

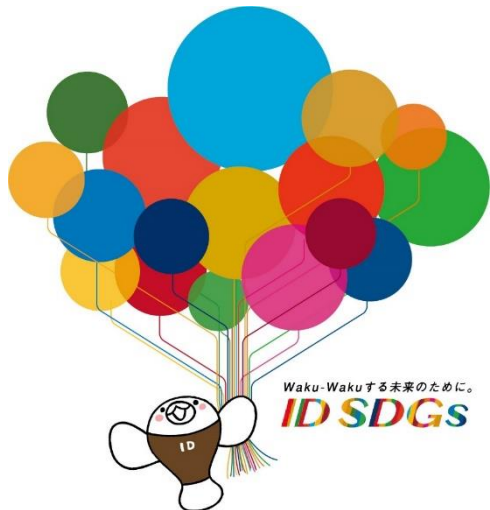


ID Holdings Corporation
April 1, 2024 – December 31, 2024
Financial Results Presentations

President, Representative Director
and Group CEO
Masaki Funakoshi

TSE Prime Market
Code

4709



Our website can be
accessed from the
QR Code.



February 19, 2025

1

Performance Overview for Q3

2

Business Focus for FY2024

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Mid-Term Management Plan

Change or Die !

Net Sales **¥26,602 million** (+10.4% YoY)



- ⊕ All services, paced by IT infrastructure, posted solid growth trends, as the Group revised order acceptance prices and strategically committed management resources to the highly profitable fields of advanced system management and IT infrastructure.

Operating Income **¥2,805 million** (+30.3% YoY)

Operating Income Margin **10.5%** (+1.6P YoY)



- ⊖ Returns to employees increased, as did expenses for strategic investment in personnel training and retention.
- ⊕ High-margin DX-related business expanded.

Financial Results (Consolidated)

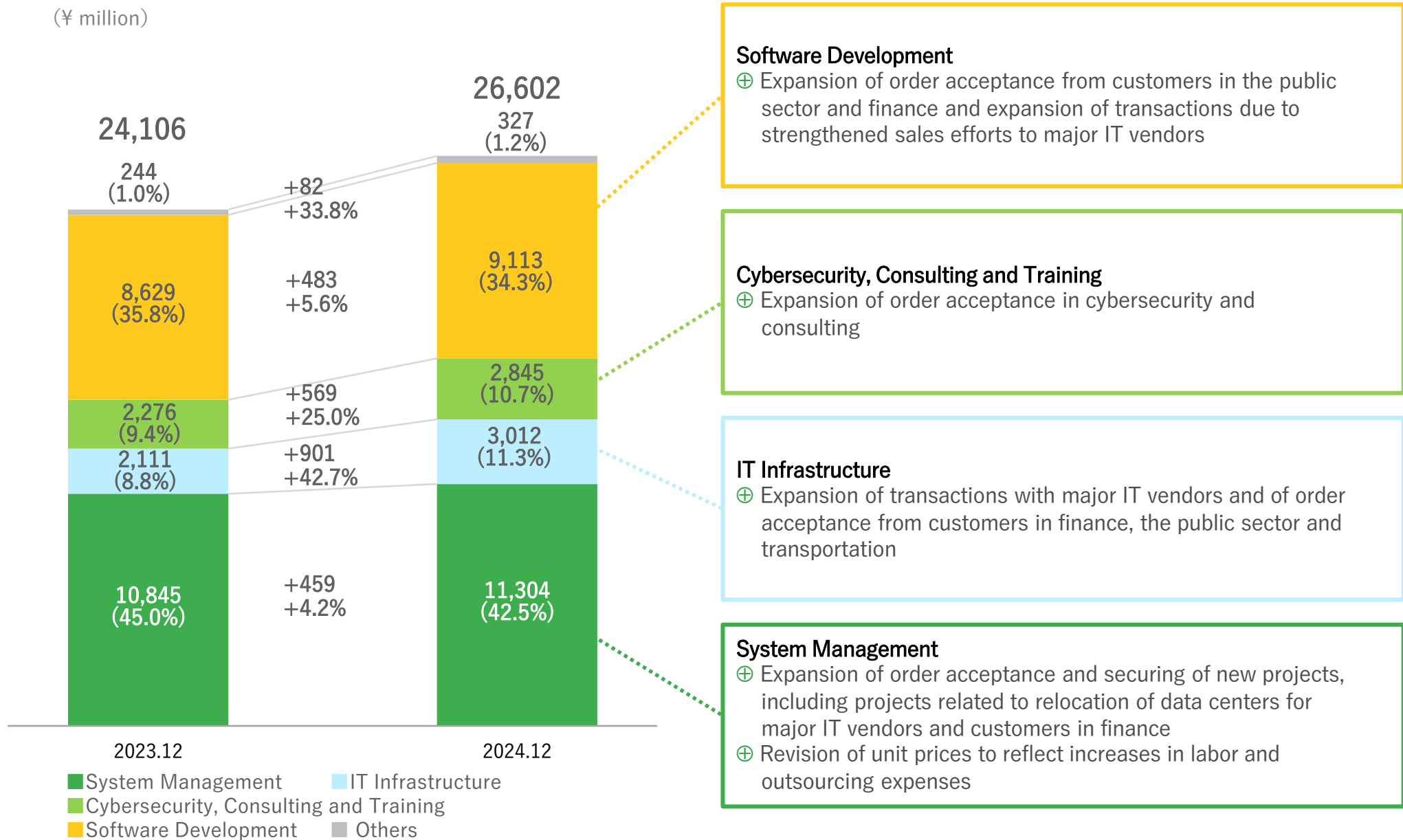
(¥ million)	2023.12		2024.12			
	Results	(% of net sales)	Results	(% of net sales)	Diff.	YoY
Net sales	24,106	-	26,602	-	2,495	+10.4%
Cost of sales	18,686	77.5%	20,159	75.8%	1,473	+7.9%
Gross profit	5,420	22.5%	6,442	24.2%	1,022	+18.9%
SG&A expenses	3,266	13.6%	3,637	13.7%	370	+11.3%
EBITDA ¹	2,606	10.8%	3,303	12.4%	696	+26.7%
Operating income	2,153	8.9%	2,805	10.5%	651	+30.3%
Ordinary income	2,237	9.3%	2,897	10.9%	660	+29.5%
Net income attributable to owners of parent	1,329	5.5%	1,724	6.5%	395	+29.7%
Earnings per share (EPS) (¥)	79.75	-	102.92	-	23.16	-
EPS before amortization of goodwill ² (¥)	99.74	-	122.80	-	23.06	-

1 EBITDA = Operating income + Depreciation + Amortization of goodwill

2 EPS before amortization of goodwill = (Net income attributable to owners of parent + Amortization of goodwill) ÷ Interim average number of shares

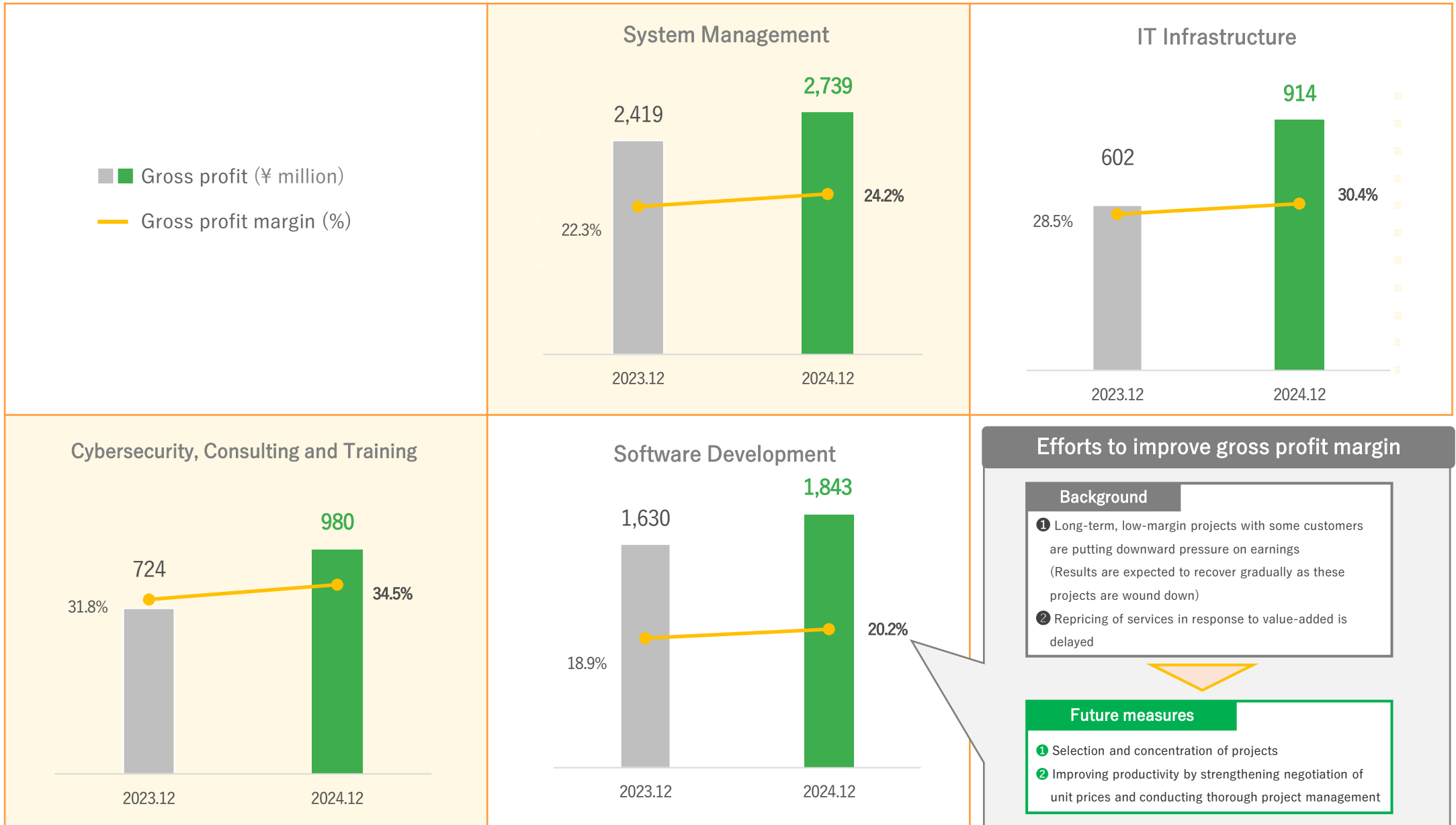
Net Sales by Service

(¥ million)



Change or Die !

Change or Die!

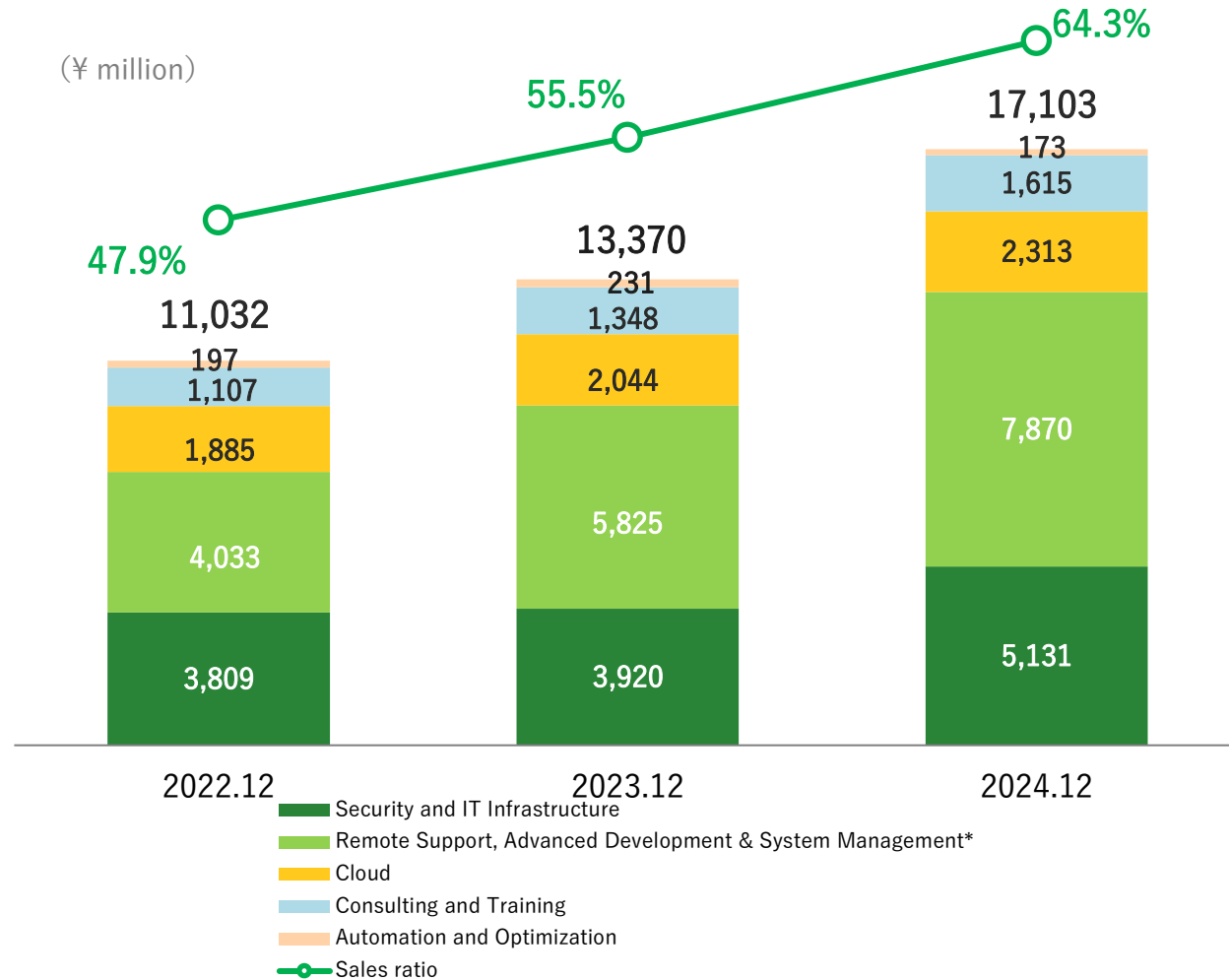


Net Sales of DX-related Business

DX-related business

Promoting customer's DX by combining existing IT services with cutting-edge technologies such as cloud and AI.

DX-related sales & sales ratio



✓ Expansion focused on advanced system management, remote support, security and IT infrastructure

【 Gross profit margin 】
26.6% (+1P YoY)

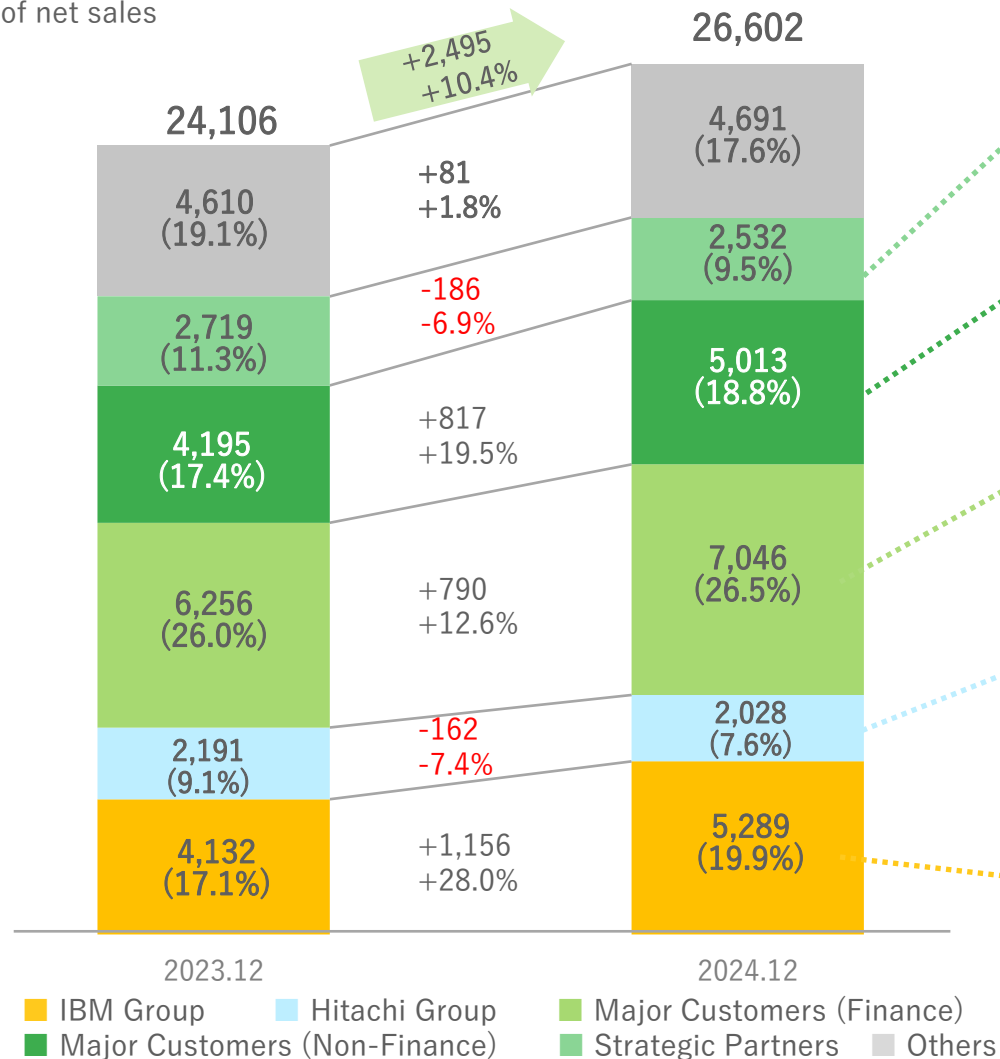
About 5 points higher than non-DX-related business

*"Advanced System Management" has been added from the beginning of FY2023.

Net Sales by Strategic Alliances

Transactions with major, high-value customers that are actively investing in IT account for over **80%** of net sales.

(¥ million)
 Figures in brackets
 indicate % of net sales



Strategic Partners

- ⊖ Withdrawal from some projects in software development, etc.
- ⊖ Conclusion of some projects in IT infrastructure

Major Customers (Non-Finance)

- ⊕ Expansion of transactions with customers related to the public sector, manufacturing and broadcasting

Major Customers (Finance)

- ⊕ Expansion of transactions in software development and IT infrastructure
- ⊕ Acceptance of orders for new projects in system management, etc.

Hitachi Group

- ⊖ Withdrawal from some projects in software development, etc.

IBM Group

- ⊕ Expansion of transactions in software development
- ⊕ Acceptance of orders for new projects in system management and IT infrastructure, etc.

Reference

	Kyndryl Japan	MI Digital Services	IBM Japan
2024.12	2,578 (9.7%)	1,438 (5.4%)	1,272 (4.8%)

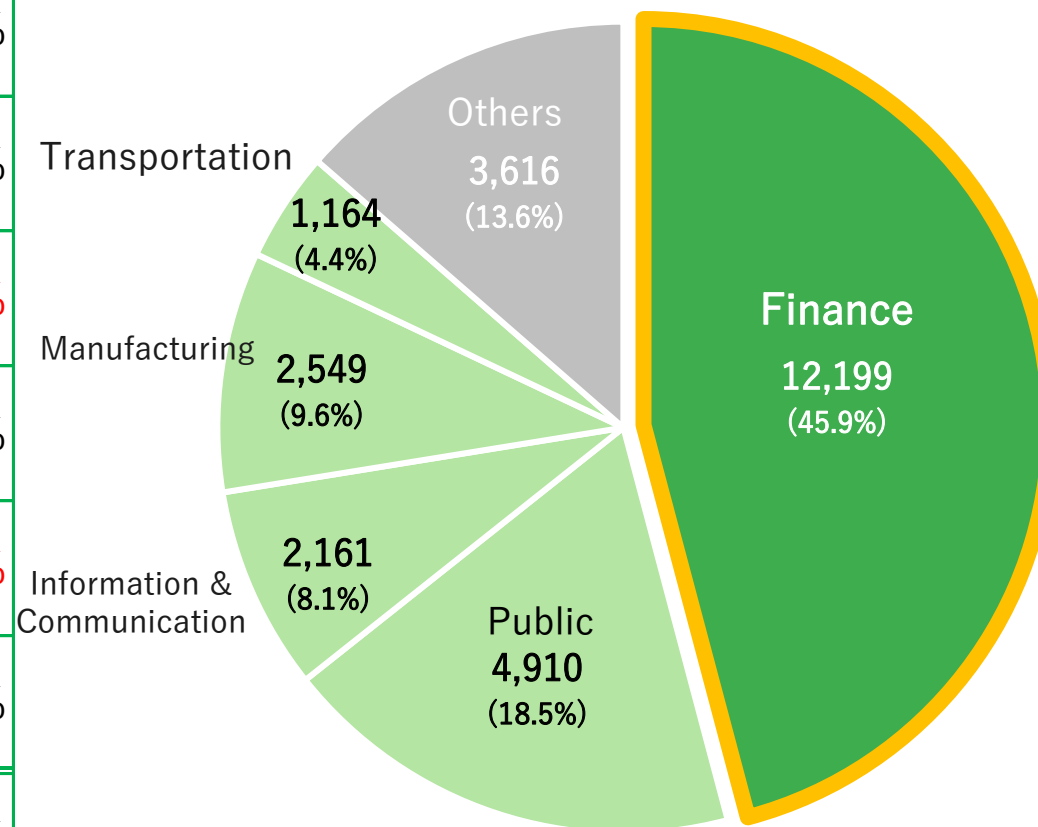
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Net Sales Composition by End-user Industry

Transactions with the financial sector account for about **50%** of net sales.

(¥ million)	2024.12	(% of net sales)	YoY	
Finance	12,199	45.9%	+1,357	+12.5%
Public	4,910	18.5%	+539	+12.3%
Information & Communication	2,161	8.1%	-474	-18.0%
Manufacturing	2,549	9.6%	+289	+12.8%
Transportation	1,164	4.4%	-74	-6.0%
Others*	3,616	13.6%	+858	+31.1%
Total	26,602	100.0%	+2,495	+10.4%

(¥ million)
Figures in brackets indicate % of net sales



*"Media", "Healthcare", "Construction, Real estate", "Wholesale, Retail, Restaurants", etc.

Note: Accounting categories may be changed according to status of corporate clients. (Net sales in the previous fiscal year are calculated based on categories after the change.)

Operating Income Analysis (YoY)

Main Reasons in Changes	2023.12		2024.12	
	(¥ million)	Results	Results	Diff.
<ul style="list-style-type: none"> • Increase in net sales +2,495 • Increase in cost of sales +1,473 <ul style="list-style-type: none"> -Subcontract expenses +1,100 -Purchases +131 -Expenses +122 -Labor cost +119 	Gross profit	5,420	6,442	+1,022
	SG&A expenses	3,266	3,637	+370
Operating income	2,153	2,805	+651	

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Net Income Attributable to Owners of Parent Analysis (YoY)

	2023.12	2024.12		Main Reasons in Changes
(¥ million)	Results	Results	Diff.	
Ordinary income	2,237	2,897	+660	<ul style="list-style-type: none"> • Increase in operating income +651 • Increase in non-operating income +12 • Increase in non-operating expenses +3
Extraordinary income	50	2	-48	<ul style="list-style-type: none"> • Decrease in reaction to gain on sales of investment securities in the previous fiscal year -50 • Recording of gain on sales of non-current assets +1
Extraordinary losses	1	1	+0.3	
Total income taxes	956	1,172	+216	
Net income attributable to owners of parent	1,329	1,724	+395	

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(¥ million)

Main Factors

- Accounts receivable –trade decreased -701
- Decrease due to amortization of goodwill -333
- Accounts receivable–other decreased -237
- Contract assets increased +680
- Investment securities increased +614
- Cash and deposits increased +519

2024.3

Assets 20,061	Liabilities 8,050
	Net assets 12,010

2024.12

Assets 20,455	Liabilities 7,176
	Net assets 13,279

Main Factors

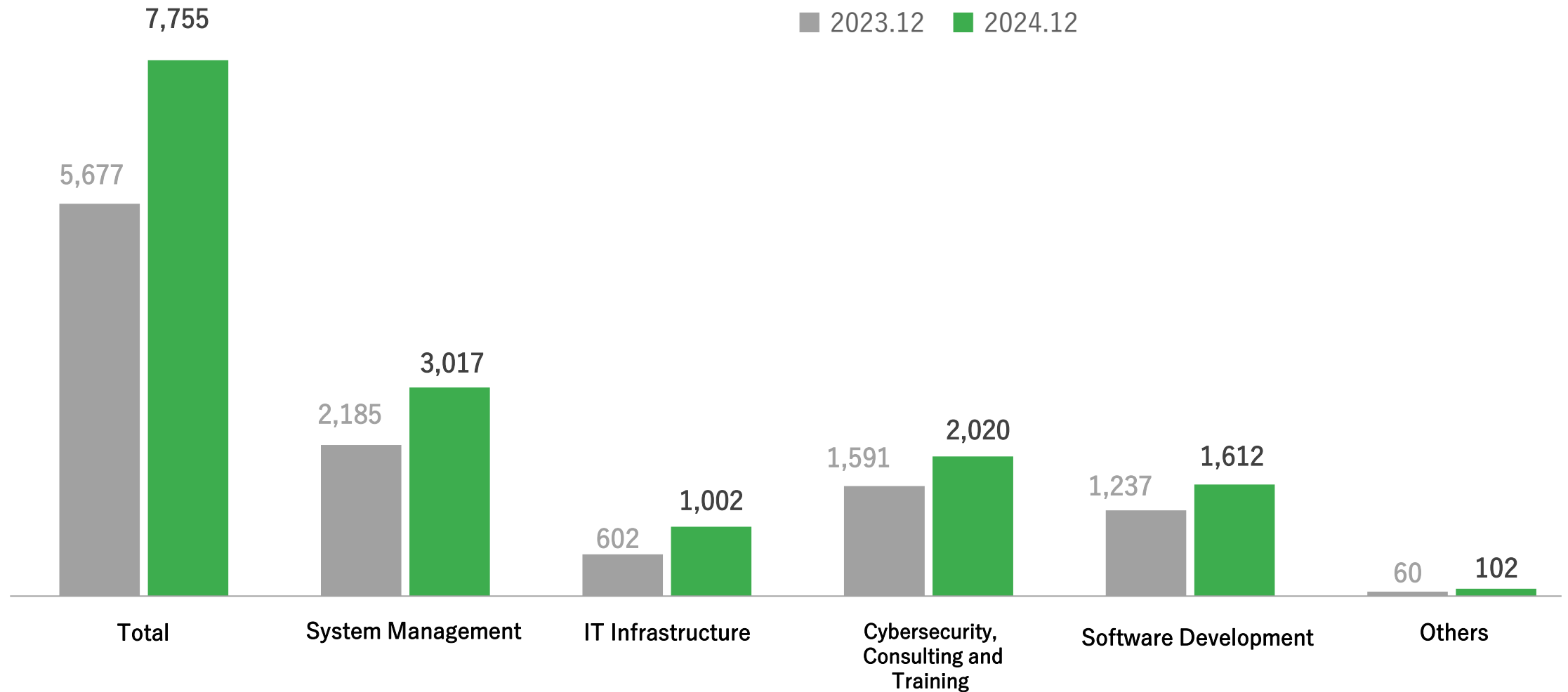
- Contract liabilities increased +563
- Interest-bearing debt decreased -1,350

Equity Ratio: **64.6%**
 Current Ratio: **230.9%**
 Goodwill: **¥526 million**

Order Backlog by Service (Cumulative)

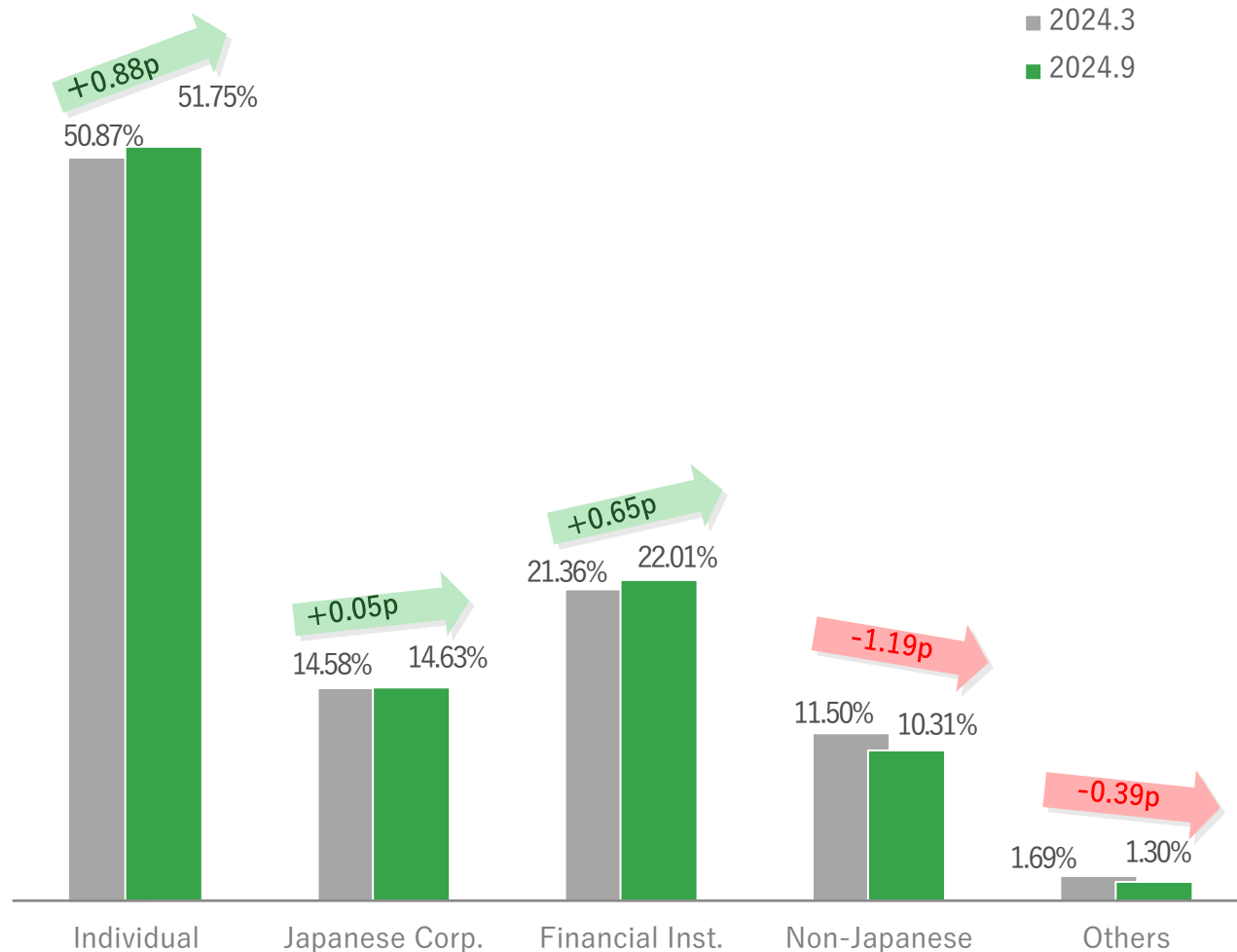
(¥ million)

■ 2023.12 ■ 2024.12



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Shareholding by investor type



Major shareholders

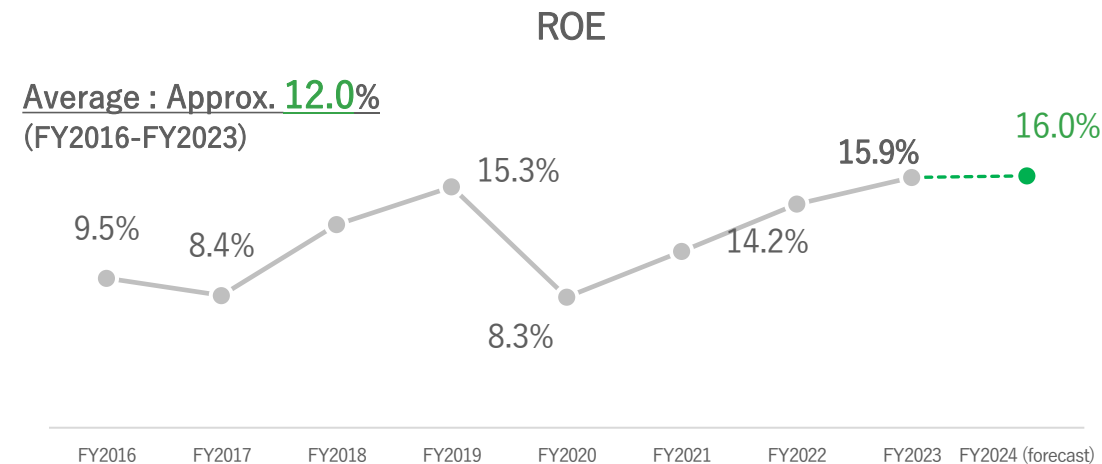
- ✓ No. of shareholders: 7,223 (+590 since March 31, 2024)
- ✓ No. of shareholders with voting rights: 5,785 (+397 since March 31, 2024)
- ✓ Treasury stock (1,056 thousand shares) are not included when calculating the ratio of shareholdings.

	Major shareholders	% of total shares
1	The Master Trust Bank of Japan, Ltd. (Trust Account)	11.31%
2	A.K. Corporation	9.20%
3	ID Employee Ownership Account	7.05%
4	PERSHING-DIV. OF DLJ SECS. CORP.	6.96%
5	Mizuho Trust & Banking Co., Ltd.	3.72%
6	Custody Bank of Japan, Ltd. (Trust Account)	3.68%
7	TDC SOFT Inc.	2.50%
8	Akemi Funakoshi	1.74%
9	Kaori Marubayashi	1.58%
10	Custody Bank of Japan, Ltd. (Trust Account E)	1.38%

Measures to improve capital efficiency

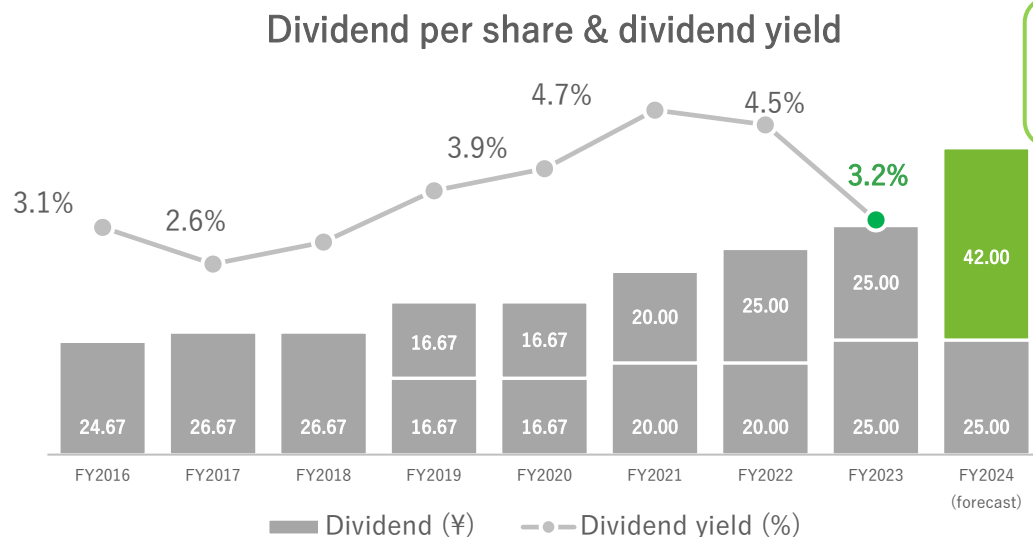
ROE = $\frac{\text{Net income}}{\text{Equity}}$

- Expansion of net sales through M&A strategy and promotion of DX business
- Improvement of income margin by shifting to a service-based business model
- Investment in human resources for further growth
- Enhancement of return to shareholders through dividend distribution



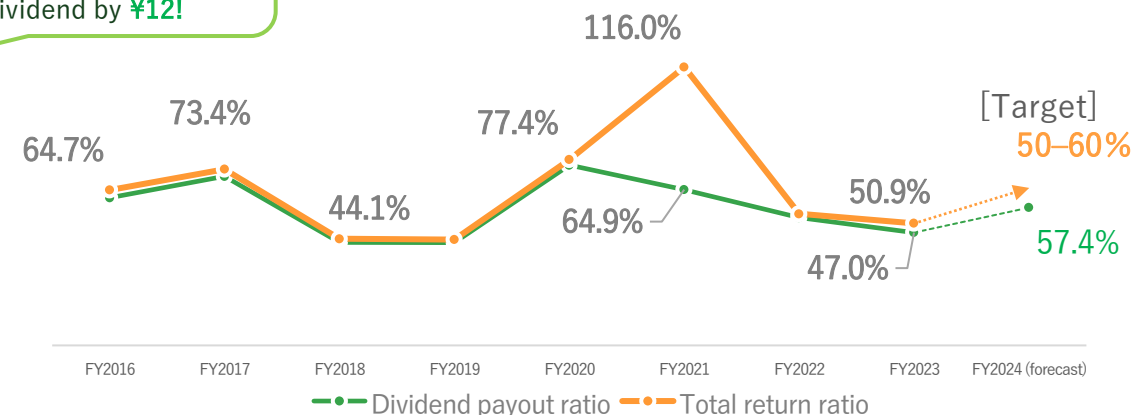
Enhancement of return to shareholders

Dividend increase : **5** times, Stock split : **Twice** (FY2016-FY2023)



In addition to a **¥5 commemorative dividend**, the Group plans to **increase** the year-end dividend by **¥12!**

Dividend payout ratio & total return ratio



Notes:
 · Total return ratio = (Total dividends + Amount of purchase of treasury stock) ÷ Net income attributable to owners of parent
 · The forecast of dividend payout ratio for FY2024 is estimated in consideration of the disposal of treasury stock announced on January 31, 2025.

Indicators related to share price¹ (as of January 31, 2025)

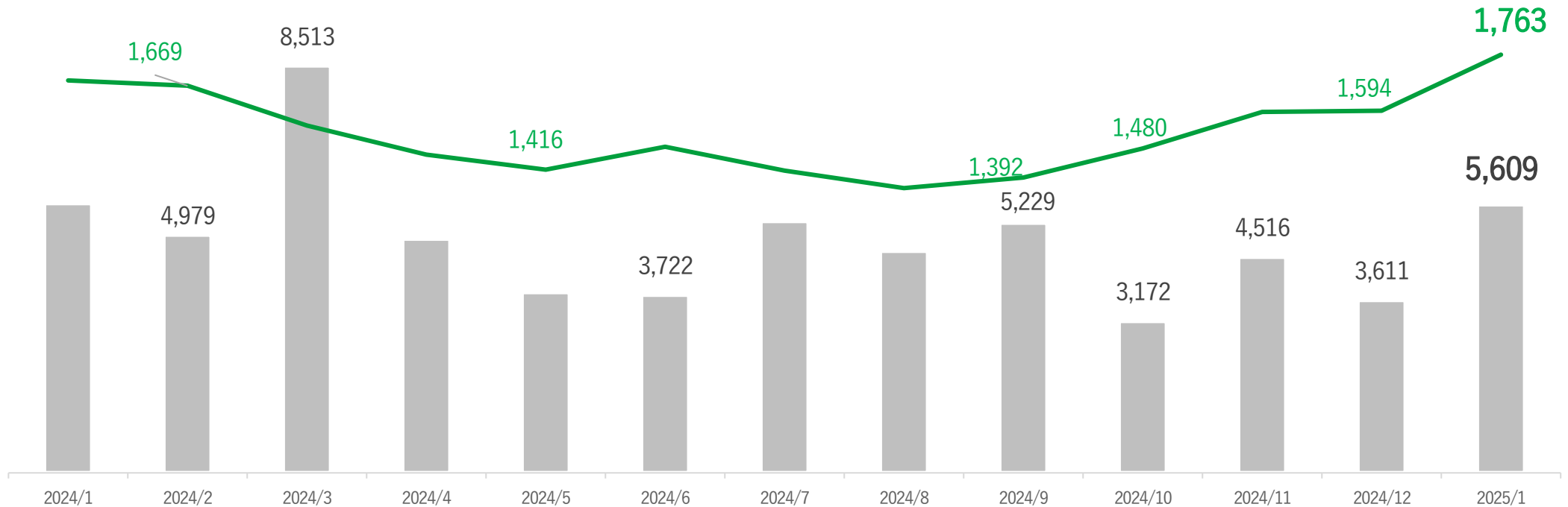
Price Earnings Ratio (PER)

16.6x

Price Book-value Ratio (PBR)

2.5x

Trends in share price and volume² (From January 2024 to January 2025)



■ Volume (hundreds of shares)

— Share price (yen)

¹ PER and PBR are calculated based on net income per share as of March 2024, net assets per share as of March 2024 and the closing share price on January 31, 2025.

² Volume is a monthly cumulative figure. Share price is the closing price on the last day of each month.

Forecast of Consolidated Financial Results for FY2025 (YoY)

	2024.3		2025.3 (Published October 31, 2024)				
	(¥ million)	Results	(% of net sales)	Plan	(% of net sales)	Diff.	YoY
Net sales	32,680	-	-	35,000	-	+2,319	+7.1%
EBITDA	3,421	10.5%		3,950	11.3%	+528	+15.4%
Operating income	2,769	8.5%		3,400	9.7%	+630	+22.8%
Ordinary income	2,860	8.8%		3,400	9.7%	+539	+18.8%
Net income attributable to owners of parent	1,777	5.4%		2,000	5.7%	+222	+12.5%
Earnings per share (EPS)(¥)	106.42	-		119.30	-	+12.88	-
EPS before amortization of goodwill (¥)	133.04	-		142.20	-	+9.16	-
Cash flows from operating activities	1,422	-		2,322	-	+899	-

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Mid-Term Management Plan

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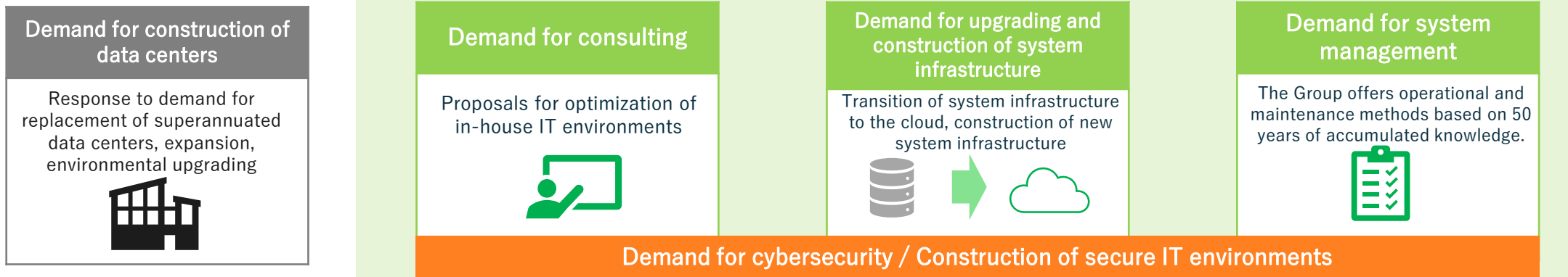
Increasing IT investment by corporate users is a significant tailwind for the Group's advanced system management and IT infrastructure domains.

Mid-term forecast of demand for information services in Japan*



Issues at corporate users

- 1) Transition of in-house systems to the cloud
- 2) Increasing cybersecurity risks
- 3) Shortages of IT personnel
- 4) Updating of business models etc.



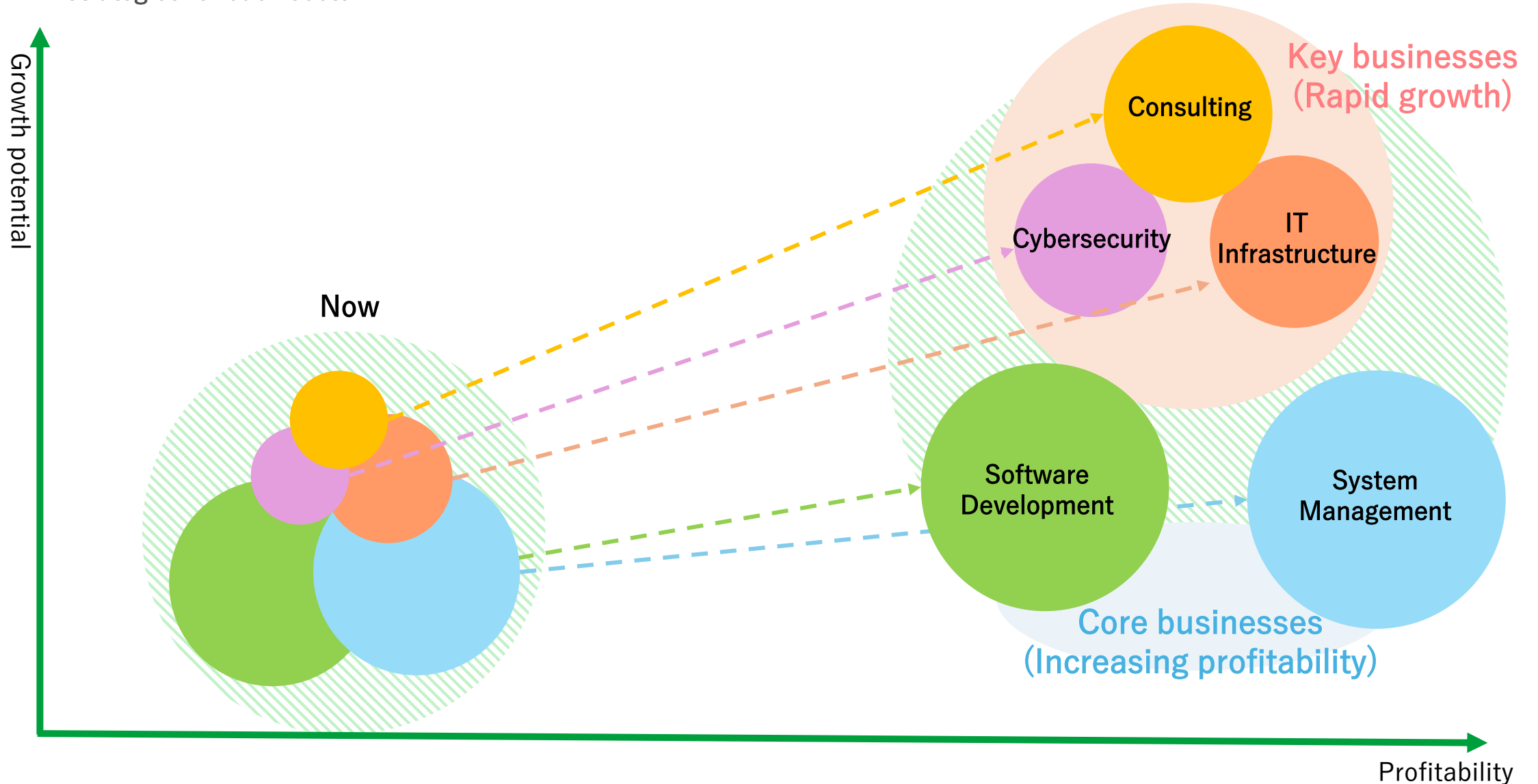
*"Mid-term Forecasts for Japanese Industries, Next Five Years (2025–2029): Demand Trends and Recommended Strategies (18. Information Services)" 2024, Vol.76, p64.

<https://www.mizuho.com/corporate/industry/sangyou/pdf/1076.pdf>

(Prepared from various publicly available materials by the Industry Research Department of Mizuho Bank, Ltd. All figures for 2024 and later are forecasts by this department. Published in Japanese.)

Directions in Business Expansion

The Group is jumping toward further growth by strengthening marketing and business and steadily implementing its strategies for each sector.



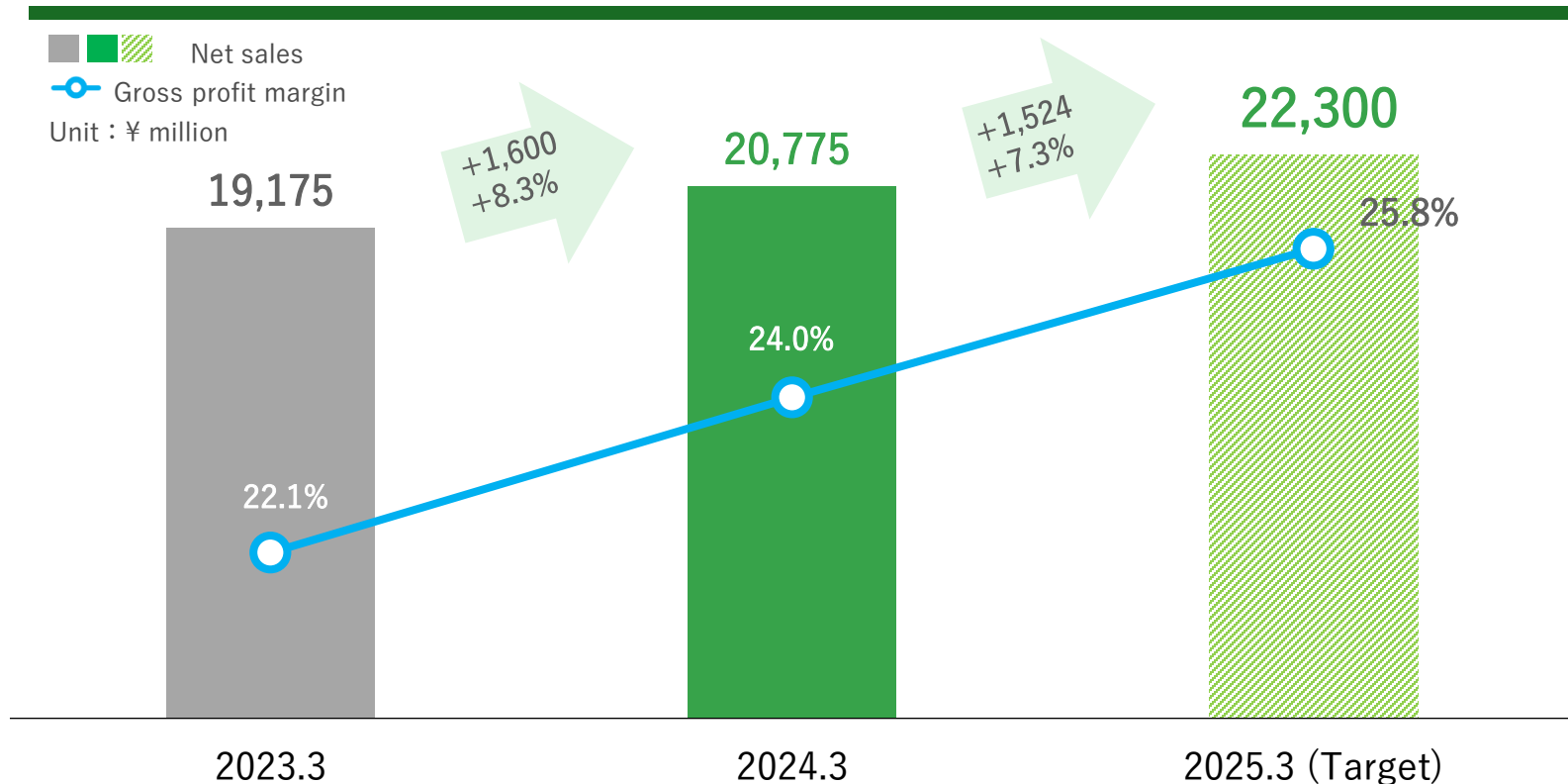
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Business focus for FY2024

Aim to increase revenue by concentrating management resources on the highly profitable advanced system management and IT infrastructure fields.

- Point 1** Develop DX personnel and strategically place them in advanced system management and IT infrastructure fields
- Point 2** Expand business transactions by strengthening collaboration with business partners

Increase revenue in advanced system management and IT infrastructure fields

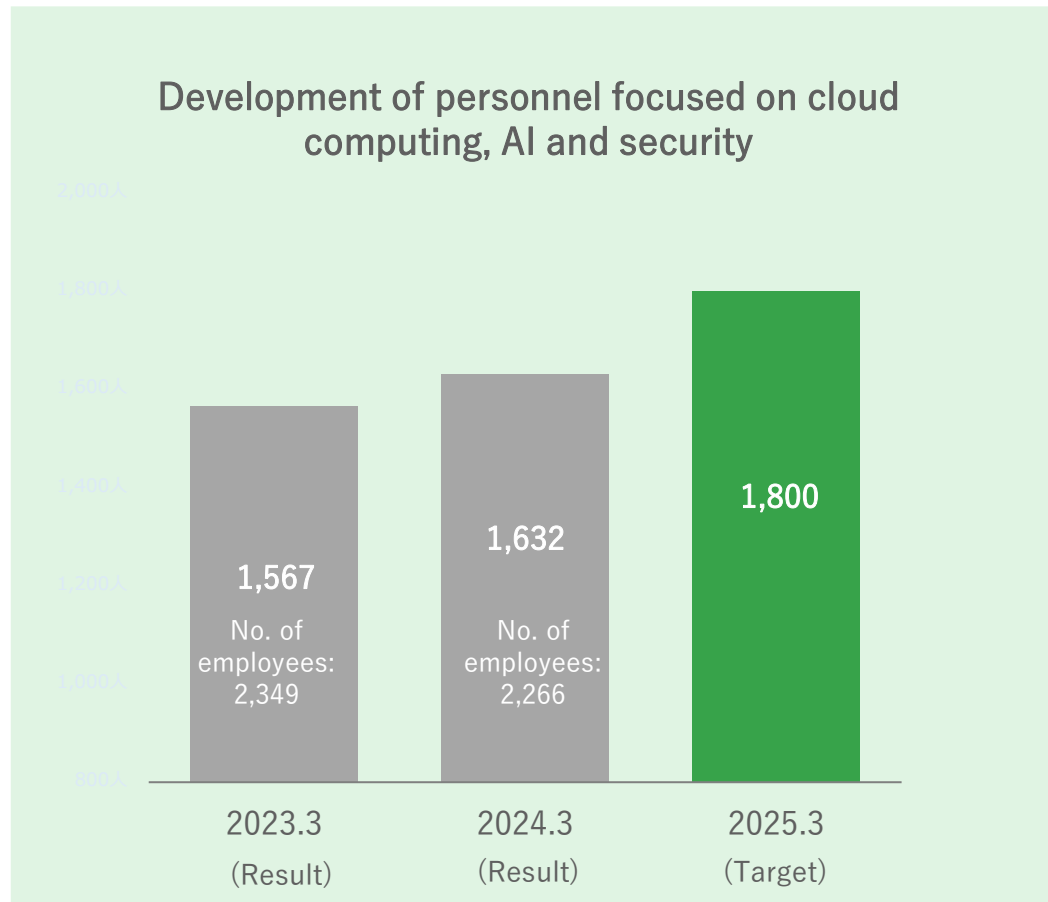


Note: The “advanced system management and IT infrastructure fields” refer to system operations, IT infrastructure development, and security solutions that use IT technologies such as AI, automation, multi-cloud, and containers, as well as the consulting and personnel training businesses that support them.

The Group is developing engineers for DX-related business, aiming to boost profitability.

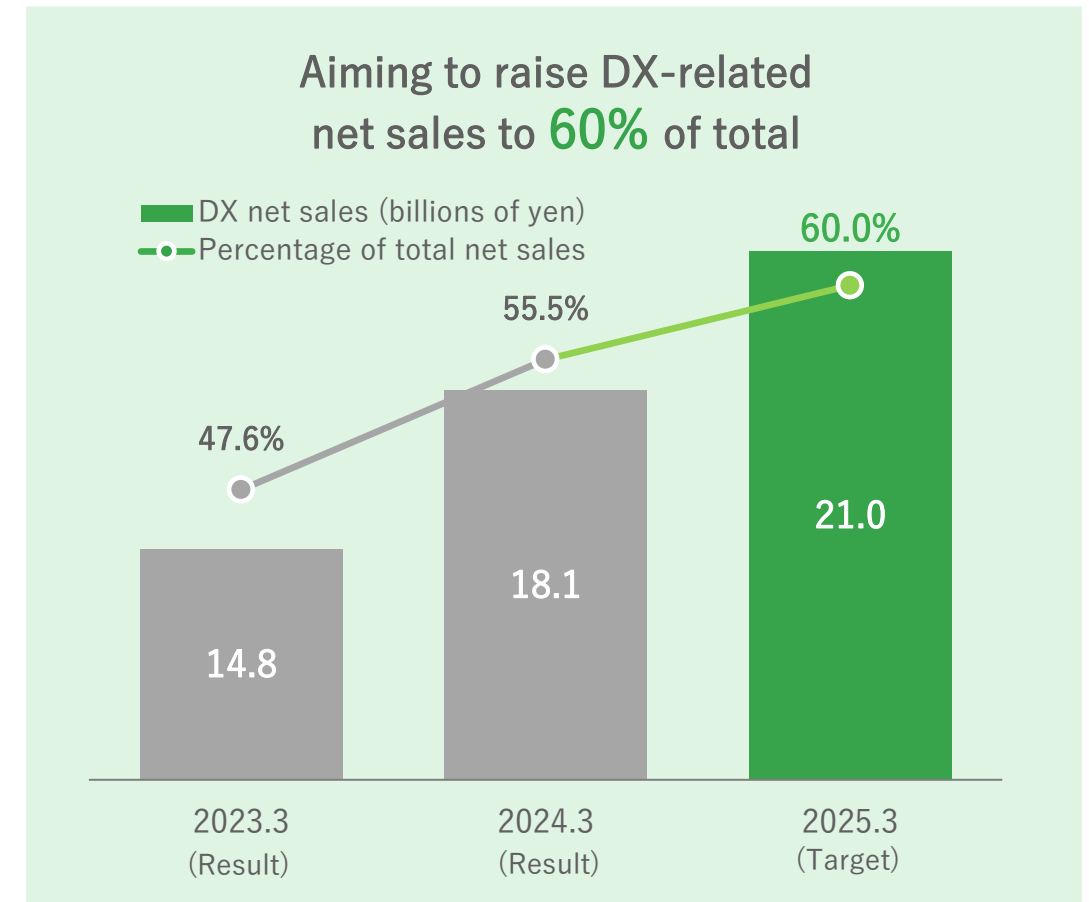
Trend in number of DX-related engineers

Development of personnel focused on cloud computing, AI and security



Trend in DX-related net sales

Aiming to raise DX-related net sales to **60%** of total



Note: The definition of “DX-related engineer” and the target number of DX-related engineers were revised based on the DX advancement skill standard established by METI and IPA in July 2023.

Use of Advanced Technology (Virtual Reality Operation Center)

- In January 2024, the ID Group launched ID-VR0P, a product that realizes system operation in a virtual space. ID-VR0P achieves remote access that enables continuity of operations in times of accident or disaster.

ID-VR0P
ID Virtual Reality Operation center

More features added
in August 2024!



Client systems are monitored on a large monitor



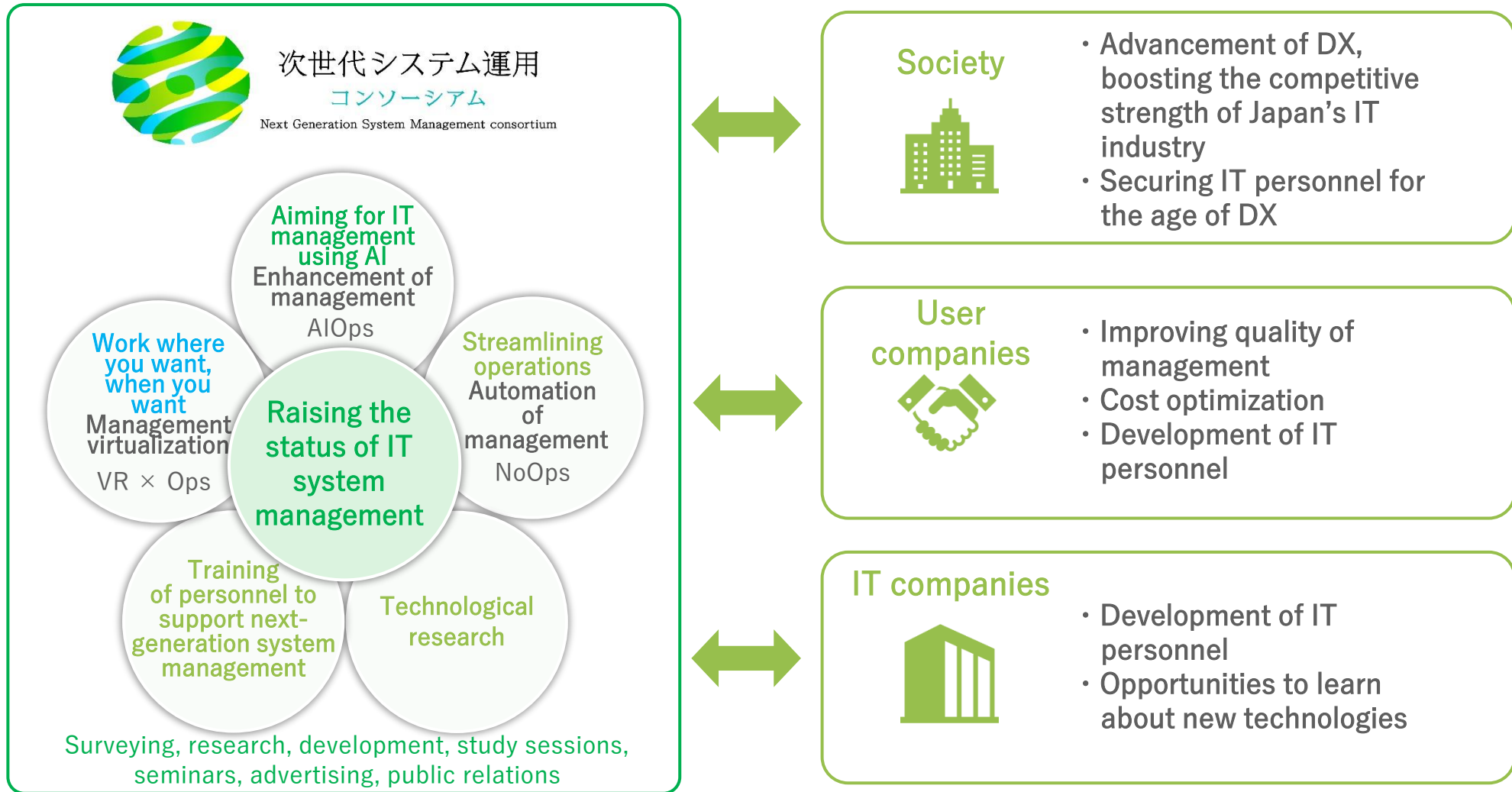
A wide range of communication modes are available, including voice conversation and chat

Watch a video introducing the features of VR0P here.
<https://www.youtube.com/watch?v=M1E-f-3IGYc>



Advancement of Next Generation System Management Consortium

ID Holdings has joined a number of companies, including Kyndryl Japan KK, user companies and seven IT companies to form the **Next Generation System Management consortium (NGSM)**. The purpose of the consortium is to propose solutions for and raise the profile of IT system management in Japan. (NGSM was incorporated in October 2024 as a general incorporated association.)



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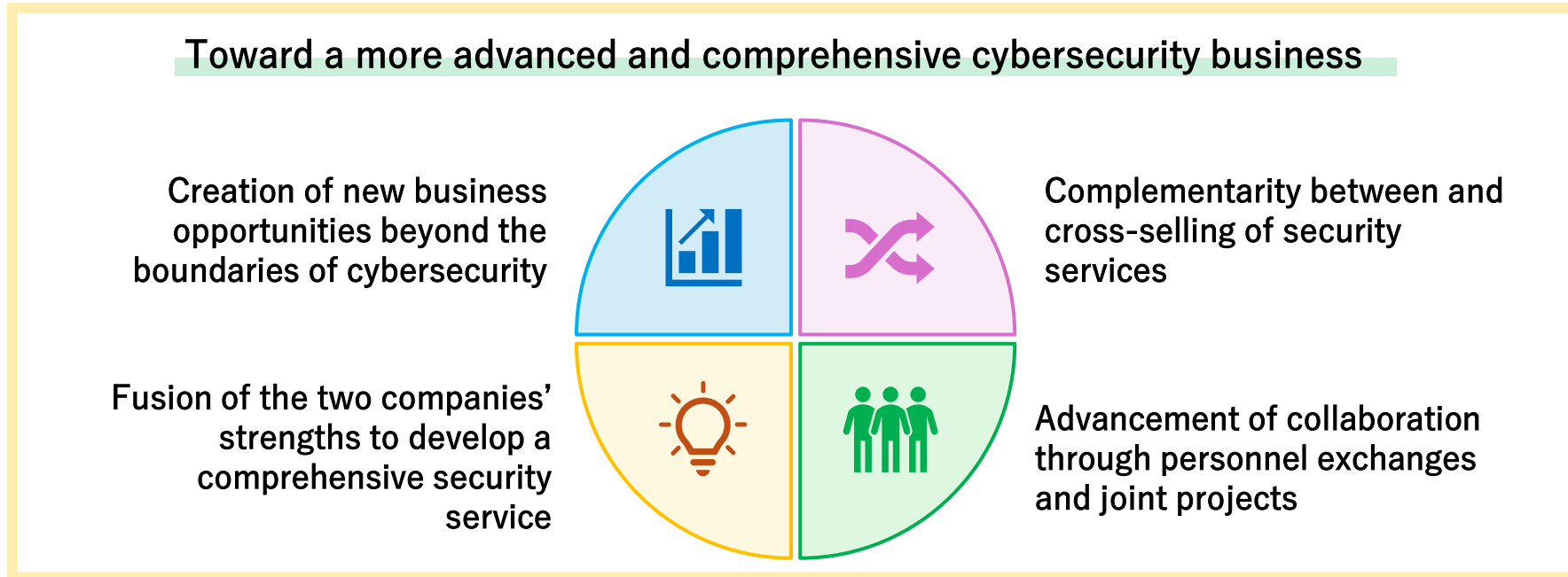
Capital and Business Partnership with BBSec

- ID Holdings Corporation (“the Company”) aims to strengthen its cybersecurity business, for which demand is expected to grow. For this purpose, the Company made BroadBand Security, Inc. (“BBSec”), a company with an extensive service menu in cybersecurity, an affiliated company accounted for by the equity method.

Note: On January 20, 2025 the Company acquired a 21.39% stake in BBSec (not including treasury stock).

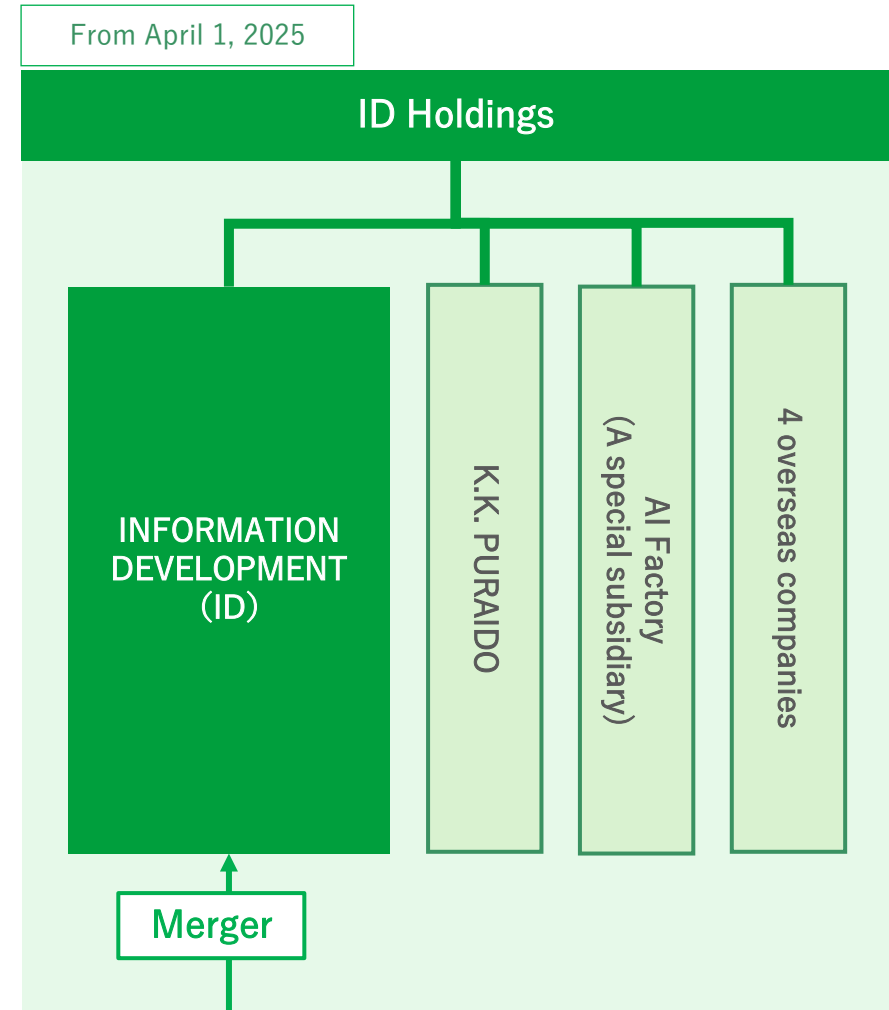
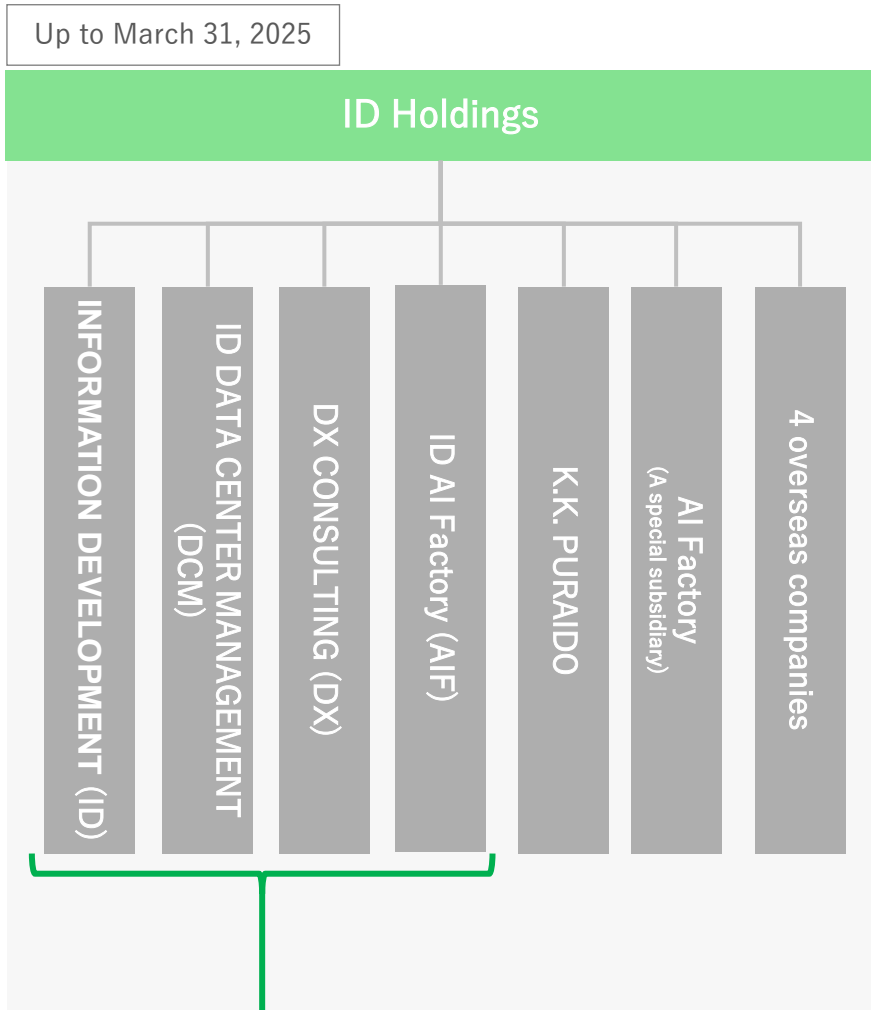


Toward a more advanced and comprehensive cybersecurity business



Reorganization in April 2025

- To concentrate engagement with customers and strengthen Group-wide synergies, thereby further raising profitability, the Group plans to merge four domestic operating companies: ID, DCM, DX and AIF.



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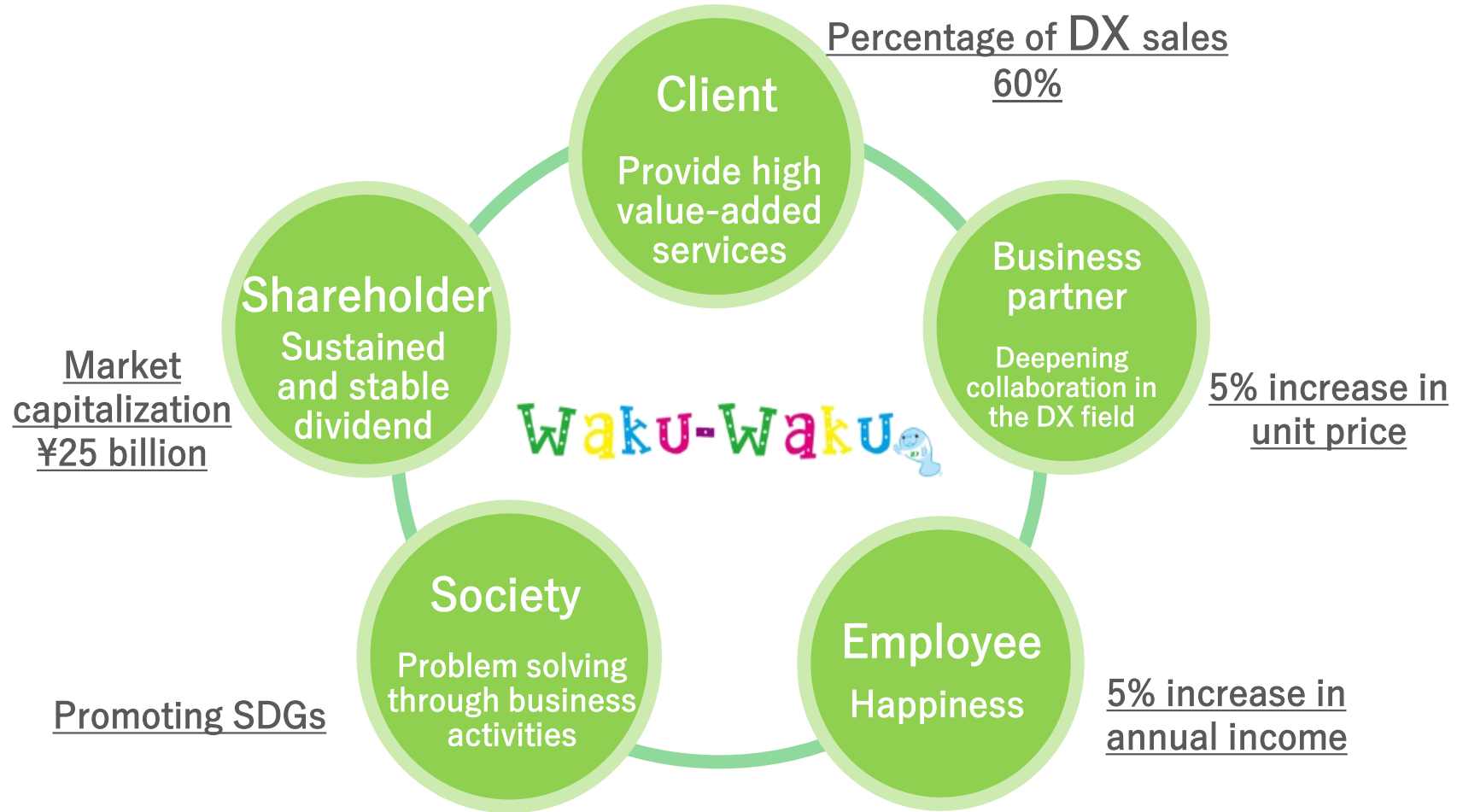
The Goals of the Mid-Term Management Plan



Becoming an indispensable IT engineering partner that brings about an exciting



future for our 5 stakeholders. Together we will **Ride on Time!**



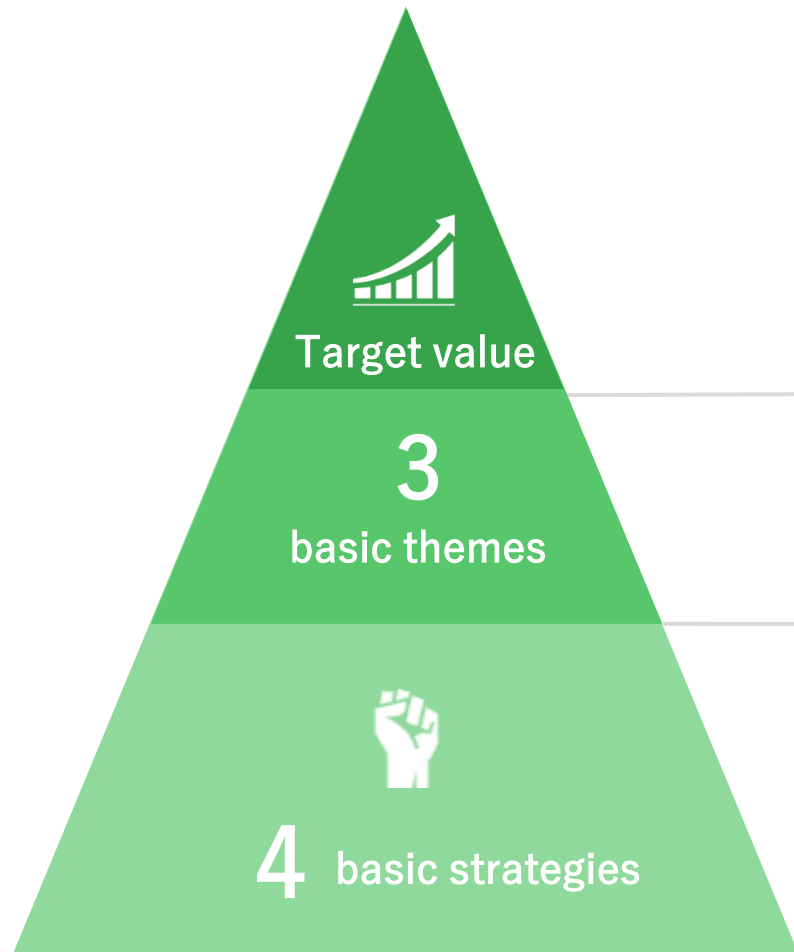
Change or Die!

Next 50 Episode II: Ride on Time

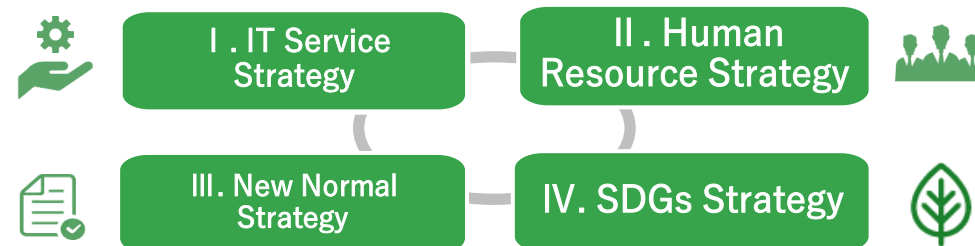
Realize a greater growth cycle by increasing corporate value and giving back to our **employees and business partners!**

■ FY2024 Target

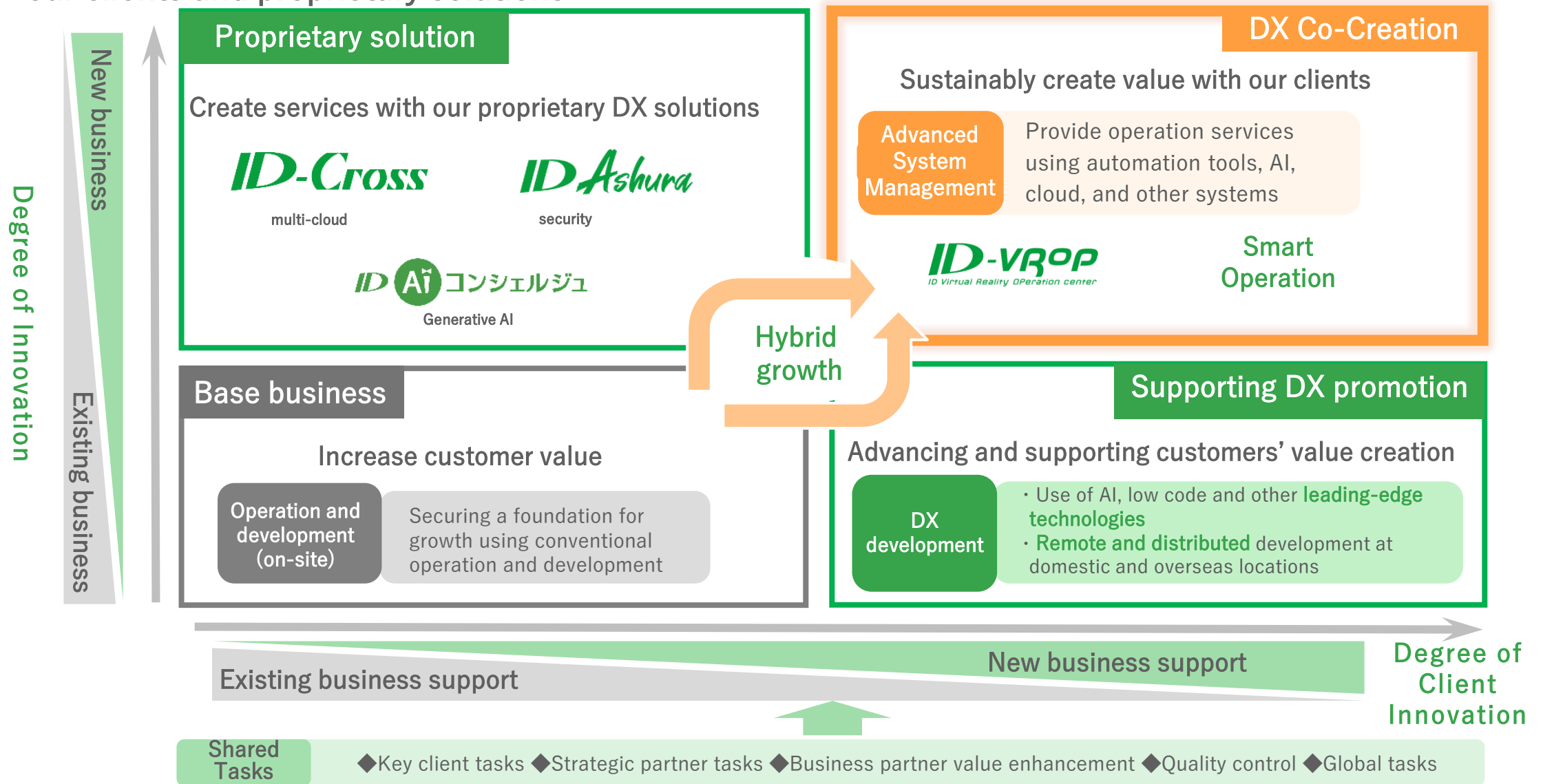
Net sales	¥35.0B		Upward revision
Operating income (%)	¥3.00B (8.6%)	▶	¥3.40B (9.7%)
EBITDA (%)	¥3.55B (10.1%)	▶	¥3.95B (11.3%)



- 1 Develop business models in line with our DX portfolio
- 2 Strengthen partnerships to create greater value-added
- 3 Upgrade management divisions and reallocate resources to the business divisions



Secure revenue from base business, and expand our support for DX promotion by our clients and proprietary solutions



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Research and Development Activities

ID Holdings vigorously pursues research and development, seeking to create innovative businesses that deploy leading-edge technologies.



Research and development activities

Q3 FY2024
¥154 million

AI



ID AI Factory Co.,Ltd.
Demonstration testing of AI services by a subsidiary that specializes in AI



Boss, can I ask you a question?

Development of Funakoshi President AI Chatbot*

VR



Large-scale addition and expansion of features

Blockchain



Development of products using patented technologies

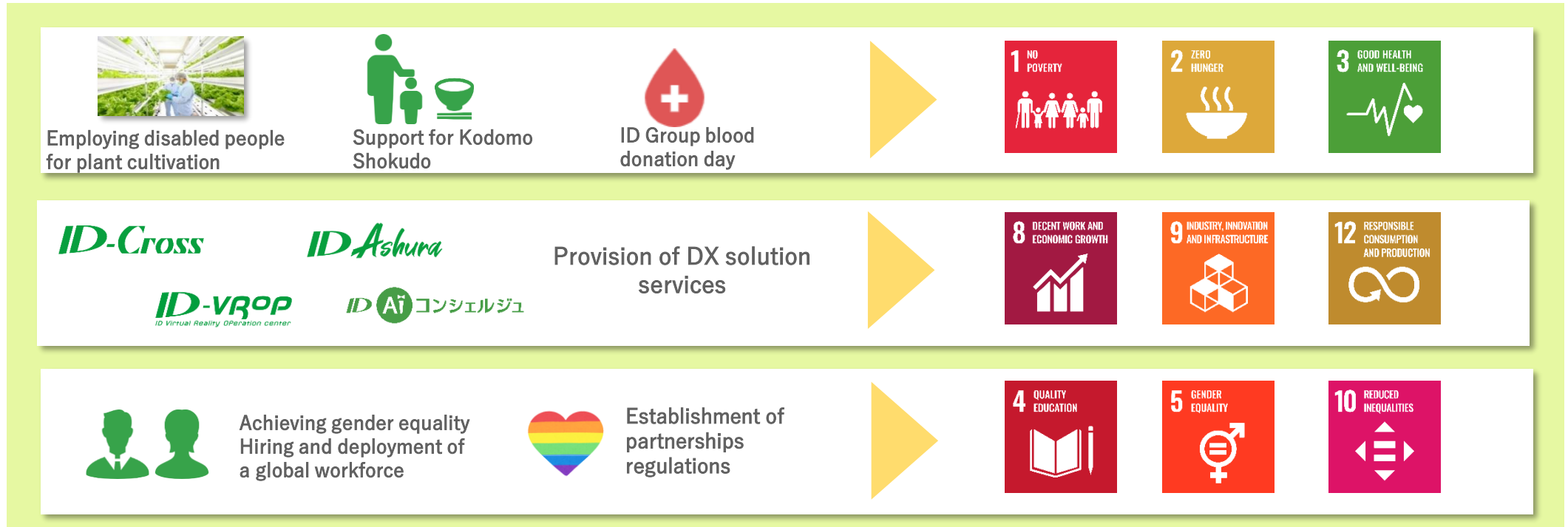
*Reference: <https://www.idnet-hd.co.jp/news/4192>

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We are making efforts to provide solutions to a wide variety of social issues through our business activities.

Activities of the ID Group

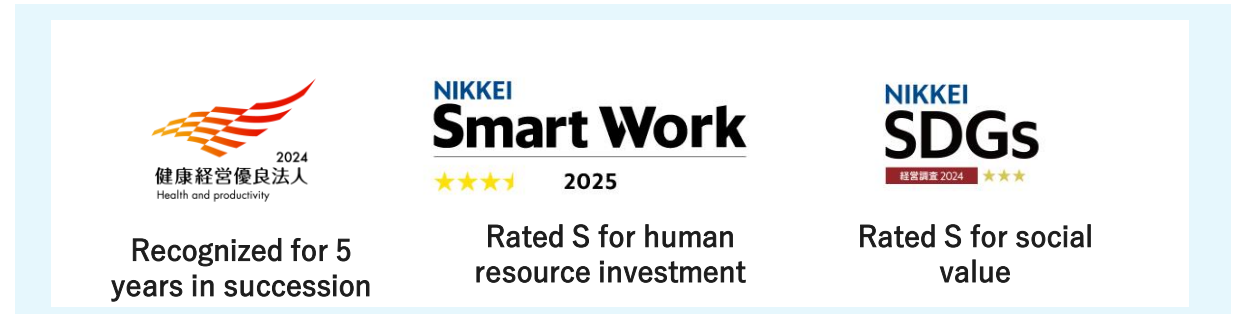
SUSTAINABLE DEVELOPMENT GOALS



Support for cultural activities and the fine arts



Third-party evaluations



(Reference) KPIs of the Mid-Term Management Plan

	KPI	2023.3 Result	2024.3 Result	2025.3 Target
IT Service Strategy	DX Net sales	¥14.8B	¥18.1B ¹	¥21.0B ¹
	DX Net sales ratio	47.6%	55.5%	60%
Human Resource Strategy	Number of DX certifications (Annual)	315	570	1,000
	Number of DX engineers ²	1,567 people	1,632 people	1,800 people
	Percentage of female employees	23.0%	23.5%	30%
	Percentage of female managers	16.3%	14.3%	30%
	Percentage of foreign employees	7.9%	8.5%	15%
	Rate of uptake of paid leave	86.0%	84.0%	95%
	Rate of uptake of childcare leave among men	42.9%	90.5%	70%
New Normal Strategy	Improvement in SG&A ratio	14.1%	13.4%	13.9%
SDGs Strategy	Reduction in CO ₂ emissions (from electricity use) Note: compared to FY2020 electricity use	Down 100%	Down 100%	Down 20%
	Reduction in paper consumption (compared to FY2020)	Down 30.9%	Down 39.8%	Down 23%
	Participation in environmental volunteer activities (Total number of people per year)	228 people	566 people	500 people

¹ Revised upward the numerical targets of the Mid-term Management Plan in April 2023.

² The definition of “DX-related engineer” and the target number of DX-related engineers were revised based on the DX advancement skill standard established by METI and IPA in July 2023.

Disclaimer

This presentation material contains statements and information about future forecasts, including financial projections, strategies and business plans of ID Holdings Corporation.

Forecasts and plans contained in these non-historical information are based on our judgment in accordance with the information available at the time of publication.

These forward-looking statements and information also incorporate potential risks and uncertainties caused by changing economic trends, the competitive environment, and other factors. The Company's actual results, business development progress, and financial situation may differ significantly from forward-looking statements and information contained herein, due to competition in the industry, market demand, exchange rates, and other socioeconomic and political factors.

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