



Investor Presentation

For the six months ended September 30, 2011

December 2011

INFORMATION DEVELOPMENT CO., LTD.

JASDAQ Standard
code:4709

1. Performance overview
2. Directions of the mid-term management plan

1. Performance overview

Change or Die!

Overview of ID Group (as of September 30, 2011)



INFORMATION DEVELOPMENT

ID's ownership



NIHON CULTURESOFTE SERVICE

Became a subsidiary in Dec. 2006

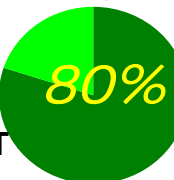
* SI division was absorbed by ID in Apr. 2011



Paid-in capital: ¥90M
Established: 1977
No. of employees: 237



SOFTWARE DEVELOPMENT

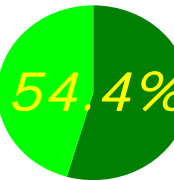


Paid-in capital: ¥100M
Established: 1982
No. of employees: 101



PURAIDO

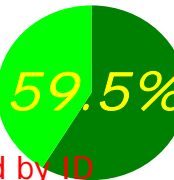
Became a subsidiary in Apr. 2002



Paid-in capital: ¥40M
Established: 1988
No. of employees: 21



* All the stock of C.A.T owned by ID was transferred effective Nov. 21, 2011



Paid-in capital: ¥90M
Established: 1992
No. of employees: 35



ID Wuhan



Paid-in capital: \$1.1M
Established: 2004
No. of employees: 58

Paid in capital:
¥592.34million

Established:
October, 1969

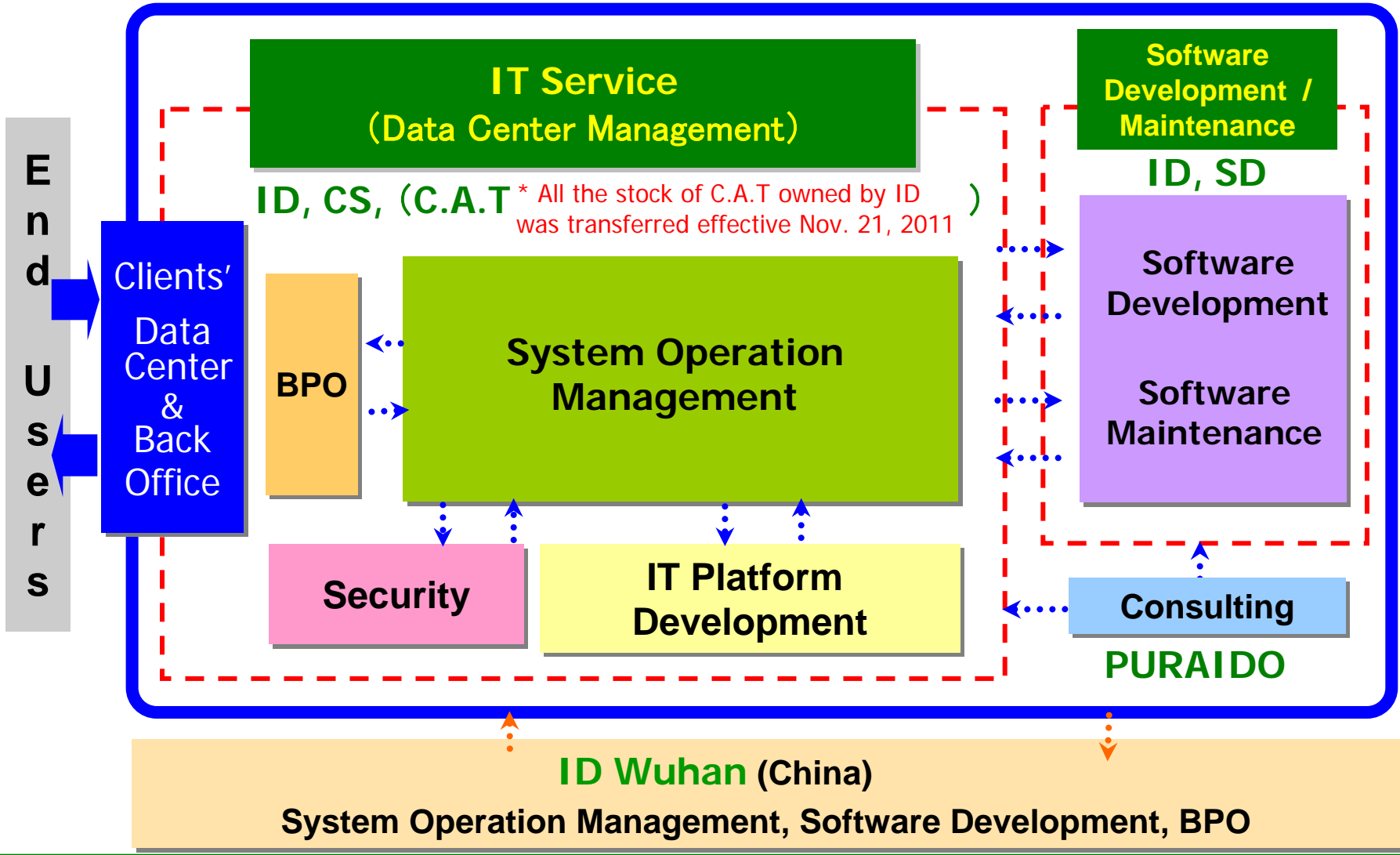
No. of employees:
1,810 (nonconsolidated)
2,262 (consolidated)

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

Change or Die!

ID Group's total IT outsourcing services

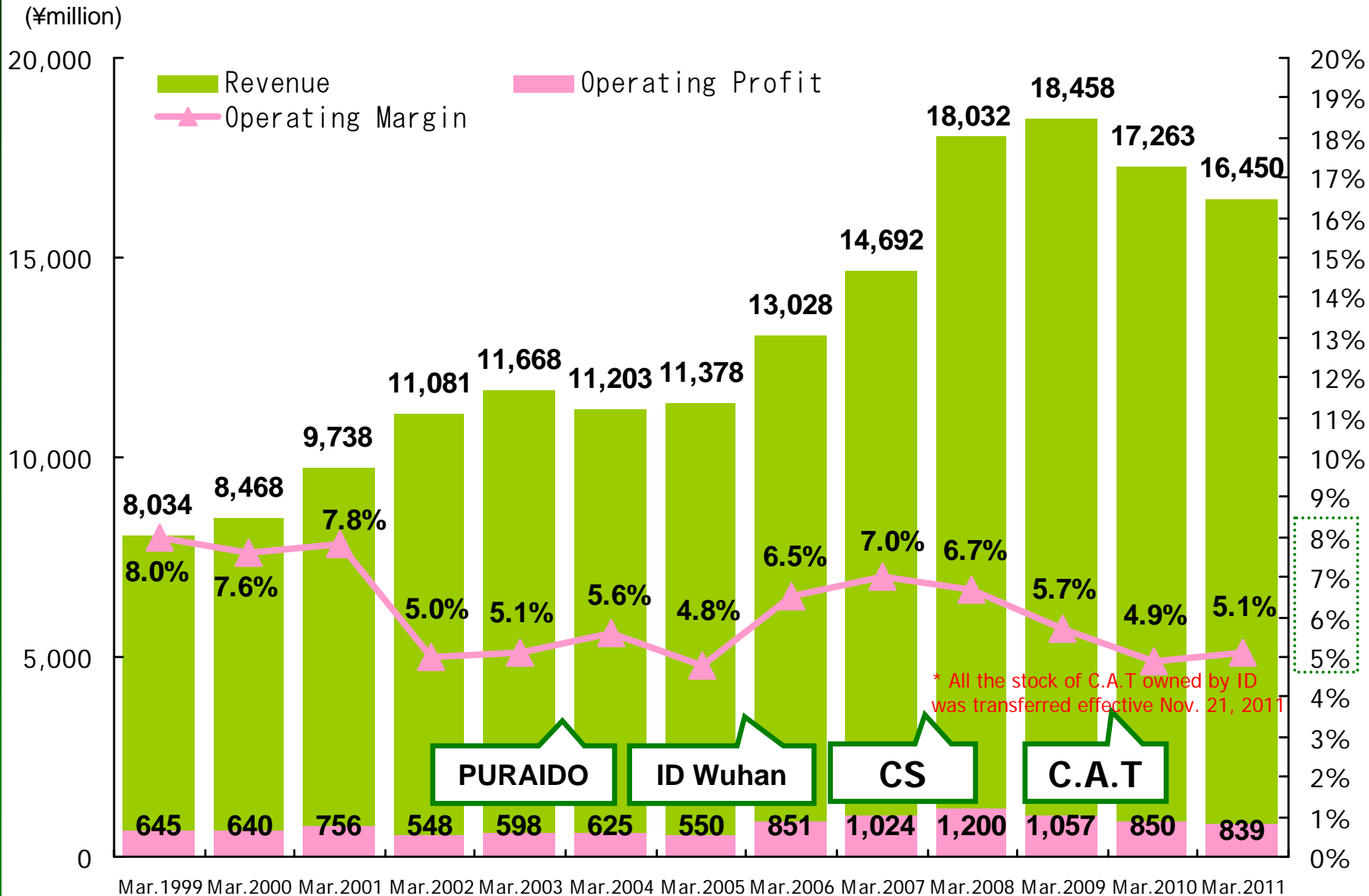
Change or Die!



Trends in revenue and operating profit (since listing)



Change or Die!



2Q Revenue and profits (consolidated)



(¥ million)	Sep. 2010	(% of revenue)	Sep. 2011	(% of revenue)	YOY % changes	% changes to forecast
Revenue	8,044	100.0	7,733	100.0	-3.9%	-5.5%
Cost of Sales	6,426	79.9	6,281	81.2	-2.3%	-
Gross Profit	1,617	20.1	1,452	18.8	-10.2%	-
SG&A Expenses	1,197	14.9	1,123	14.5	-6.2%	-
Amortization of goodwill	39	0.5	39	0.5	0.0%	-
Operating Profit	419	5.2	328	4.3	-21.6%	+13.4%
Recurring Profit	452	5.6	338	4.4	-25.1%	+16.8%
Net Profit	234	2.9	174	2.3	-25.8%	+16.1%
EPS (yen)	31.59	-	23.44	-	-8.15	+3.25

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2Q Revenue and profits (nonconsolidated)

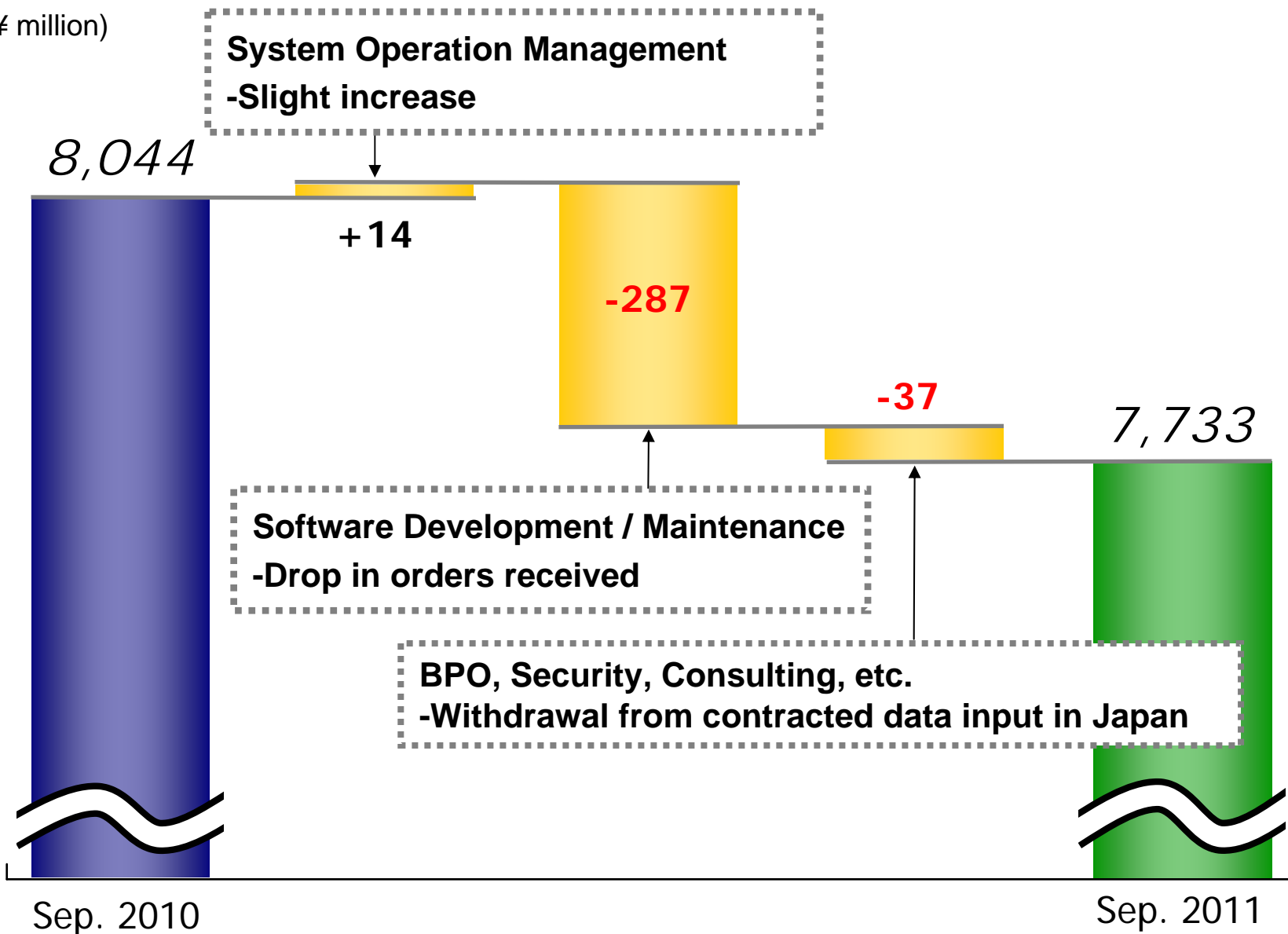


(¥ million)	Sep. 2010	(% of revenue)	Sep. 2011	(% of revenue)	YOY % changes
Revenue	6,031	100.0	6,221	100.0	+3.1%
Cost of Sales	4,797	79.5	5,135	82.5	+7.0%
Gross Profit	1,234	20.5	1,085	17.5	-12.0%
SG&A Expenses	881	14.6	882	14.2	+0.2%
Operating Profit	352	5.8	202	3.3	-42.5%
Recurring Profit	415	6.9	261	4.2	-37.0%
Net Profit	230	3.8	145	2.3	-36.9%

Change or Die!

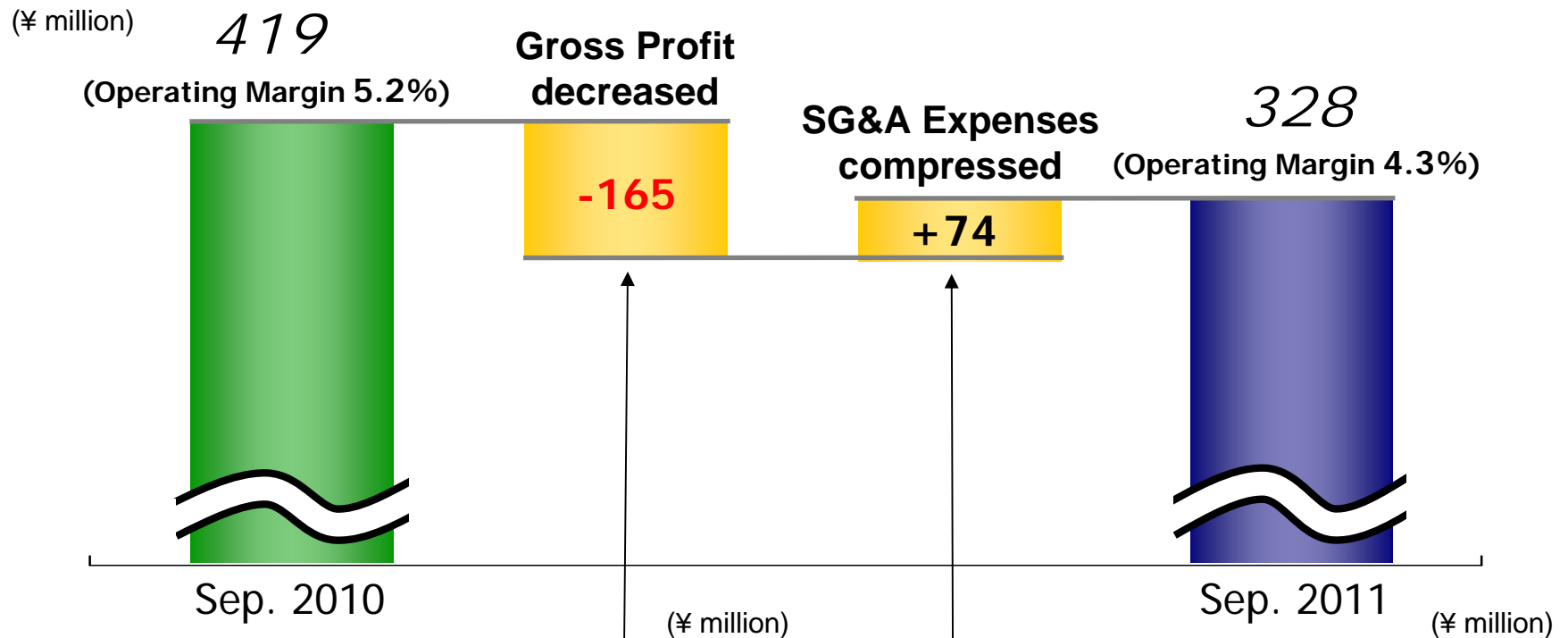
2Q Factors contributing to revenue

(¥ million)



Change or Die!

2Q Factors contributing to operating profit



◆ **Gross Profit** -165
(Revenue : -310, Cost of Sales : -145)

<Factors contributing to Cost of Sales>

- Labor costs +25
- Production costs -19
- Outsourcing costs -155
- Carrying work in process -19
- Final work in process +14
- Purchasing +33

◆ **SG&A Expenses** -74

<Factors contributing to SG&A Expenses >

- Labor costs -42
(integration of corporate division)
- Others -31

2Q Financial position (consolidated)

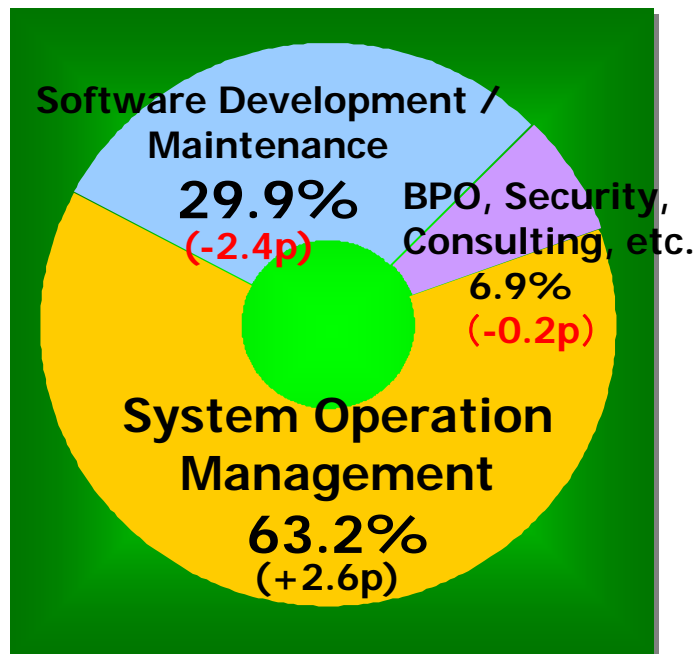


(¥ million)	Mar. 2011	Sep. 2011	% changes
Current Assets	5,206	4,434	-14.8%
Cash and Deposits	2,012	1,758	-12.6%
Fixed Assets	4,072	4,019	-1.3%
Total Assets	9,279	8,454	-8.9%
Liabilities	3,091	2,215	-28.3%
Interest-Bearing Debt	823	431	-47.5%
Earned Surplus	5,340	5,373	+0.6%
Total Shareholders' Equity	6,048	6,081	+0.5%
	Sep. 2010	Sep. 2011	
Cash Flows from Operating Activities	-161	340	
Cash Flows from Investing Activities	77	-58	
Cash Flows from Financing Activities	-15	-536	

Change or Die!

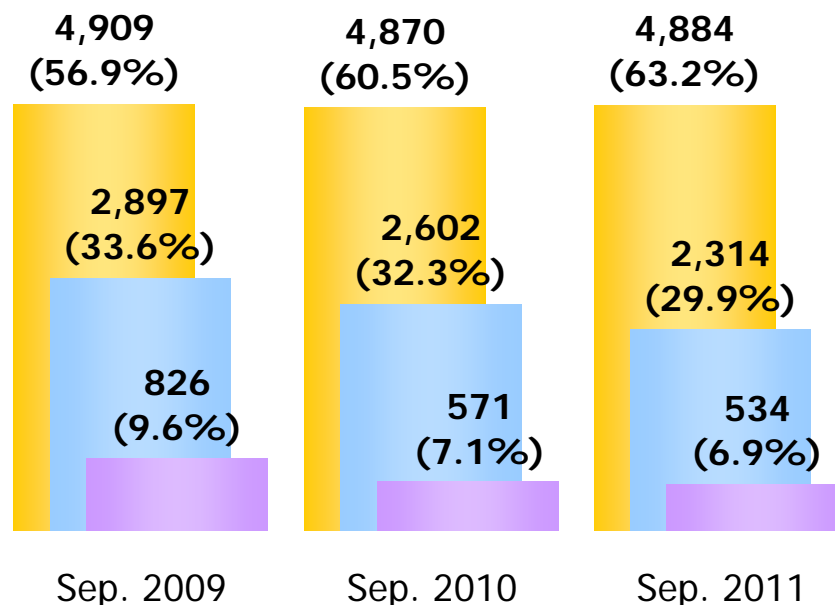
	System Operation Management	Software Development / Maintenance	BPO, Security, Consulting, etc.
<YOY changes> (¥ million)	+14 (+0.3%)	-287 (-11.1%)	-37 (-6.6%)

Revenue by business



*Figures in brackets indicate YOY changes of % of revenue.

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



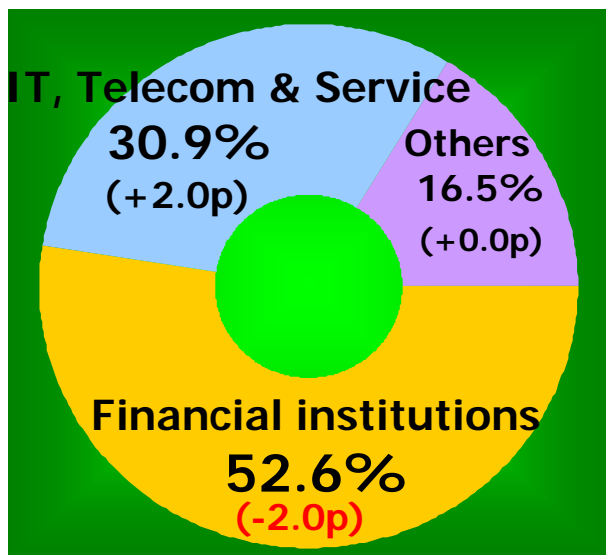
- System Operation Management
- Software Development / Maintenance
- BPO, Security, Consulting, etc.

	Financial institutions	IT, Telecom & Service	Others
<YOY changes> (¥ million)	-326 (-7.4%)	+68 (+2.9%)	-52 (-4.0%)

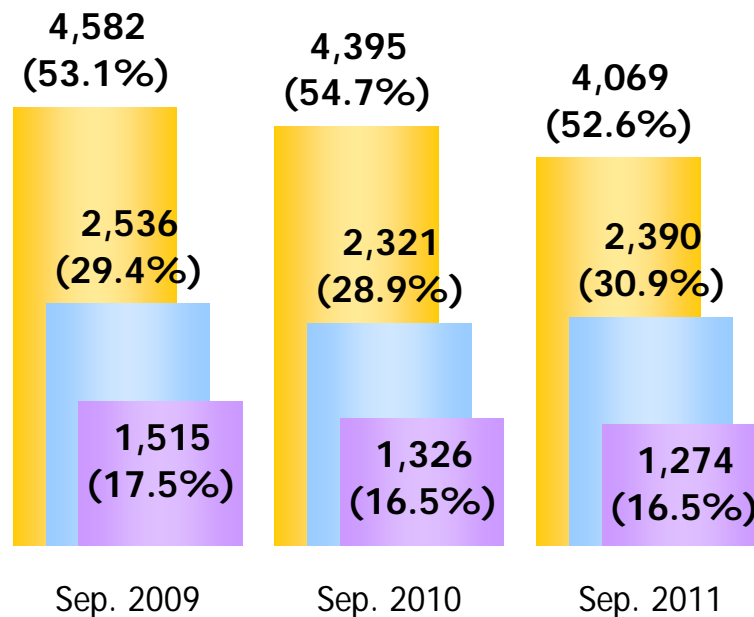
Revenue by customer

(¥ million)

*Figures in brackets indicate % of revenue.



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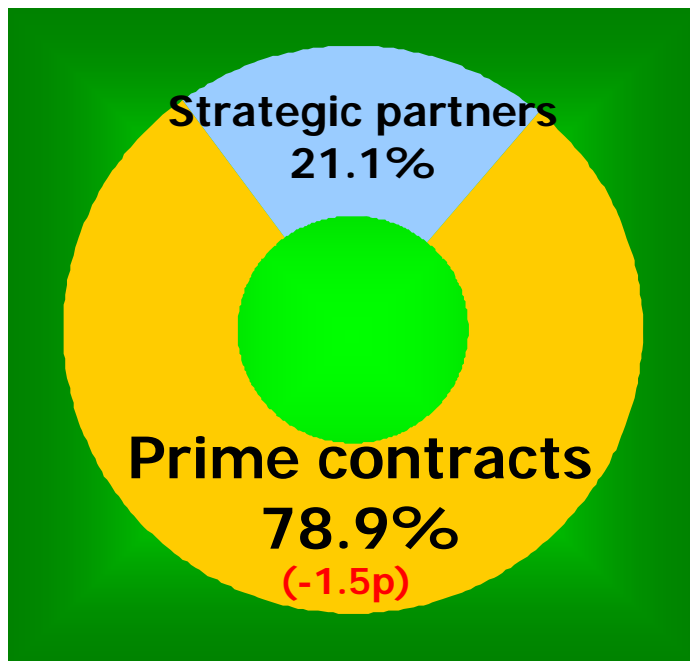


■ Financial institutions ■ IT, Telecom & Service ■ Others

Change or Die!

**Prime contracts :
approximately 80%**

Revenue by contract



*Figures in brackets indicate YOY changes of % of revenue.

<Major customers>

Prime contracts

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

Strategic partners

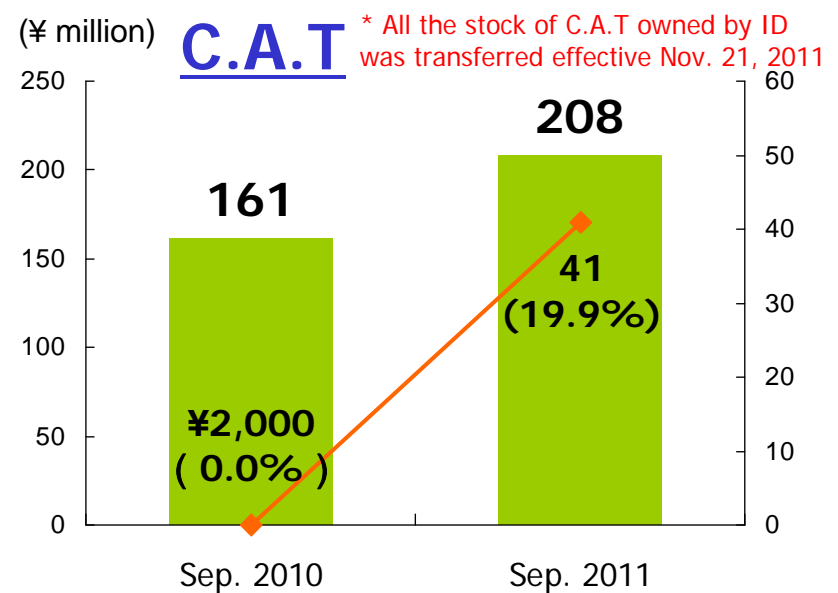
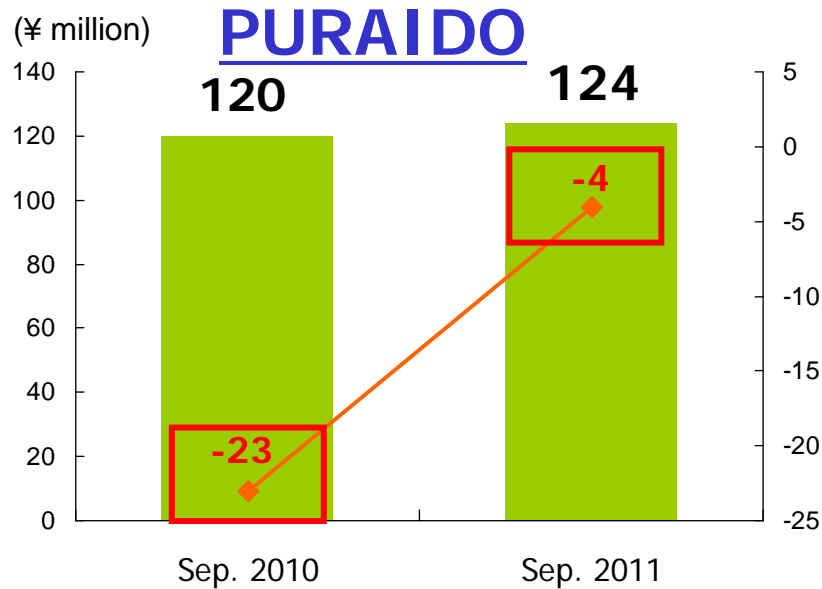
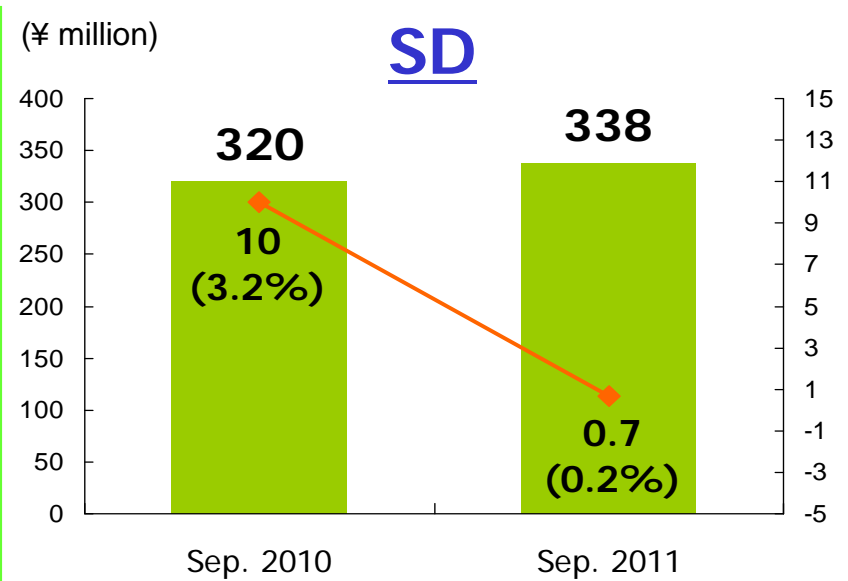
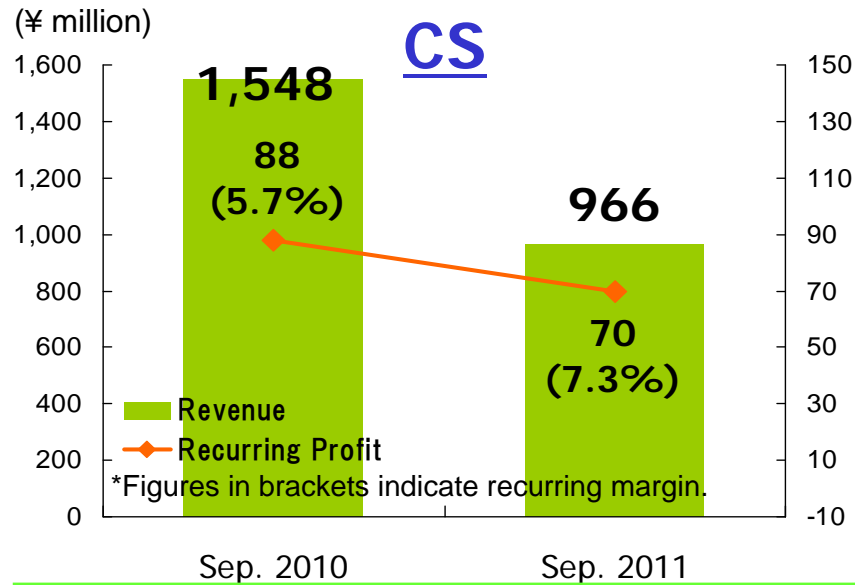
Major IT Vendors

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2Q Performance of domestic subsidiaries

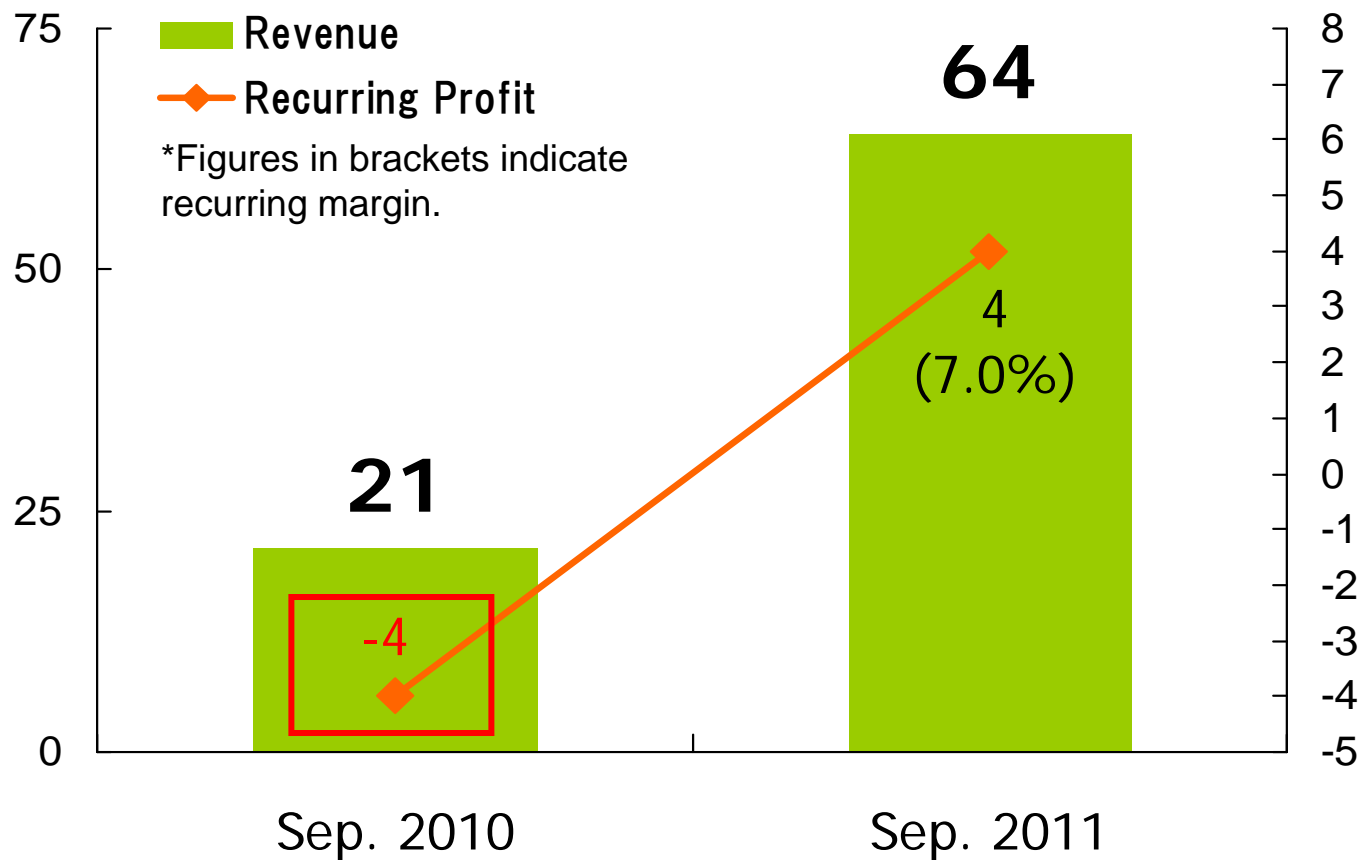


Change or Die!



ID Wuhan

(¥ million)



Change or Die!

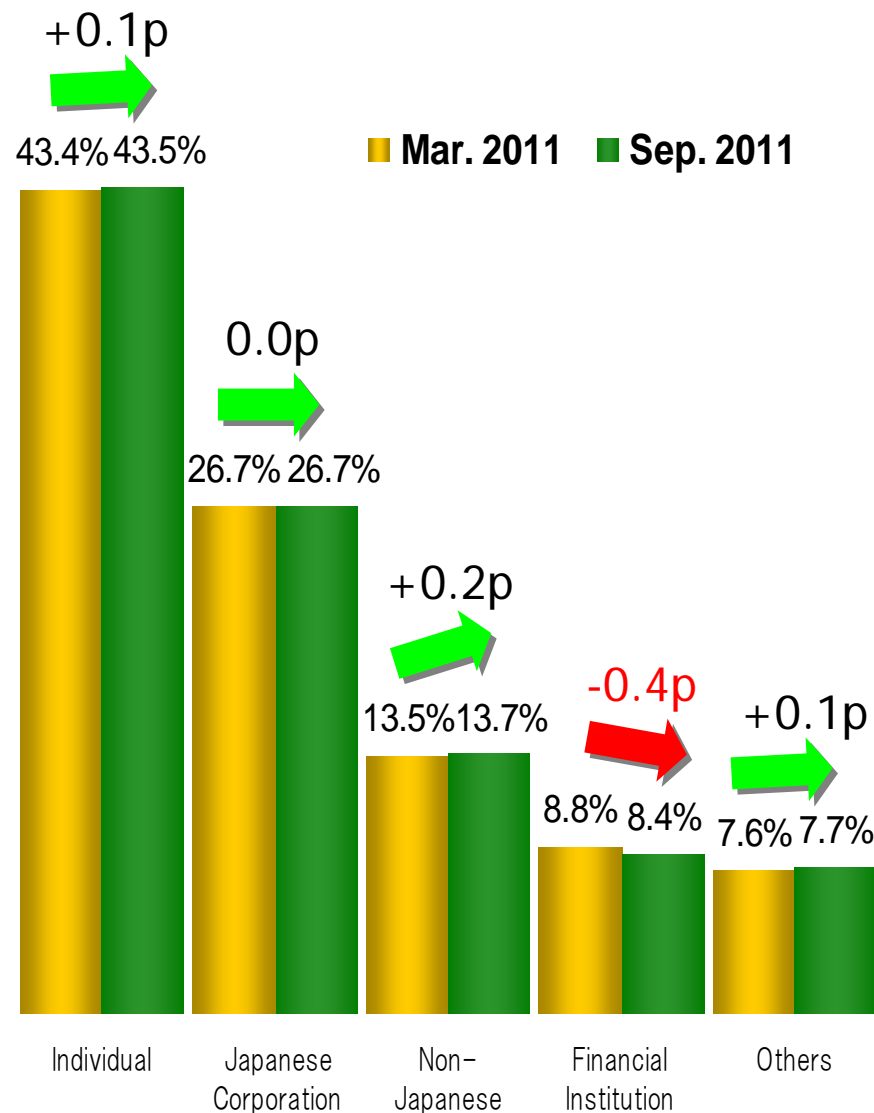
Performance forecast



(¥ million)	Mar. 2011	(% of revenue)	Mar. 2012	(% of revenue)	YOY % changes
Revenue	16,450	100.0	16,100	100.0	-2.1%
Operating Profit	839	5.1	630	3.9	-24.9%
Recurring Profit	892	5.4	650	4.0	-27.2%
Net Profit	447	2.7	470	2.9	+5.1%
EPS (yen)	60.21	-	63.28	-	+3.07
Dividend per Share (yen)	19.00	-	21.00	-	+2.00

Change or Die!

◆ Shareholding by investor type



◆ Major shareholders

No. of shareholders: 1,845
(14 decreased from Mar. 31, 2011)

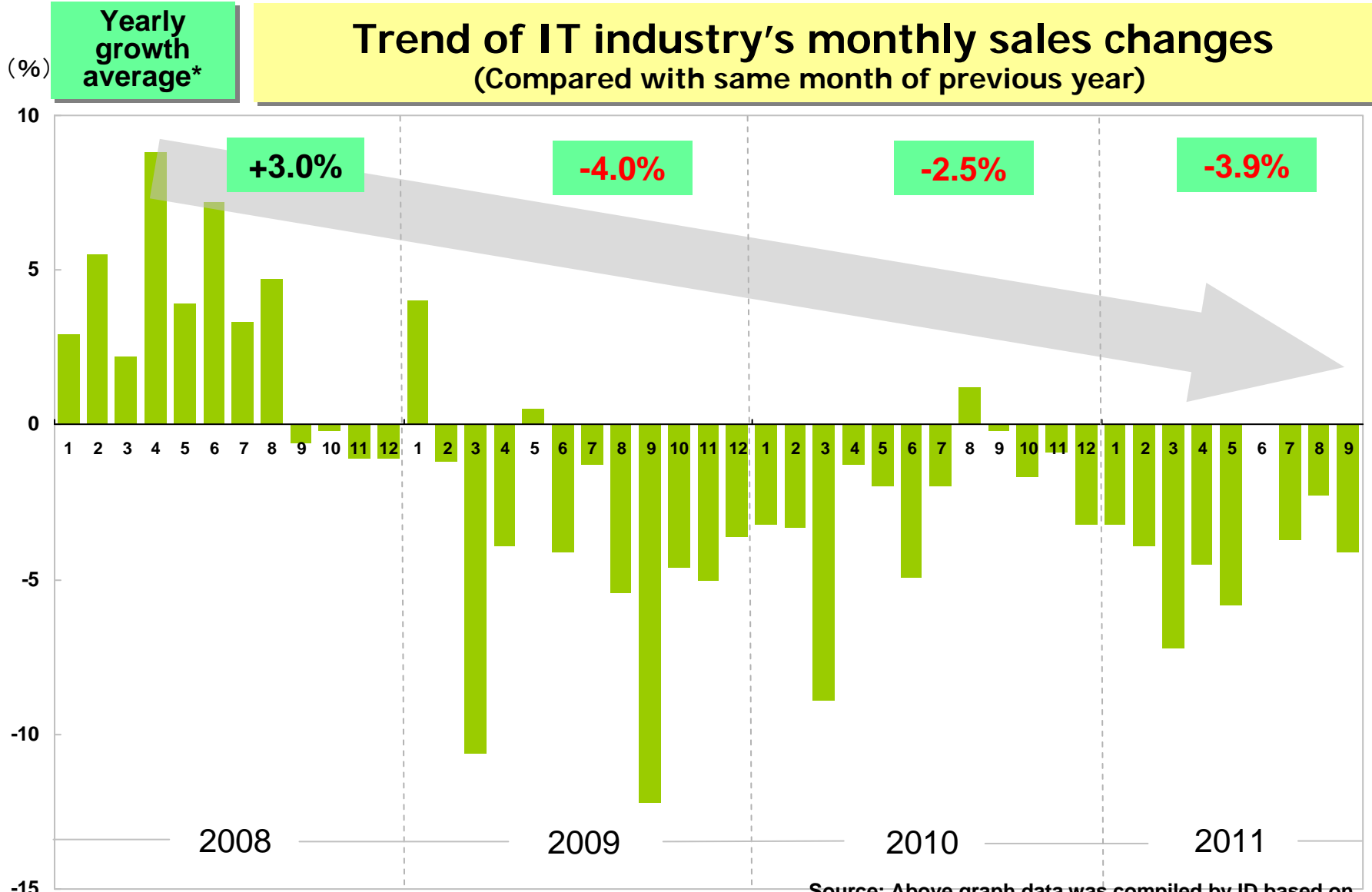
Major shareholders		% of total shares
1	A. K. Corporation	8.7%
2	Mizuho Trust Systems Co., Ltd.	8.5%
3	ID Employee Ownership Account	8.3%
4	Taiyo Pearl Fund, L.P.	8.1%
5	INFORMATION DEVELOPMENT CO., LTD	7.5%
6	State Street Bank and Trust Company 505104	4.4%
7	Mizuho Trust & Banking Co., Ltd.	3.5%
8	K.C.S Co., Ltd.	3.5%
9	The Master Trust Bank of Japan, Ltd. (Trust Account)	2.8%
10	Wahei Takeda	2.6%

Change or Die!

2. Directions of the mid-term management plan

Change or Die!

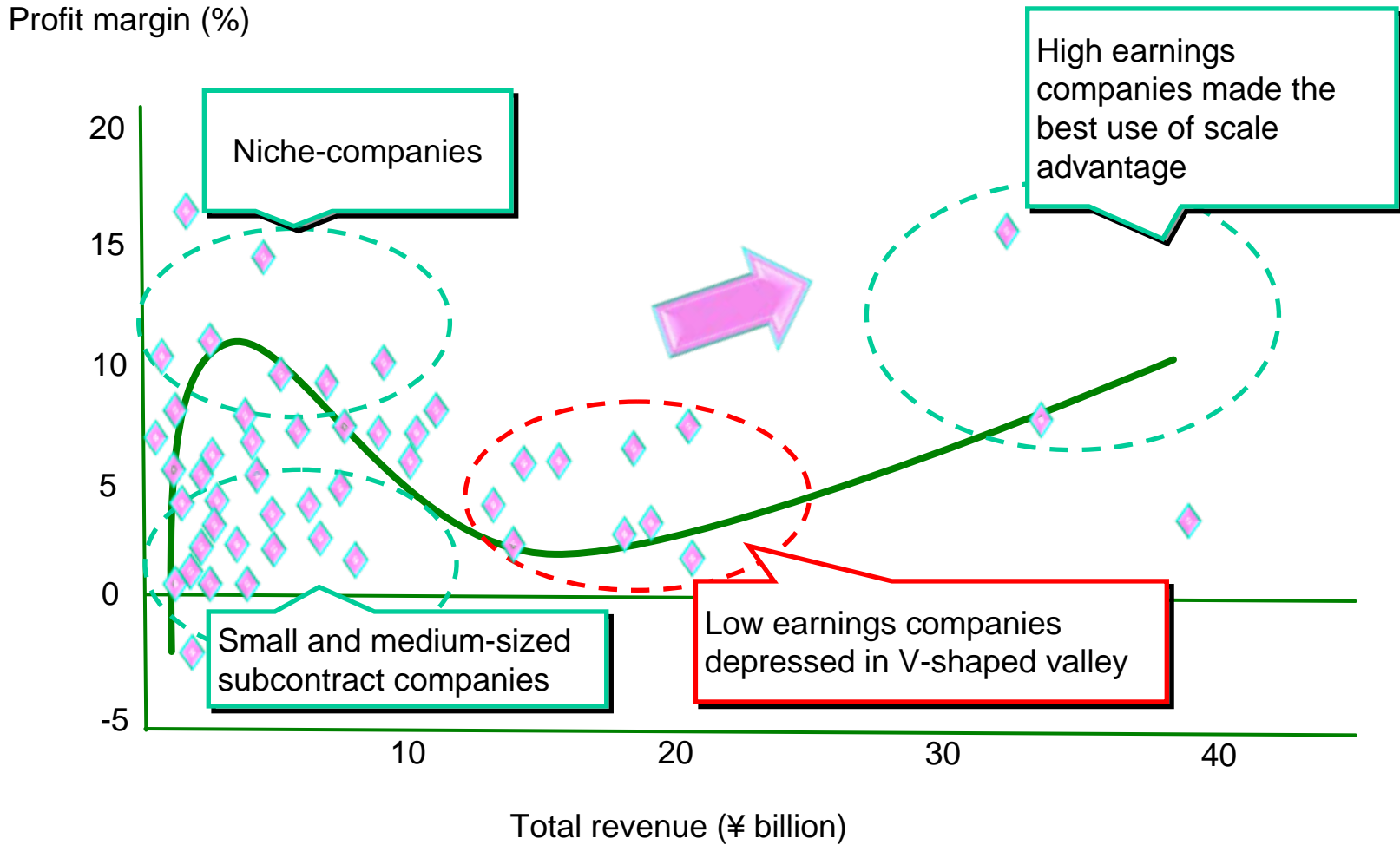
Change or Die!



*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)"

Change or Die!



Source: Intellectual property creation / August 2009 issue

Continue with the guidelines and targets stated in "Breakthrough 200!" and aim to surpass 20.0 billion yen in consolidated net sales for the fiscal year ending March 31, 2014

Business Operations Outsourcing

Global development



Respond to cloud computing



M&A, Business alliance

(M&A of IN-IN type)

Growing out of excessive competition in the domestic market

(M&A of IN-OUT type)

Advancement to overseas growth market

Promote Business Operations Outsourcing* to expand services for existing and new customers of ID Group

*Providing multiple services to one customer, from software development to system operation management and BPO

Change or Die!

Customers:	A	B	C	D	E	F	G	H	I	J
System Operation Management	Existing Business	<u>Target</u> Existing Business	Existing Business	Existing Business	<u>Target</u> new	<u>Target</u>	Existing Business	<u>Target</u> new	<u>Target</u>	<u>Target</u> new
Software Development/Maintenance	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, Security, Consulting	Existing Business	Existing Business <u>Target</u>	Existing Business <u>Target</u>	Existing Business	<u>Target</u>	Existing Business <u>Target</u>	<u>Target</u>	<u>Target</u>	new <u>Target</u>	new <u>Target</u>

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Respond to cloud computing



M&A, Business alliance

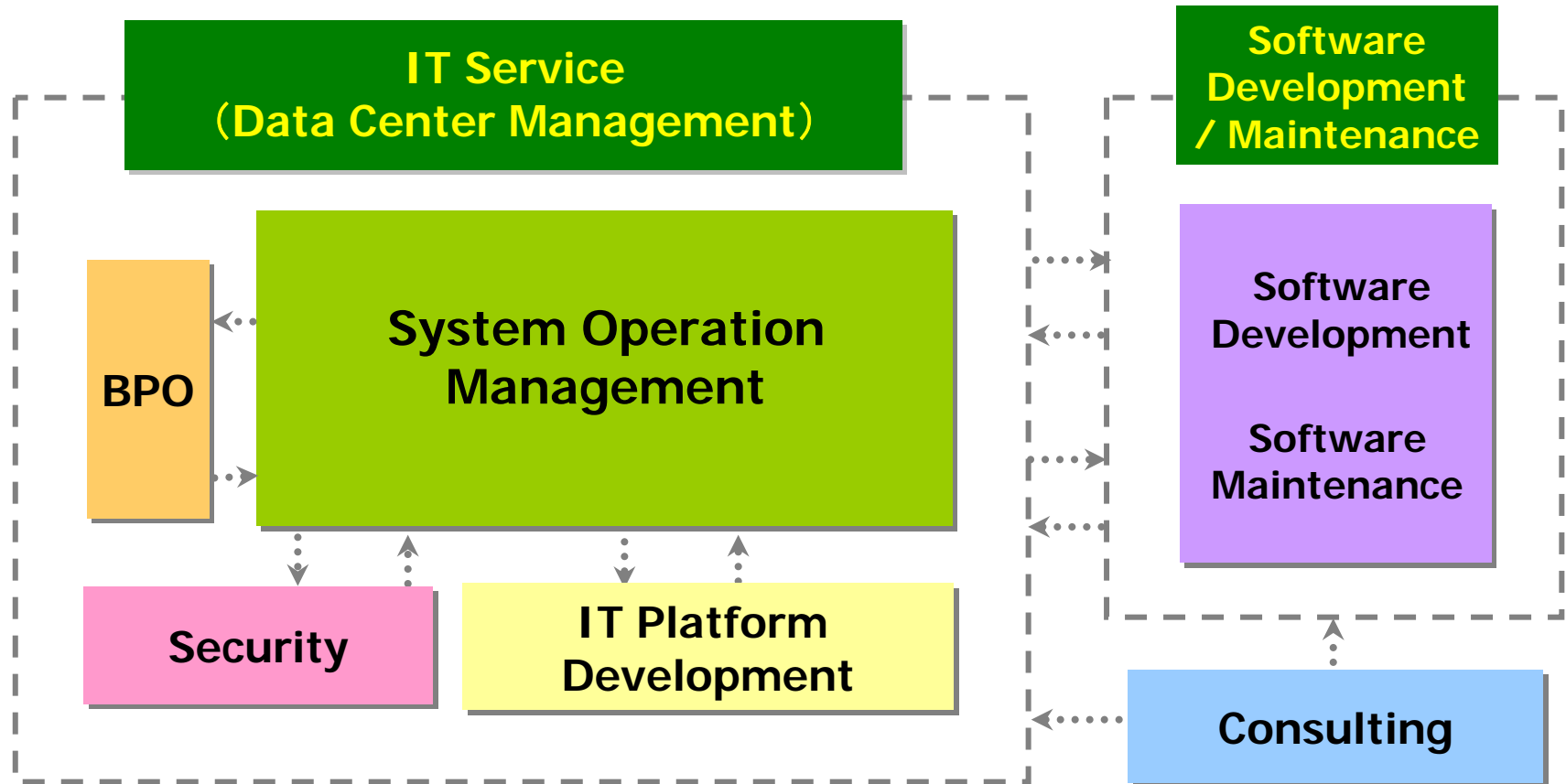
(M&A of IN-IN type)

Growing out of excessive competition in the domestic market

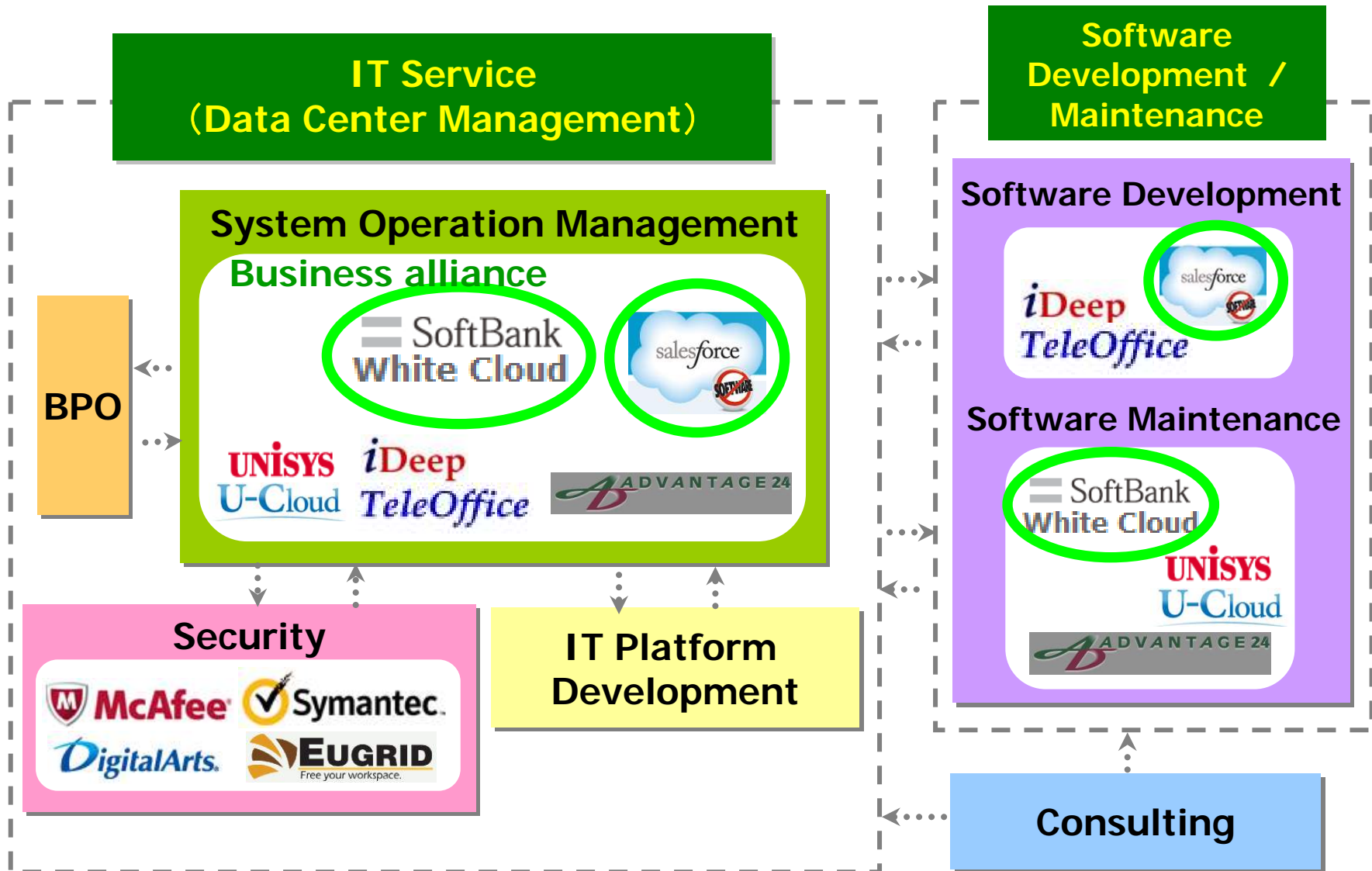
(M&A of IN-OUT type)

Advancement to overseas growth market

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Change or Die!



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Business Operations Outsourcing

Respond to cloud computing



Global development



M&A, Business alliance

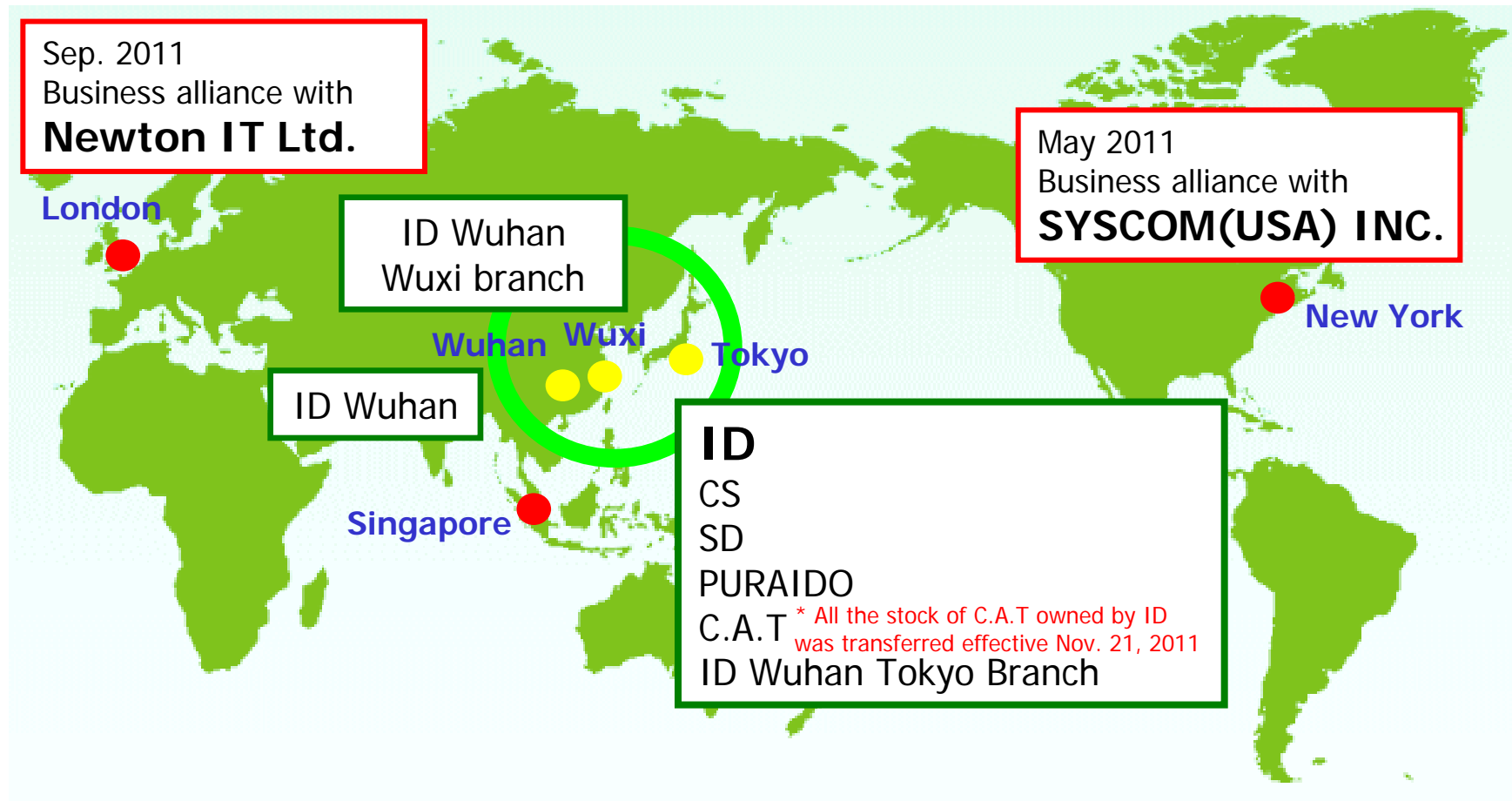
(M&A of IN-IN type)

Growing out of excessive competition in the domestic market

(M&A of IN-OUT type)

Advancement to overseas growth market

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