

November 29, 2017

To: All Concerned Stakeholders

Company: INFORMATION DEVELOPMENT CO., LTD.
 Representative: Masaki Funakoshi, President and
 Representative Director
 (Securities code: 4709; TSE 1st Section)
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Notice on Concluding a Basic Agreement of Stock Acquisition (Wholly-Owned Subsidiary)

Information Development Co., Ltd., from here-on written as “the Company” informs you of the resolution reached at the Board of Directors meeting, held on November 29, 2017, to conclude a basic agreement with Saison Information Systems Co., Ltd., the parent company of Fess Co., Ltd., from here-on written as “Fess”, to obtain all stocks of Fess and make it a wholly owned subsidiary.

1. Reasons for stock acquisition

Ever since its founding in 1969, the Company has been providing IT services to customers in diverse business fields, especially in finance. In recent years, it has been further enhancing its mainstay system operation management as part of its ongoing efforts to adapt to the rapid changes in the IT service sector.

Fess was established in 1999 as a subsidiary of Saison Information Systems Co., Ltd. mainly for the business purpose of providing a system operation agency service. Later, it expanded its scope of operations to a medical systems operation service and, more recently, to an ITIL consulting service, taking on new changes to transform “conventional operation” to “next-generation IT service management.”

The scheduled stock acquisition is expected to expand the scope of the system operation management business, a core business of both companies, and to significantly contribute to the development of an efficient systems operation. Furthermore, the stock acquisition will allow both companies to share their long-accumulated skills and knowledge and to provide an even broader range of services to their respective major clientele. Comprehensively taking these synergistic effects into consideration, the Company has concluded a basic agreement to carry out discussions toward stock acquisition.

2. Overview of subsidiary to be transferred

(1) Name	Fess Co., Ltd.	
(2) Location	3-1-1 Higashiikebukuro, Toshima-ku, Tokyo	
(3) Name and title of representative	Ryutaro Mizukami, President and Representative Director	
(4) Details of operations	System management service, help desk service, consulting & training service, medical system operation and help desk service, temporary staffing service	
(5) Capital	60 million yen	
(6) Date of incorporation	April 1, 1999	
(7) Large shareholders and shareholding ratio	Saison Information Systems Co., Ltd. 100%	
(8) Relationship between listed companies and the Company	Capital relationship	Not applicable
	Personnel relationship	
	Business relationship	

(9) The Company's results of operation and financial position for the last three years			
Accounting period	FY3-2015	FY3-2016	FY3-2017
Net assets	1,139 million yen	1,304 million yen	531 million yen
Total assets	1,641 million yen	1,837 million yen	1,079 million yen
Book-Value per share	949 thousand yen	1,087 thousand yen	442 thousand yen
Sales	2,925 million yen	3,147 million yen	3,348 million yen
Operating income	282 million yen	364 million yen	441 million yen
Ordinary income	314 million yen	367 million yen	443 million yen
Net income	196 million yen	223 million yen	293 million yen
Net income per share	163 thousand yen	186 thousand yen	244 thousand yen
Dividend per share	49,091.66 yen	59,958.33 yen	1,078,133.33 yen

3. Overview of the other party of the stock acquisition

(1) Name	Saison Information Systems Co., Ltd.		
(2) Location	19F, Akasaka InterCity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo		
(3) Name and title of representative	Kazuhiro Uchida, President and Representative Director		
(4) Details of operations	Card system business, distribution and IT solution business, HULFT business		
(5) Capital	1,367 million yen		
(6) Date of incorporation	September 1, 1970		
(7) Net assets	7,446 million yen		
(8) Total assets	22,283 million yen		
(9) Large shareholders and shareholding ratio	Credit Saison Co., Ltd. 46.84% Royal Bank of Canada Trust Company (Cayman) Limited 27.71% ECM Master Fund SPV 1 5.29%		
(10) Relationship between listed companies and the Company	Capital relationship		Not applicable
	Personnel relationship		
	Business relationship		
	Applicable status to related party		

4. Number of shares acquired, acquisition price, and status of shares held before and after acquisition

(1) Number of shares held before transfer	—
(2) Number of shares acquired	1,200 shares
(3) Acquisition price	2 billion yen (planned)
(4) Number of shares held after transfer	1,200 shares

5. Date

Board of Directors Resolution Date:	November 29, 2017
Basic Agreement Conclusion Date:	November 29, 2017
Stock Transfer Agreement Conclusion Date:	December 2017 (planned)
Stock Transfer Execution Date:	January 2018 (planned)

6. Outlook

The impact that the stock acquisition will have on the consolidated results of the Company's Group is currently being reviewed. After reaching an official decision on stock acquisition, the Company will promptly announce any matters that need to be published.

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