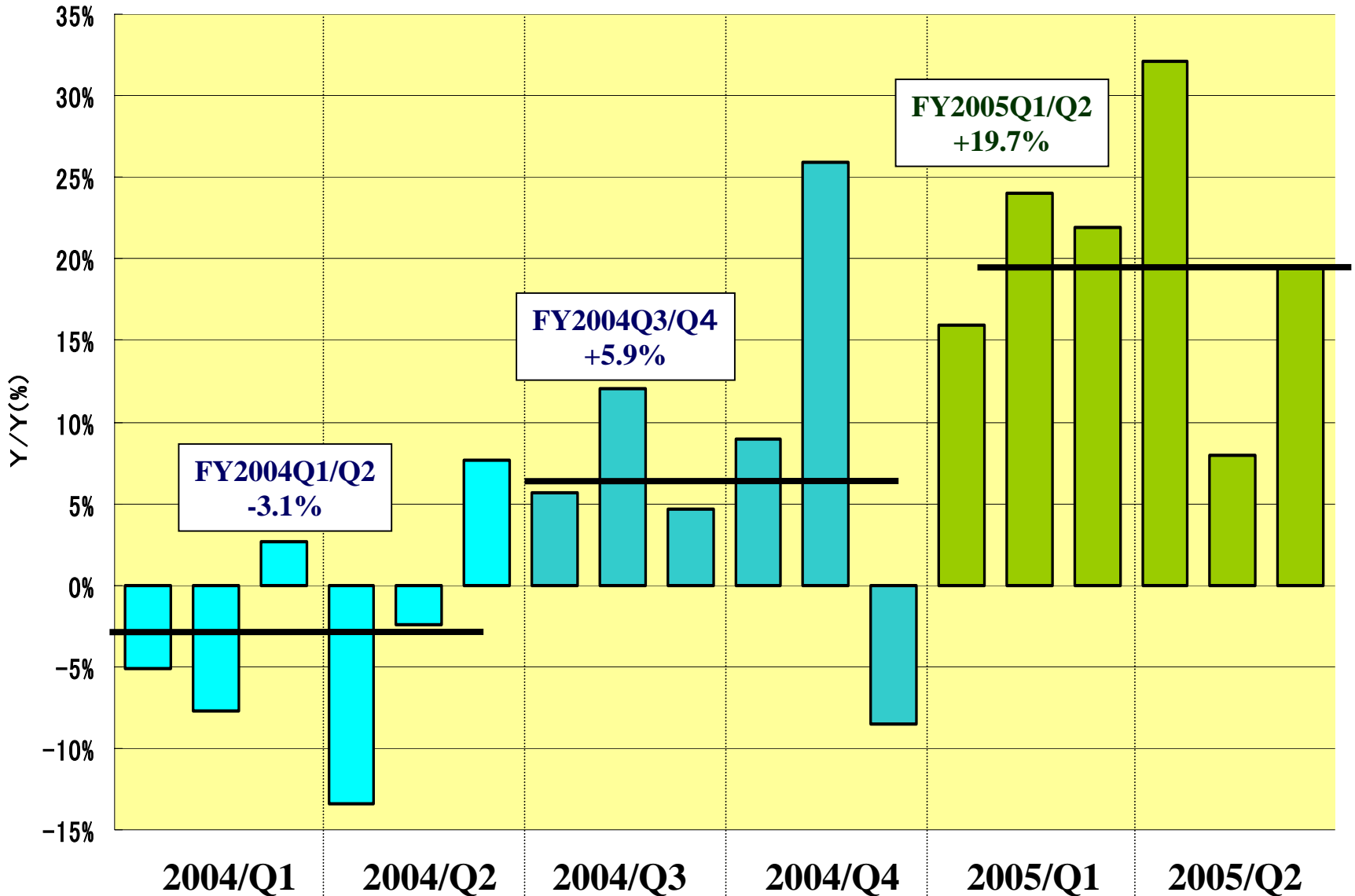
- Numbers of Employees: 1,673 (Y/Y+6.1%)
- The most import point for our business expanding:  
- Reinforcement of human resource

# FY2005 Semiannual B/S (Consolidated)

(M yen)	FY2004 semiannual	FY2005 semiannual	Y/Y	Forecast
Revenue	5,249	6,284	+19.7%	5,790
Operating profit	96	403	+316.4%	190
Operating profit ratio	1.8%	6.4%	+4.6p	3.3%
Recurring profit	97	394	+304.7%	180
Net profit	52	89	+69.8%	90
Net profit Per share	8.9	15.1	+70.0%	15.1

- Revenue & operating profit exceeded our target
- Positive growth in all business segments
- Specially, big growth in ITO&SI business segments
- Operating profit much improved
  - Even though outsourcing cost increased, labor productivity was much improved
- Extraordinary loss (Disposition of old company housing): 230M yen

# Trend of Monthly Revenue(parent)

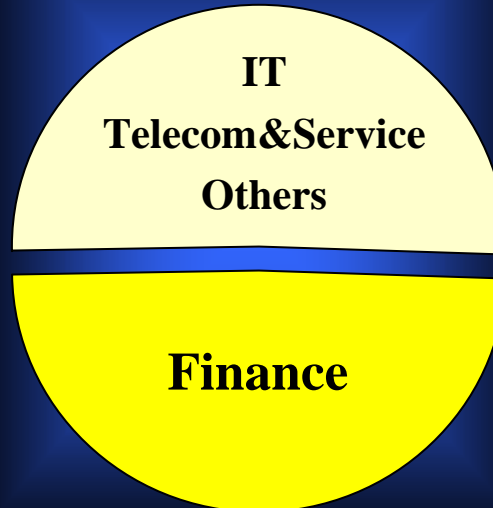


# Our Business Character: Steady Growth & Stable Profitability

## BUSINESS



## CUSTOMERS

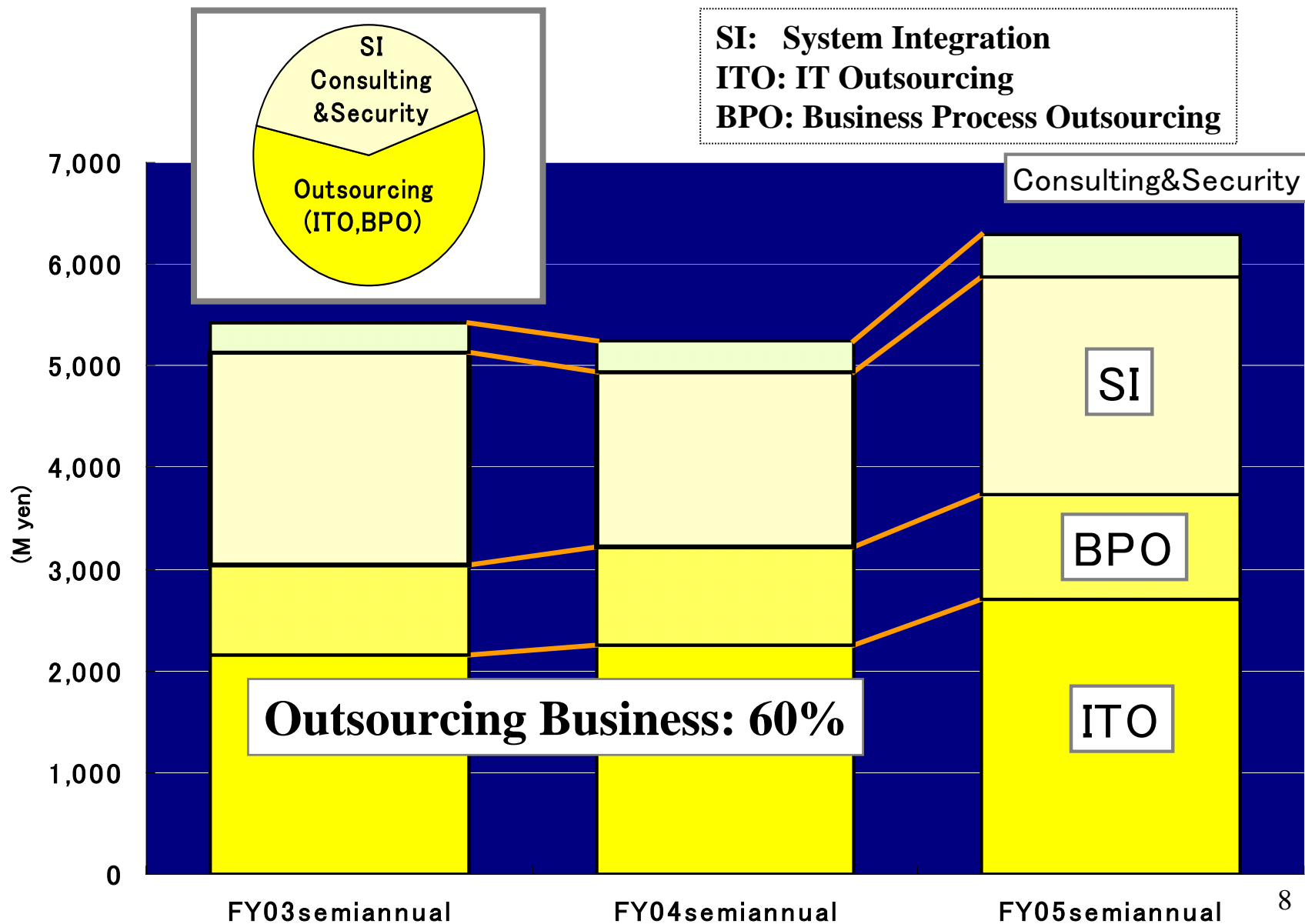


## CONTRACT



- Outsourcing Business: about 60%
- Finance Customers: about 50%
- Direct Contracts: about 85%

# Trend of Business Segments (Revenue)



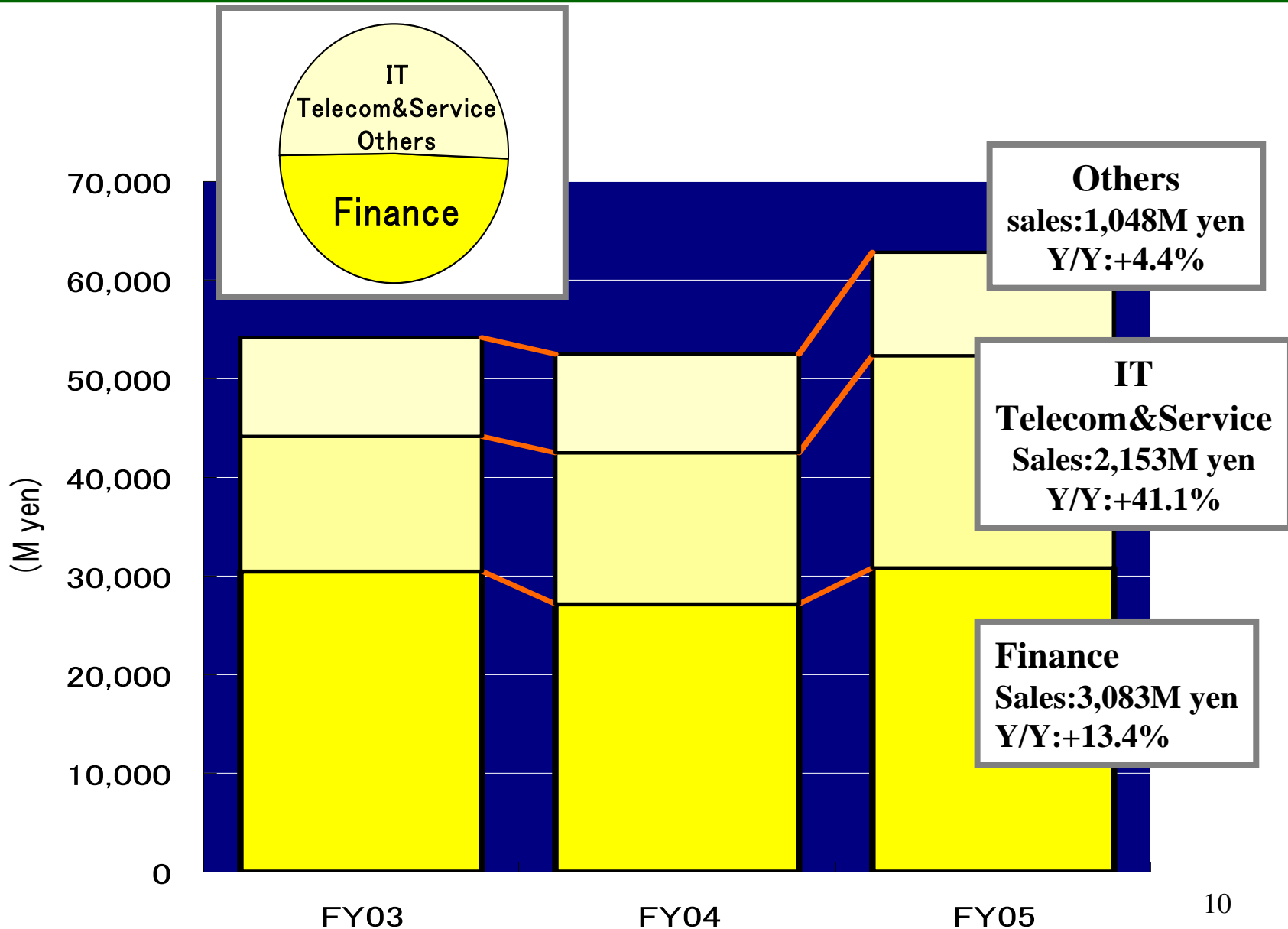
# Revenue Detailed By Business Segments

(M yen)	FY2004 semiannual		FY2005 semiannual		Y/Y	
	Revenue	Ratio (A)	Revenue	Ratio (B)	Revenue	Change (B) - (A) P: Point
<b>SI</b>	<b>1,719</b>	<b>32.7%</b>	<b>2,147</b>	<b>34.2%</b>	<b>+24.9%</b>	<b>+1.5p</b>
<b>ITO</b>	<b>2,257</b>	<b>43.0%</b>	<b>2,708</b>	<b>43.1%</b>	<b>+20.0%</b>	<b>+0.1p</b>
<b>BPO</b>	<b>967</b>	<b>18.4%</b>	<b>1,017</b>	<b>16.2%</b>	<b>+5.2%</b>	<b>-2.2p</b>
<b>Consulting &amp;Security</b>	<b>306</b>	<b>5.8%</b>	<b>411</b>	<b>6.6%</b>	<b>+34.3%</b>	<b>+0.8p</b>

## <Major factors of Y/Y>

- **SI** : Recovery trend of IT investment in major our customers (finance & public related, etc)
- **ITO** : Developed a big new customer(insurance related)
- **BPO**: Business growth in office work outsourcing
- **Consulting&Security**: Security business is going well

# Revenue Detailed By Customers



# FY2005 Semiannual B/S & C/F(Consolidated)

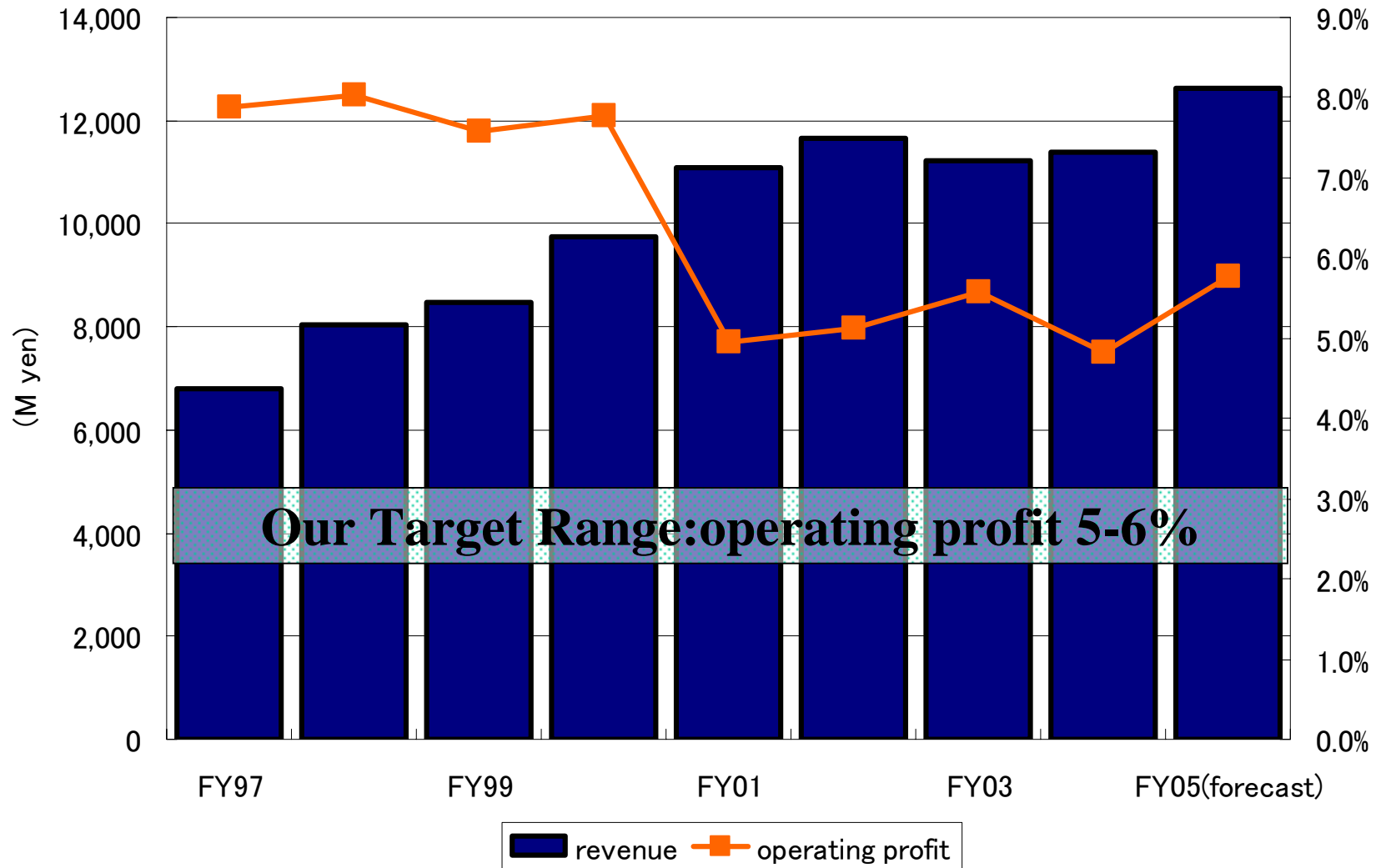
(M yen)	FY2004 semiannual	FY2005 semiannual	Y/Y	General Points
Current Assets	3,024	3,107	83	<ul style="list-style-type: none"> <li>• C/F from operating activities improved</li> <li>• Interest-bearing debt decreased</li> <li>• Cash at year-end: 870 M yen (for future investments)</li> <li>• Fixed Assets: 170M yen decreased (Disposition of old company housing)</li> <li>• Shareholder's equity ratio: 60.5% Financial structure is stable</li> </ul>
Fixed Assets	4,260	4,218	-42	
Total Assets	7,284	7,325	41	
Liabilities	2,824	2,767	-57	
Interest-Bearing Debt	987	337	-650	
Total Shareholder's Equity	4,341	4,433	92	
C/F From Operating Activities	245	382	137	
Depreciation	76	79	3	
C/F From Investment Plant and Equipment	-96	-42	54	
Investment	-17	-23	-6	
C/F From Financial Activities	-317	-687	-370	
Cash and Cash Equivalents(Y/Y)	-169	-346	-177	
Cash and Cash Equivalents at Year-End	1,171	870	-301	

# FY2005 Annual Forecast

(M yen)	FY2004 Result	FY2005 Forecast ※corrected by Dec. 9.2005		The First Forecast	
		Amount	Y/Y	Amount	Y/Y
Revenue	11,378	12,630	+11.0%	12,300	+8.1%
Operating Profit	550	730	+32.7%	610	+10.9%
Operating Profit Margin	4.8%	5.8%	+1.0p	5.0%	+1.1p
Recurring Profit	557	720	+29.2%	600	+7.7%
Net Profit	119	360	+200.6%	310	+160.5%
Net Profit Per Share(yen)	17.8	58.2	+226.0%	49.9	+180.3%

- Recovery trend of IT investment in major our customers will continue.
- Outsourcing business will stably grow.
- Operating Profit Margin will be 5.8% that is higher than the first target, because labor productivity is much improved.

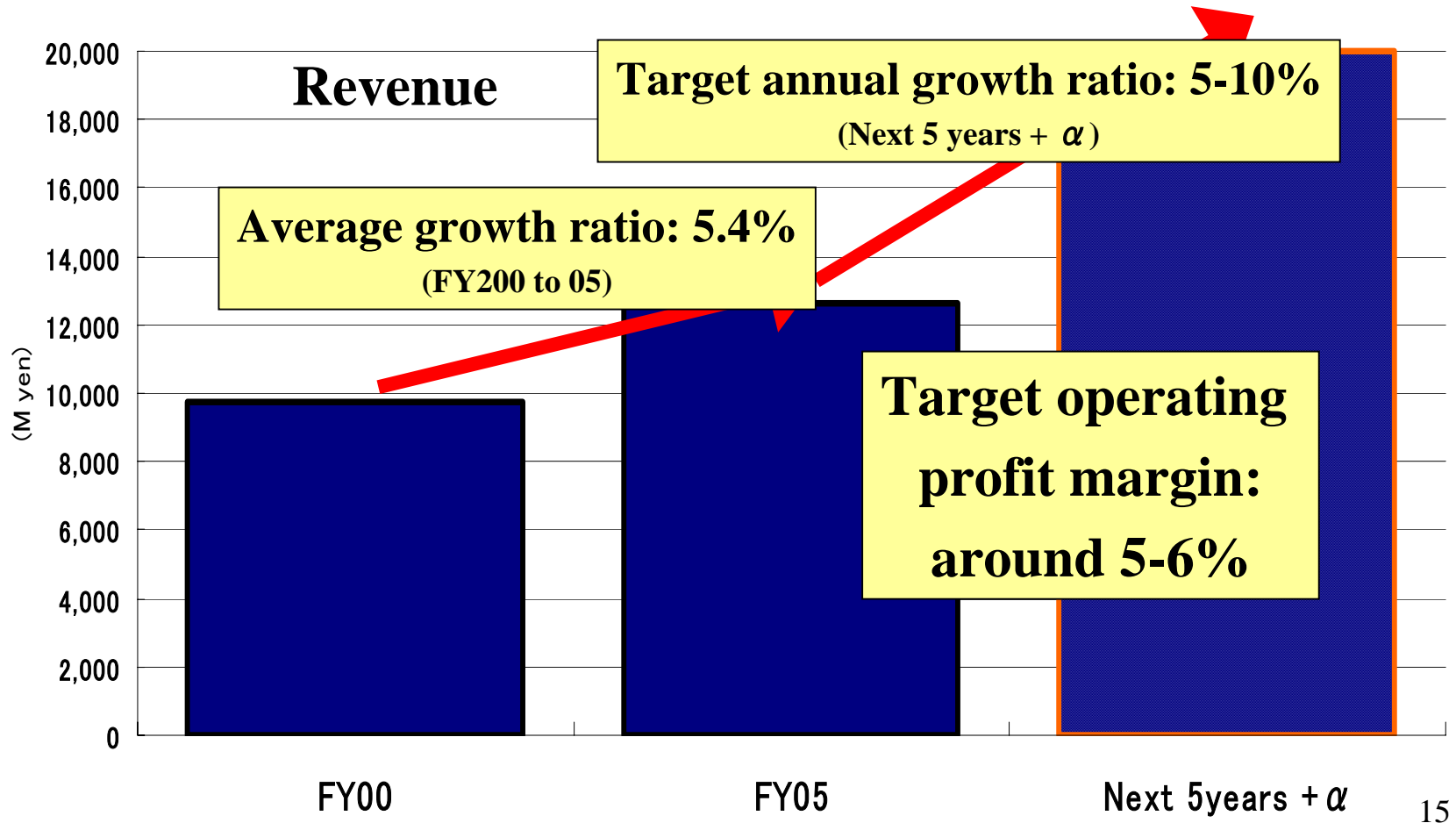
# Trend of Revenue & Operating Profit(Annual)



# Mid/Long Term Strategy

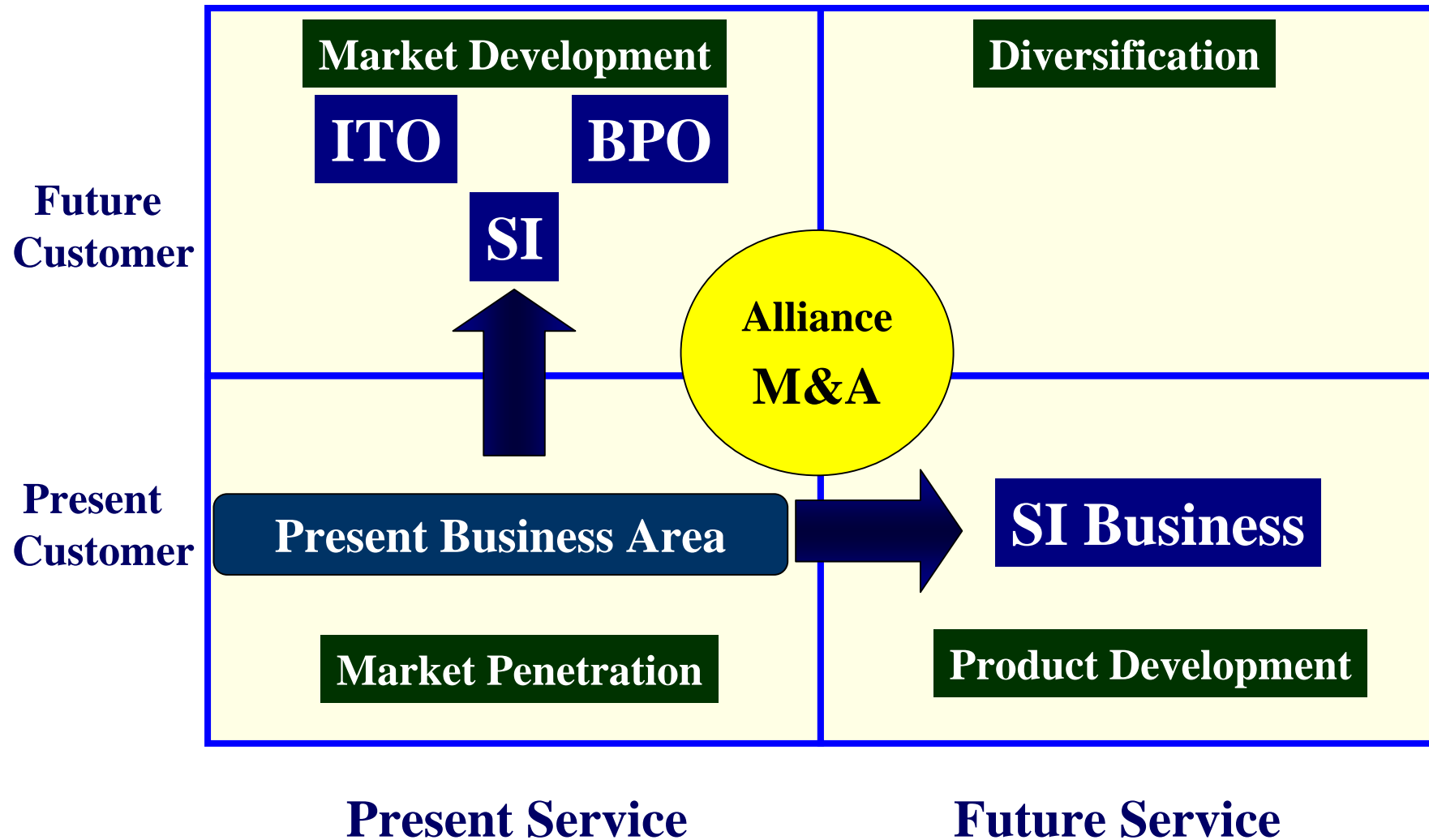
# To Create Company Value

- Stable growth in ITO business
  - Market development with strategic alliance partners (IBM etc.)
  - Reinforcement of human resource
- + M&A



# Our Growing Step

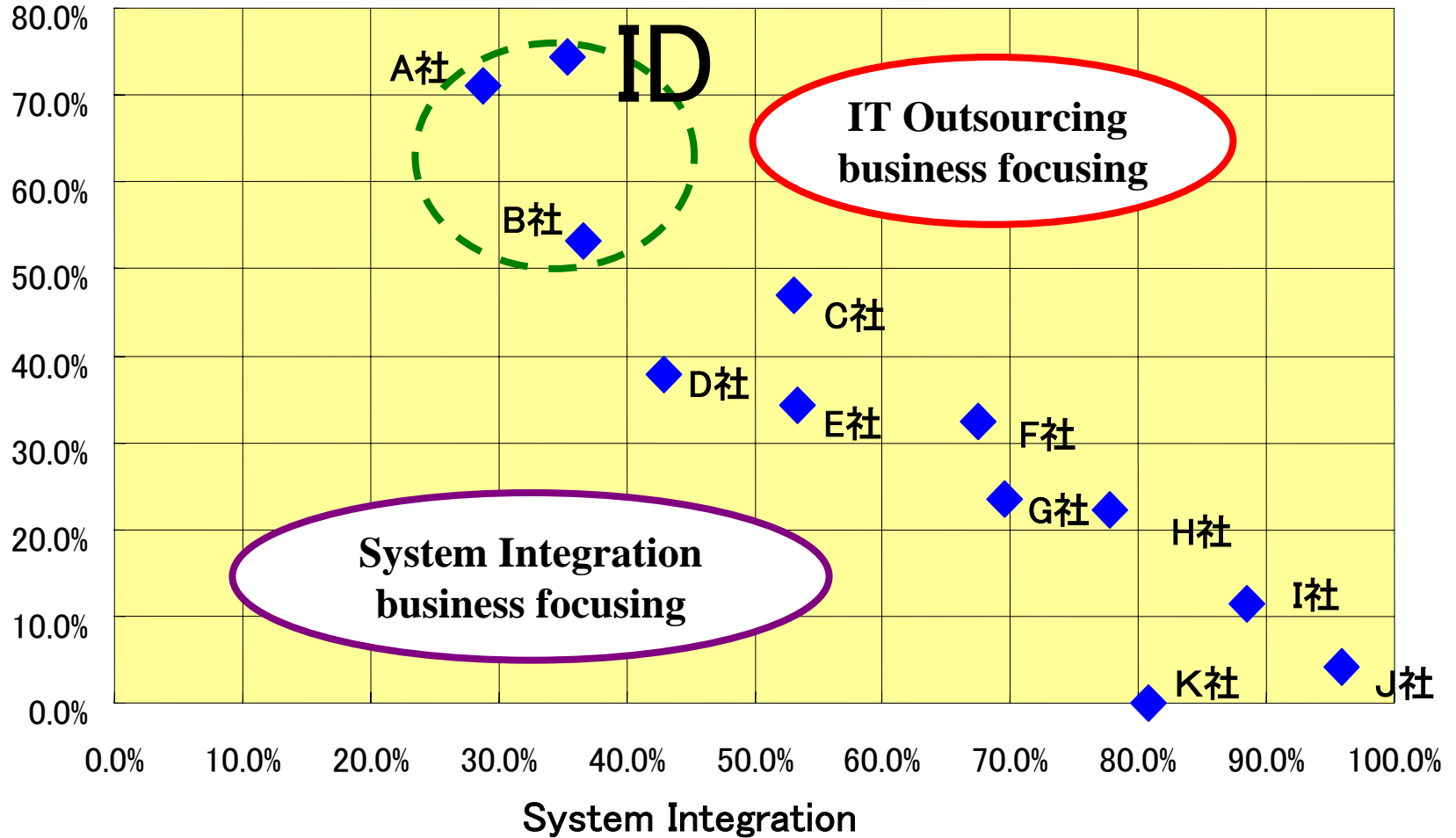
ID Vision: Challenge, High Technology, Global and Creative



# Enhancement of our ITO Strength

Comparison of SI & ITO business ratio  
in our bench mark companies (FY2004)

IT Outsourcing

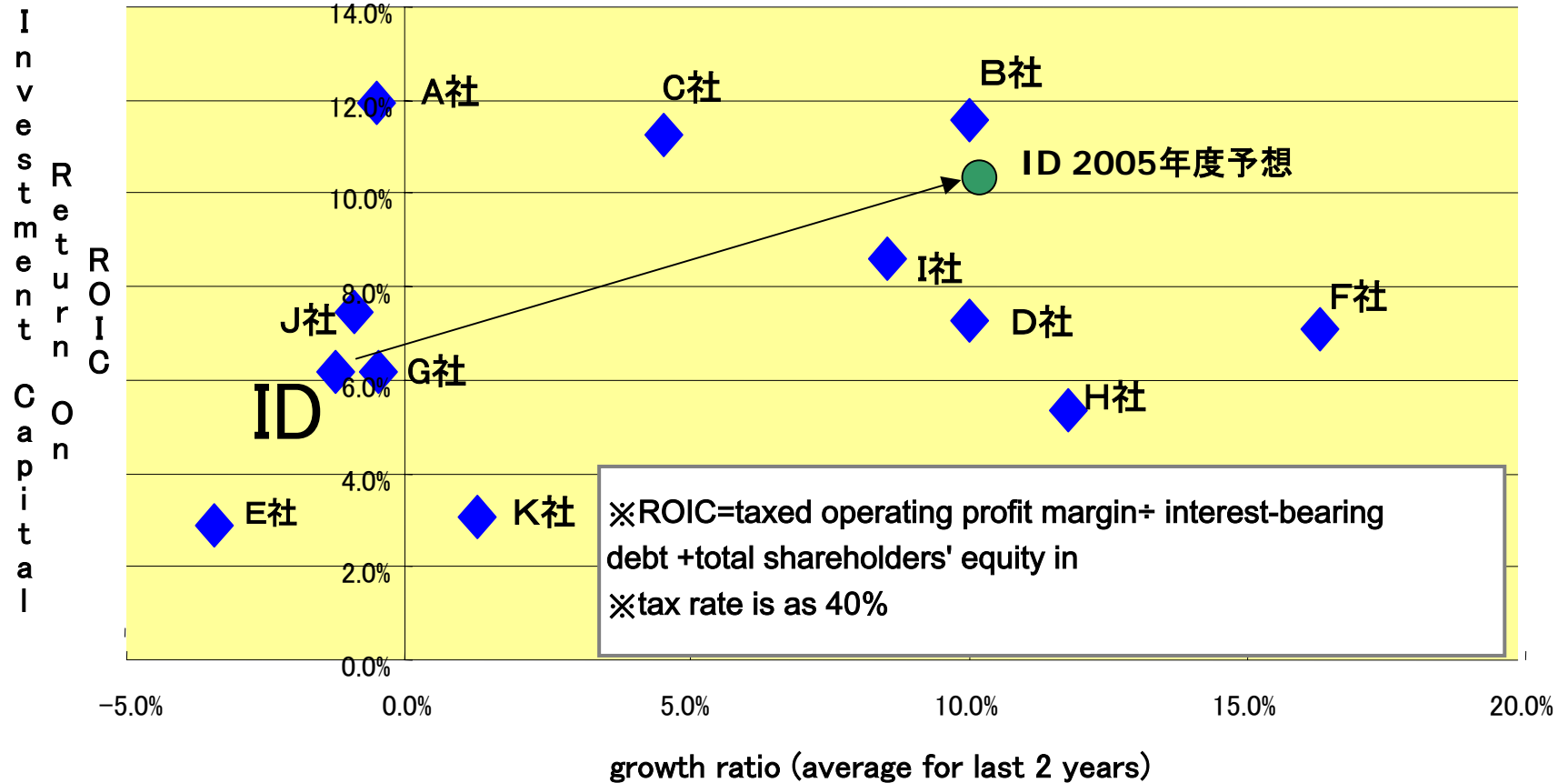


※Total of the rate may not be 100% because of there are other business in some companies.

Source: Our estimation by the materials from bench mark companies

# Target: Steady Growth & Stable Profitability

Growth & Profitability in FY2004

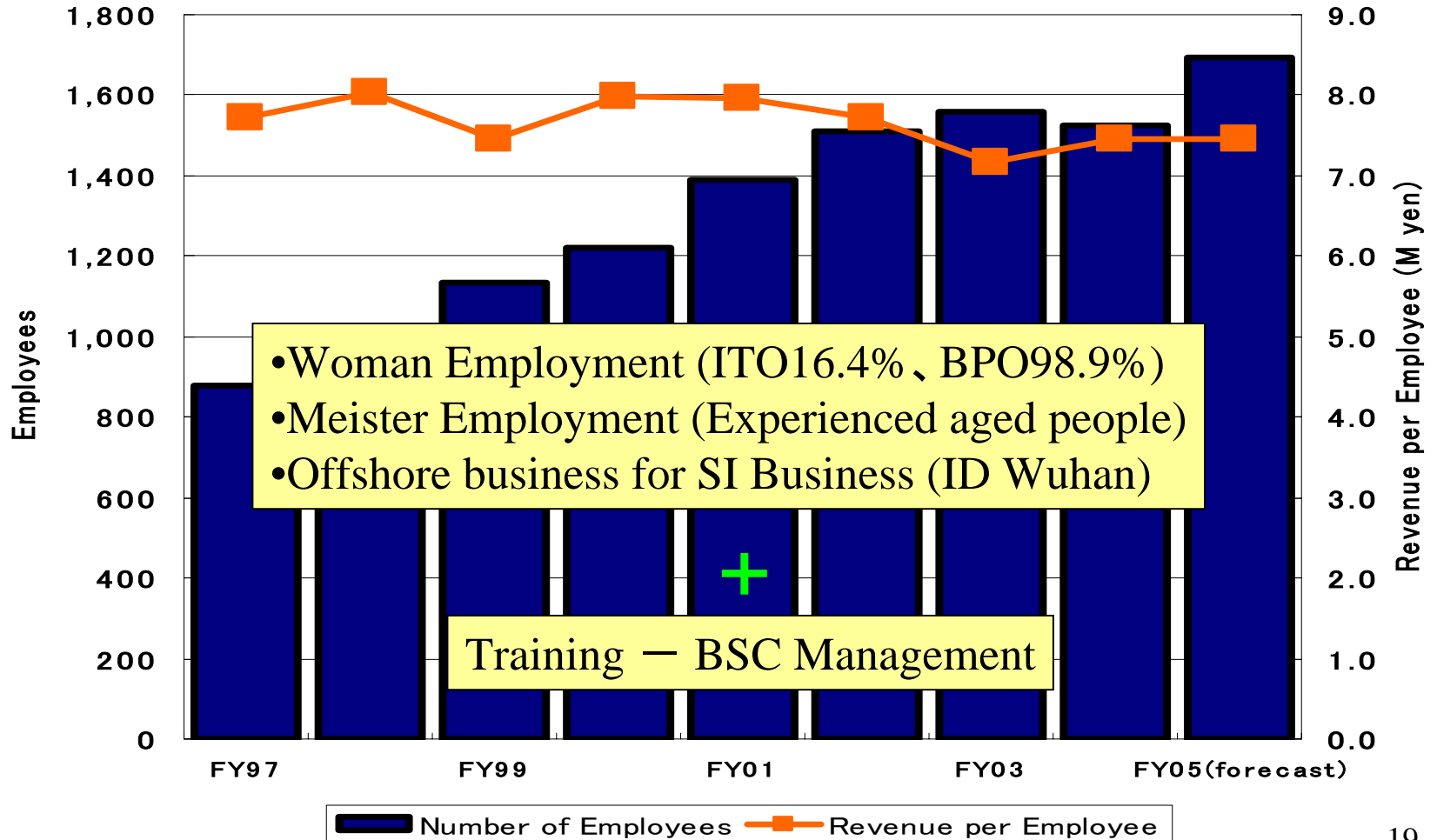


Source:Our estimation by the fiscal reports from bench mark companies 18

# Key point for business growth: Reinforcement of Human Resource

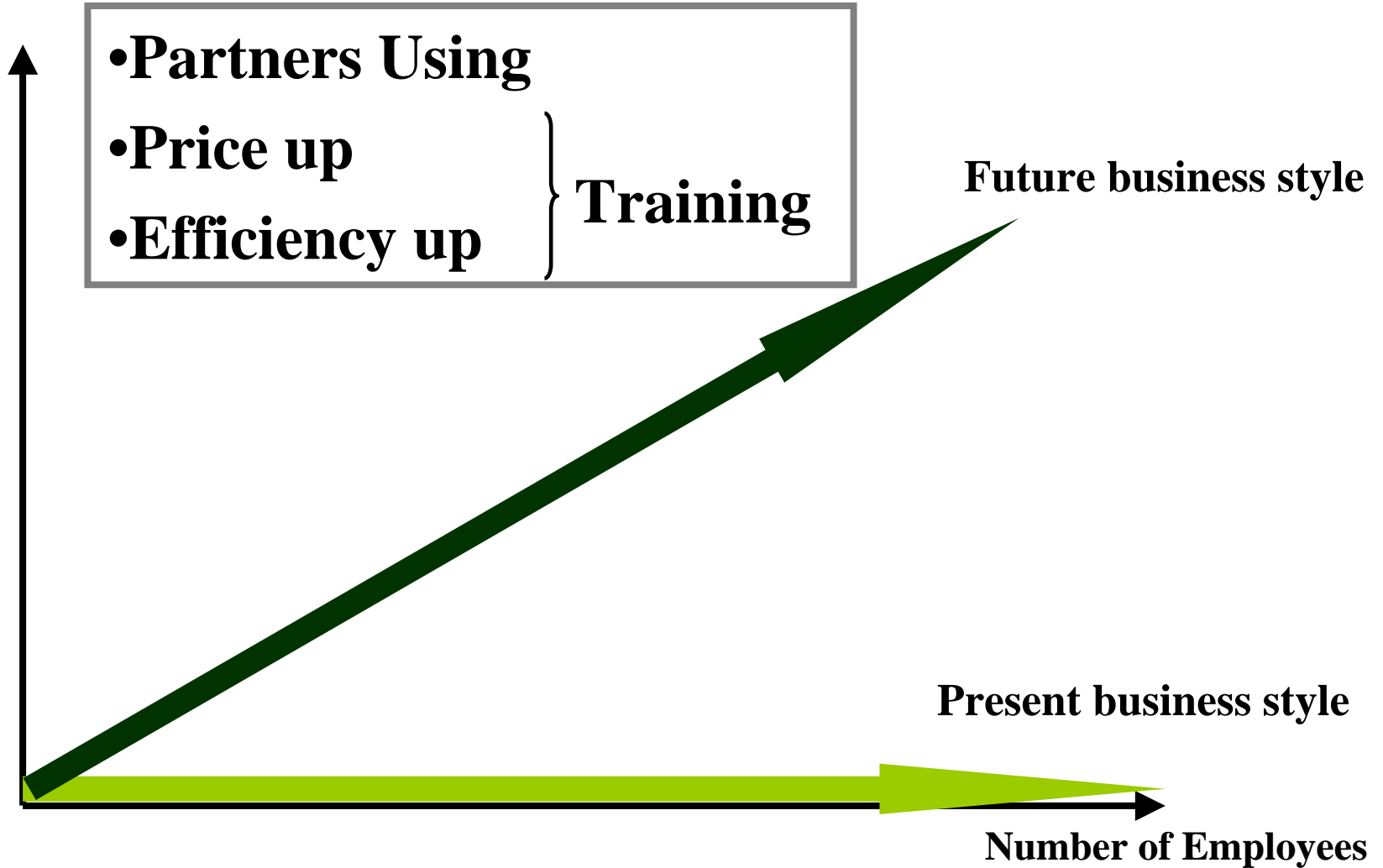
## Number of System Management Engineers : 909

(First ranked in IT Service Industry) ※BPO (139) is not included



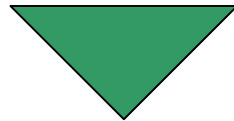
# To achieve future business expansion

Productivity (Revenue per an employee)



**Our Mission : will be achieved by CSR**

**To devote ourselves to build  
wonderful society in the future  
through our information  
service business**



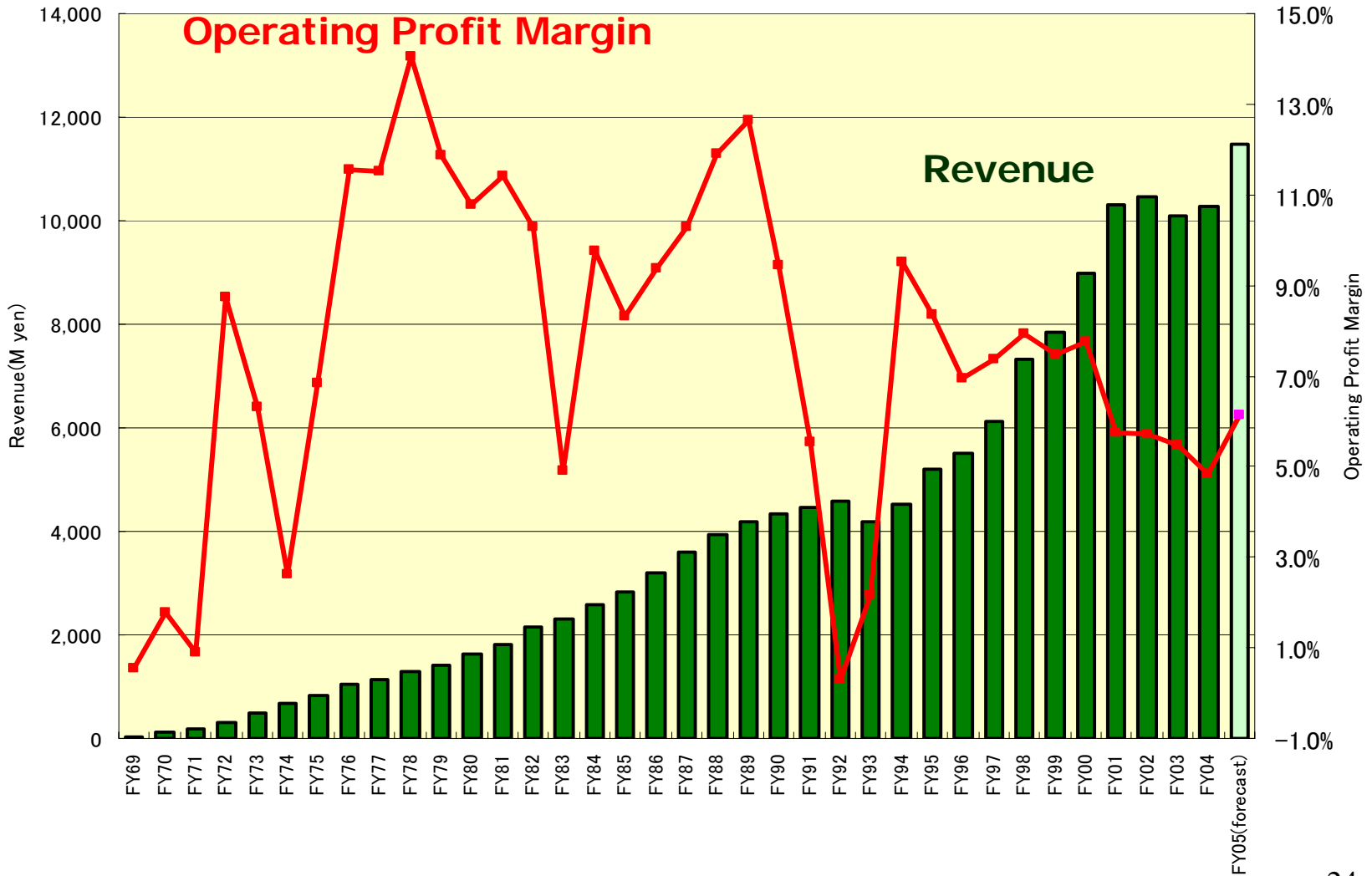
**Increasing of company value by penetration of CSR**

**In these materials, statements that expect for the historical data, involve our expectation, strategies and plan based on information currently available to management.**

**These forward-looking statements involve some risks such as economy & market condition changes, also, uncertainties and other factors that may cause actual results and achievements to differ from those anticipated in these statements.**

# Reference Materials

Revenue&Operating Profit Margin (parent)



# Our status②

## About Our 4 Business Segments



ID Vision: Challenge, High Technology, Global and Creative

Result					Future		Market Information (By JISA) IT Service Industry size: 14,527 B yen		
Revenue Y2004			Average (2 years recently)	Profitability/Stability	Growing Image	Profitability/Stability	Market Scale Y2004 (B yen)	Rate (%)	Y/Y (%)
(B yen)	Rate(%)	(%)							
S I	4.0	35.4	1.3	△/△	Recover Expecting	○/△	<u>Software Development</u> <b>6,786</b>	46.7	102.2
							<u>Software Product</u> <b>1,507</b>		
I T O	4.6	40.5	11.9	○/◎	Keep Growing	○/◎	<u>Information Process Service</u> <b>2,439</b>	16.8	98.7
							<u>System Management</u> <b>1,507</b>		
B P O	2.0	17.2	7.4	○/◎	Keep Growing	○/○	<u>Database Service</u> <b>320</b>	2.2	102.6
O T H E R S	0.8	7.0	21.7	△/○	Keep Growing	○/○	This area is part of the above business segments.		