February 9, 2021

To: All Concerned Stakeholders

Company	:	ID Holdings Corporation
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Notice of Revision of Forecast of Full-year Business Results, Transfer of Non-current Assets and Appropriation of Extraordinary Losses

In view of recent trends in business results, the ID Group has revised the forecast of its consolidated business results for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021), announced May 15, 2020, as follows. In addition, at a meeting of the Board of Directors convened today, the Group resolved to transfer non-current assets, thereby appropriating extraordinary losses (loss on sale of non-current assets).

1. Revision of Forecast of Full-year Business Results

(1) Revision of forecast of consolidated financial results for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previously announced forecast (A)	¥ million 24,500	¥ million 2,000	¥ million 2,040	¥ million 1,190	¥ 106.74
Forecast announced today (B)	25,700	1,420	1,500	820	73.25
Amount of increase (decrease) (B-A)	1,200	-580	-540	-370	—
Rate of increase (decrease) (%)	4.9	-29.0	-26.5	-31.1	—
Reference: Results for the previous fiscal year (April 1, 2019 to March 31, 2020)	26,377	2,073	2,111	1,297	116.71

(2) Reasons for revision

The forecast of consolidated business results presents a mixed picture. In net sales, the Group has revised upward its original forecast for the fiscal year ending March 31, 2021. The wrap-up of major projects in the previous period is expected to exert a negative impact, while corporate clients are expected to revise their system investment plans in view of the protraction of the COVID-19 pandemic. However, acquired subsidiaries are anticipated to contribute to net sales. In earnings, the Group is expected to appropriate expenses related to the impact of the COVID-19 pandemic, M&A expenses of ¥190 million from the acquisition of three subsidiaries, a charge of ¥93 million for amortization of goodwill resulting from said acquisition and expenses from the New Normal Adaptation Project*. As a result, both operating income and ordinary income are now expected to fall below original forecasts. Moreover, the forecast for net profit attributable to owners of parent has also been revised downward, because the Group is expected to appropriate extraordinary losses (loss on sale of non-current assets), as described below in “2. Appropriation of Extraordinary Losses Resulting from Transfer of Non-current Assets (Loss on Sale of Non-current Assets).”

* A Group-internal reorganization project aimed at promoting flexible and efficient workstyles for effective coexistence with COVID-19. The project encompasses measures such as the establishment of THE Forest Room, a free-address office environment; the transfer of certain head-office management functions to the Sanin Department; and an overhaul of the Group’s website from a marketing perspective.

2. Appropriation of Extraordinary Losses Resulting from Transfer of Non-current Assets (Loss on Sale of Non-current Assets)

(1) Reason for Transfer

The properties to be transferred were purchased in May 1989. Construction began in May 1990 and the resulting structure was used by employees working nearby as employee-benefit facilities. In recent years, however, the number of users of these facilities has declined, while maintenance costs have increased due to the facilities’ deterioration over the years. In view of these issues, the Group decided to transfer the assets.

(2) Details of Assets to be Transferred

<table>
<tr><th colspan="2">Details and location of assets</th><th>Sale price</th><th>Book value</th><th>Loss on sale</th><th>Current status</th></tr>
<tr><td colspan="2">7-54-7, Kokuryo-cho, Chofu-shi, Tokyo</td><td rowspan="3">¥201 million</td><td rowspan="3">¥628 million</td><td rowspan="3">¥433 million*</td><td rowspan="3">Employee dormitory</td></tr>
<tr><td>Land</td><td>889.16 m^2</td></tr>
<tr><td>Building</td><td>1,264.56 m^2</td></tr>
</table>

* Amount includes agency fees involved in the transfer.

(3) Overview of Purchaser

Although details cannot be disclosed due to the Group’s duty of confidentiality, the purchaser is a company in Japan. The Group has no capital, personal or business relationships with the purchaser to report. Also, the purchaser does not constitute a related party of the Group.

(4) Transfer Schedule

Date of resolution of the Board of Directors of the Group	February 9, 2021
Date of conclusion of contract (scheduled)	February 17, 2021
Date of transfer of property (scheduled)	March 23, 2021

(5) Forecast

In connection with the events described above, the Group expects to appropriate an extraordinary loss of ¥433 million in the fourth quarter of the fiscal year ending March 31, 2021.

Note: The forecast provided above was prepared based on the information available as of the date of publication of this notice. Actual financial results may differ from this forecast due to a variety of factors.