Note: This document is an English translation of the "Kessan Tanshin" for the first quarter of the fiscal year ending March 31, 2027 and is provided solely for reference purposes. In the event of any inconsistency between the Japanese and English versions, the Japanese version will govern.

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2027 (J-GAAP)

July 31, 2026

Company name:	ID Holdings Corporation
Listing:	Tokyo Stock Exchange, Prime Market
Securities code:	4709
URL:	https://www.idnet-hd.co.jp
Company representative:	Masaki Funakoshi, President, Representative Director and Group CEO
Direct inquiries to:	Naoko Hara, Executive Corporate Officer and Director Manager, Corporate Strategy Department Tel: +81 3-3262-5177
Scheduled date of dividend payment:	—
Preparation of supplementary materials on financial results:	Yes
Presentation on results:	No

(Amounts of less than ¥1 million are truncated)

1. Consolidated Financial Results for Q1 of FY2026 (April 1–June 30, 2026)

(1) Consolidated Business Results

(% indicates YoY changes)

	Net sales		EBITDA		Operating income		Ordinary income		Net income attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Q1 FY2026	9,652	–0.2	905	−18.0	812	−19.5	852	−15.8	505	−18.8
Q1 FY2025	9,672	14.0	1,104	23.6	1,009	38.3	1,012	26.6	622	37.8

Note: Comprehensive income Q1 FY2026 ¥546 million (–23.9%) Q1 FY2025 ¥718 million (12.4%)

	EPS before amortization of goodwill		Net income per share	Diluted net income per share
	¥	%	¥	¥
Q1 FY2026	16.37	–18.2	14.88	—
Q1 FY2025	20.01	19.1	18.51	—

Note 1: Diluted net income per share is not listed, as the Group has no potential shares.

Note 2: On April 1, 2026, the Company conducted a two-for-one split of common shares. Net income per share and EPS before amortization of goodwill are calculated as if the share split had been conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of June 30, 2026	21,937	15,020	68.2
As of March 31, 2026	23,992	15,253	63.3

Reference: Equity As of June 30, 2026 ¥14,954 million As of March 31, 2026 ¥15,186 million

2. Dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal period	Total
	¥	¥	¥	¥	¥
FY2025	—	35.00	—	45.00	80.00
FY2026	—				
FY2026 (forecast)		25.00	—	25.00	50.00

Note 1: Revision of most recently published dividend forecast: No

Note 2: On April 1, 2026, the Company conducted a two-for-one split of common shares. The forecast of annual dividend for the fiscal year ending March 31, 2027 takes the share split into account. If the share split were not taken into account, the forecast of annual dividend for the fiscal year ending March 31, 2027 would be ¥100.00.

3. Forecasts of Consolidated Results for FY2026 (April 1, 2026–March 31, 2027)

(% indicates YoY changes)

	Net sales		EBITDA		Operating income		Ordinary income		Net income attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2026 (full fiscal year)	42,000	6.7	4,850	7.3	4,500	9.0	4,550	8.0	3,000	3.2

	EPS before amortization of goodwill		Net income per share
	¥	%	¥
FY2026 (full fiscal year)	92.91	1.1	88.29

Note 1: Revision of most recently published results forecast: No

Note 2: On April 1, 2026, the Company conducted a two-for-one split of common shares. Net income per share and EPS before amortization of goodwill in the forecast of business results for the fiscal year ending March 31, 2027 take the effect of the share split into account.

*Notes

(1) Significant changes in the scope of consolidation during the period: No

(2) Adoption of special accounting treatments for quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and restatements:

(i) Changes in accounting policies due to revisions of accounting standards, etc.: No

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(iv) Restatements: No

(4) Number of shares outstanding (common stock)

(i) Number of shares outstanding (inclusive of treasury stock):	As of June 30, 2026	34,459,424 shares	As of March 31, 2026	34,459,424 shares
(ii) Amount of treasury stock:	As of June 30, 2026	479,340 shares	As of March 31, 2026	476,500 shares
(iii) Interim average number of shares (Consolidated total for the quarter)	Q1 FY2026	33,981,701 shares	Q1 FY2025	33,626,758 shares

Note: On April 1, 2026, the Company conducted a two-for-one split of common shares. Number of shares issued at fiscal year-end (including treasury shares), number of treasury shares at fiscal year-end, and average number of shares during the fiscal year are calculated as if the share split had been conducted at the beginning of the previous consolidated fiscal year.

(5) Calculation of certain management indices

- EBITDA = Operating income + depreciation + amortization of goodwill
- EPS before amortization of goodwill = Net income after adjustments* ÷ interim average number of shares

*Net income after adjustments = Net income attributable to owners of parent + amortization of goodwill

* Review of the attached quarterly consolidated financial statements by a certified public accountant or audit corporation: No

* Qualitative information relating to the appropriate use of results forecasts, and other noteworthy items

Results forecasts are estimates based on information available as of the day the results were announced. Forecasts are inherently uncertain. The actual results, etc. may be different from the forecasts because of changes in business conditions, etc. See (3) Qualitative Information on the Consolidated Results Forecast under Section 1. Summary of Business Results, etc., on page 7 of the Attachment for the assumptions that form the basis of results forecasts and other things to remember when relying on results forecasts.

The ID Group has also introduced a board benefit trust (BBT-RS) plan and Japanese employee stock ownership plan - restricted stock (J-ESOP-RS). Company shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust property for the BBT-RS and J-ESOP-RS plans are included in treasury stock.

Contents

1. Summary of Business Results, etc.

(1) Summary of Business Results for the Period

During the consolidated fiscal quarter under review (Q1 FY2026: April 1 to June 30, 2026), the Japanese economy continued on a gradual recovery keynote, with improvements in the employment and income environments and a number of government policies showing effects. However, the path forward remained unclear amid fluctuations in financial and capital markets and the impact of the situation in the Middle East.

In the information services industry, in which the ID Group is a participant, demand for IT investment continued on a firm footing, paced by a general trend toward digitalization. In particular, demand for AI technology and cloud solutions aimed at boosting productivity and solving management issues propelled growing needs for upgrading of company-internal IT environments and for consulting services. Moreover, cyberattacks targeting enterprises mounted, stoking appetite for investment in IT governance and security measures aimed at continuity of business.

This environment supported solid trends in sales for the ID Group in focus areas such as IT infrastructure, cybersecurity, and consulting and training, despite the wrap-up of some projects in system management. Net sales eased slightly to ¥9.652 billion (–0.2% YoY), while gross profit edged up to ¥2.604 billion (+0.7% YoY). Earnings fell YoY across the board, however, as the Group returned value to employees through increases in base salary and implemented and increased strategic investment in training and hiring. Operating income slid to ¥812 million (–19.5% YoY), ordinary income retreated to ¥852 million (–15.8% YoY), and net income attributable to owners of parent fell to ¥505 million (–18.8% YoY). EBITDA declined to ¥905 million (–18.0% YoY).

The Group's business consists of a single segment. Business results for each service are as follows.

(Millions of ¥)

		Previous consolidated first quarter (April 1, 2025 to June 30, 2025)	Consolidated first quarter under review (April 1, 2026 to June 30, 2026)	Compared with same period of previous fiscal year (YoY)	
				Increase/ decrease	Rate of increase/ decrease (%)
System management	Net sales	3,876	3,801	–75	–2.0
	Gross profit	940	957	16	1.7
	Gross profit margin	24.3%	25.2%	0.9P	—
Application development	Net sales	3,465	3,427	–38	–1.1
	Gross profit	1,002	1,002	–0	–0.0
	Gross profit margin	28.9%	29.2%	0.3P	—
IT infrastructure	Net sales	1,161	1,214	53	4.6
	Gross profit	299	319	20	6.7
	Gross profit margin	25.8%	26.3%	0.5P	—
Cybersecurity	Net sales	655	689	34	5.2
	Gross profit	197	181	–16	–8.4
	Gross profit margin	30.2%	26.3%	–3.9P	—
Consulting and training	Net sales	333	365	32	9.7
	Gross profit	131	110	–20	–15.9
	Gross profit margin	39.5%	30.3%	–9.2P	—
Others	Net sales	179	153	–25	–14.2
	Gross profit	13	33	20	150.5
	Gross profit margin	7.6%	22.1%	14.5P	—
Total	Net sales	9,672	9,652	–19	–0.2
	Gross profit	2,585	2,604	19	0.7
	Gross profit margin	26.7%	27.0%	0.3P	—

(i) System management

Although some projects with major IT vendors wrapped up, projects with existing clients expanded. Net sales declined to ¥3.801 billion (–2.0% YoY) and gross profit rose to ¥957 million (+1.7% YoY).

(ii) Application development

Order acceptance broadened through partnerships with major IT vendors, but projects focused on clients related to manufacturing shrank. Net sales eased to ¥3.427 billion (–1.1% YoY) and gross profit was flat at ¥1.002 billion (–0.0% YoY).

(iii) IT infrastructure

New projects were secured with clients related to manufacturing, energy, and transportation. Net sales rose to ¥1.214 billion (+4.6% YoY) and gross profit improved to ¥319 million (+6.7% YoY).

(iv) Cybersecurity

Although new projects were captured and transactions expanded through partnerships with major IT vendors, some high-margin projects drew to a conclusion. Net sales lifted to ¥689 million (+5.2% YoY), while gross profit slipped to ¥181 million (–8.4% YoY).

(v) Consulting and training

While order acceptance expanded in consulting with multiple clients, high-margin projects drew to a close. Net sales were buoyed to ¥365 million (+9.7% YoY), while gross profit declined to ¥110 million (–15.9% YoY).

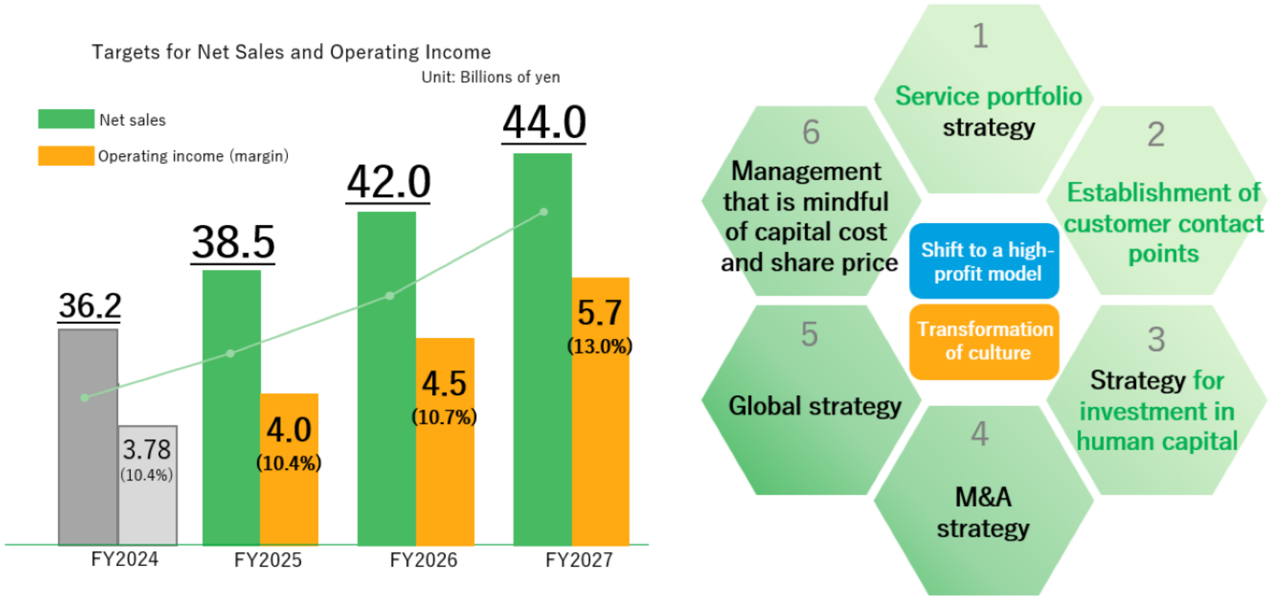
(vi) Others

Projects with a number of clients wound down. Net sales dropped to ¥153 million (–14.2% YoY), but gross profit more than doubled to ¥33 million (+150.5% YoY).

Management Policy Initiatives

The ID Group has drafted a three-year Mid-term Management Plan entitled “Next 50 Episode III: JUMP!!!,” with FY2025 as its first year. Focusing on two strategic themes, “shift to a high-profit model” and “transformation of culture,” the plan outlines six key strategies, including a service portfolio strategy, establishment of customer contact points and a strategy for investment in human capital.

■ Advancement of six key strategies including service portfolio, establishment of customer contact points and investment in human capital



In its service portfolio strategy, the ID Group posted ebullient growth through its twin strategies of improving profitability in its base areas[1] and expanding the scale of operations in its focus areas[2]. In the previous fiscal year, the first year of the service portfolio strategy, sales growth was achieved by improving profitability centered on application development, a base area, and through rapid advances in the cybersecurity business, a focus area. Steady progress on plans enabled the Group to revise its target for FY2026 upward, in view of forecasted market trends.

In the strategy for investment in human capital, the Group set a target of investing ¥6 billion over three years. To become a corporate Group in which employees can achieve the things they want to do and become the people they want to be, the Group took proactive steps to educate and train personnel. As the next step in its personnel upskilling program, launched in the previous fiscal year, the Group initiated an in-house open-recruitment system in the period under review, to support employees’ career paths. Also in the period under review, 118 new employees participated in a nine-day training camp in Yonago, Tottori Prefecture. Through field work, the participants gained experience in solving problems for local governments and contributed to society through co-creation with regional communities.

Additionally, the Group continued to implement actions originally prepared for establishing customer contact points and implementing a global strategy.

Notes: 1. Base areas: System management and application development
2. Focus areas: IT infrastructure, cybersecurity, and consulting and training

Research and Development Activities

During Q1 FY2026, Group expenditures on research and development activities totaled ¥25 million.

The ID Group focused intensively on research and development, determined to create innovative businesses that put state-of-the-art technologies to work.

Principal activities focused on advancing research in AI technology. As part of this effort, the Group completed examination of development standards predicated on the use of AI and moved forward with preparations to apply these technologies in live projects. In the period under review, the Group established an AI Advancement Committee, consisting of members of the Group's operating and administrative divisions, grappling with operating efficiency and quality improvement by preparing workflows and advancing the use of AI agents. In addition, at the 99th Annual Meeting of the Japanese Orthopaedic Association (JOA), convened in May 2026, the Group announced results of joint R&D with Tottori University Hospital; the Group had been engaged in a technical partnership with the hospital to design, develop and evaluate AI models. Against the background of these activities, in July 2026, the Group obtained certification under ISO 42001, the international standard for artificial intelligence management systems (AIMS).

The ID Group took aim at constructing next-generation system operations combining advanced technologies with system management, a core business of the Group. In one of these projects, ID-VROP, a virtual operation center developed by the Group, the Group completed proof-of-concept in client environments and pushed forward toward commercialization of the service. The Group applied AI and patented technologies it had acquired in relation to blockchain technology to achieve further feature enhancements. Additionally, the Group participated in a consortium of over 40 companies aimed at achieving next-generation system operations.

The Group will continue to strengthen its technical capabilities and foster further innovation.

(2) Summary of Financial Condition for the Period

(Assets)

Assets at the end of consolidated Q1 decreased by ¥2.055 billion from the end of the previous consolidated accounting period to ¥21.937 billion. Although contract assets increased by ¥358 million, accounts receivable–trade decreased by ¥1.475 billion and cash and deposits fell by ¥828 million.

(Liabilities)

Liabilities at the end of consolidated Q1 decreased by ¥1.822 billion from the end of the previous consolidated accounting period to ¥6.916 billion. Although other current liabilities increased by ¥716 million, provision for bonuses declined by ¥1.332 billion, income taxes payable fell by ¥796 million, and short-term loans payable decreased by ¥400 million.

(Net Assets)

Net assets at the end of consolidated Q1 decreased by ¥232 million from the end of the previous consolidated accounting period to ¥15.020 billion. Although net income attributable to owners of parent increased net assets by ¥505 million, payment of year-end dividends reduced net assets by ¥774 million.

(3) Qualitative Information on the Consolidated Results Forecast

There have been no changes to the full-year results projections as released by the ID Group on April 30, 2026.

2. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheet

(Thousands of ¥)

	Previous consolidated accounting period As of March 31, 2026	Consolidated first quarter under review As of June 30, 2026
Assets		
Current assets		
Cash and deposits	6,520,340	5,692,335
Accounts receivable–trade	8,323,053	6,847,652
Contract assets	775,280	1,133,951
Securities	100,260	100,110
Work in process	1,900	12,319
Accounts receivable–other	28,008	60,140
Other	661,173	825,900
Total current assets	16,410,017	14,672,407
Non-current assets		
Property, plant and equipment	1,440,505	1,429,571
Intangible assets		
Goodwill	273,890	223,405
Software	61,987	57,797
Other	2,694	7,650
Total intangible assets	338,572	288,853
Investments and other assets		
Investment securities	4,189,408	4,174,093
Deferred tax assets	801,181	574,159
Guarantee deposits	361,992	337,719
Other	458,307	468,152
Allowance for doubtful accounts	–7,500	–7,500
Total investments and other assets	5,803,389	5,546,625
Total non-current assets	7,582,467	7,265,050
Total assets	23,992,484	21,937,458

(Thousands of ¥)

	Previous consolidated accounting period As of March 31, 2026	Consolidated first quarter under review As of June 30, 2026
Liabilities		
Current liabilities		
Accounts payable–trade	1,397,940	1,352,556
Contract liabilities	1,013,089	1,014,181
Short-term loans payable	* 1,000,000	* 600,000
Income taxes payable	884,386	88,058
Provision for bonuses	2,037,863	705,440
Provision for directors' bonuses	42,787	8,888
Other	1,672,122	2,388,832
Total current liabilities	8,048,187	6,157,957
Non-current liabilities		
Deferred tax liabilities	376,906	430,203
Provision for directors' retirement benefits	54,411	56,676
Net retirement benefit liability	38,994	41,503
Other	220,955	230,428
Total non-current liabilities	691,267	758,811
Total liabilities	8,739,455	6,916,769
Net assets		
Shareholders' equity		
Capital stock	592,344	592,344
Capital surplus	541,475	541,475
Retained earnings	12,650,355	12,381,866
Treasury stock	–285,109	–287,660
Total shareholders' equity	13,499,066	13,228,026
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,079,716	1,080,834
Deferred gains or losses on hedges	29,997	33,278
Foreign currency translation adjustment	577,742	612,205
Total accumulated other comprehensive income	1,687,456	1,726,318
Non-controlling interests	66,506	66,343
Total net assets	15,253,029	15,020,688
Total liabilities and net assets	23,992,484	21,937,458

(2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income)

(Thousands of ¥)

	Previous consolidated first quarter (April 1, 2025 to June 30, 2025)	Consolidated first quarter under review (April 1, 2026 to June 30, 2026)
Net sales	9,672,344	9,652,621
Cost of sales	7,086,696	7,047,664
Gross profit	2,585,647	2,604,956
Selling, general, and administrative expenses	1,576,602	1,792,900
Operating income	1,009,045	812,056
Non-operating income		
Interest income	1,019	1,509
Dividend income	42,439	51,222
Subsidy income	340	904
Foreign exchange gains	6,142	1,283
Other	4,571	8,235
Total non-operating income	54,513	63,154
Non-operating expenses		
Interest expenses	6,726	3,177
Share of loss of entities accounted for using equity method	43,068	18,522
Other	1,541	1,130
Total non-operating expenses	51,336	22,830
Ordinary income	1,012,222	852,380
Extraordinary income		
Gain on sales of non-current assets	-	2,483
Total extraordinary income	-	2,483
Extraordinary losses		
Loss on retirement of non-current assets	0	39
Total extraordinary losses	0	39
Net income before income taxes	1,012,222	854,824
Income taxes–current	68,492	69,952
Income taxes–deferred	318,848	277,112
Total income taxes	387,340	347,065
Net income	624,882	507,759
Net income attributable to non-controlling interests	2,488	2,109
Net income attributable to owners of parent	622,393	505,650

(Consolidated Statement of Comprehensive Income)

(Thousands of ¥)

	Previous consolidated first quarter (April 1, 2025 to June 30, 2025)	Consolidated first quarter under review (April 1, 2026 to June 30, 2026)
Net income	624,882	507,759
Other comprehensive income		
Valuation difference on available-for-sale securities	108,211	3,534
Deferred gains or losses on hedges	−5,579	3,280
Foreign currency translation adjustment	−9,964	34,598
Share of other comprehensive income of entities accounted for using equity method	1,038	−2,552
Total other comprehensive income	93,706	38,861
Comprehensive income	718,588	546,620
(Breakdown)		
Comprehensive income attributable to owners of parent	716,100	544,511
Comprehensive income attributable to non-controlling interests	2,488	2,109

(3) Notes on Consolidated Financial Statements

(Notes on Assumptions Regarding Going Concern)

None.

(Notes on Significant Changes (If Any) in Shareholders' Equity)

None.

(Notes on Consolidated Balance Sheet)

To improve the flexibility and efficiency of its fundraising, the Group has concluded overdraft agreements with five of its correspondent banks.

The Group's balance of unexecuted loans payable based on the above agreement is as follows.

	Previous consolidated accounting period As of March 31, 2026	Consolidated first quarter under review As of June 30, 2026
Maximum amount of overdraft	¥4,100,000 thousand	¥4,100,000 thousand
Balance of executed loans payable	¥1,000,000 thousand	¥600,000 thousand
Difference	¥3,100,000 thousand	¥3,500,000 thousand

(Notes on Consolidated Cash Flow Statement)

The Group has not prepared consolidated cash flow statement for the consolidated first quarter under review. However, depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the consolidated first quarter are as follows.

	Previous consolidated first quarter (April 1, 2025 to June 30, 2025)	Consolidated first quarter under review (April 1, 2026 to June 30, 2026)
Depreciation	¥44,653 thousand	¥42,589 thousand
Amortization of goodwill	¥50,484 thousand	¥50,484 thousand

(Notes on Segment Information, etc.)

[Segment Information]

The Group has only one segment, "information service business." Accordingly, this item is omitted.

(Additional Information)

(Trades involving the delivery of Company shares to employees, etc. through a trust)

The ID Group introduced two performance pay plans: a performance-based stock remuneration plan called a “board benefit trust-restricted stock (BBT-RS) plan,” for Group directors and corporate officers (“Directors, etc.”), and a stock remuneration plan called a “Japanese employee stock ownership plan - restricted-stock (J-ESOP-RS),” for Group employees. The plans are designed to encourage Directors, etc. and employees to contribute to better mid- to long-term results and greater corporate value.

(1) How the plans work

The BBT-RS is a performance pay plan under which Company shares are acquired through a trust using money contributed by the ID Group, and those Company shares are then awarded to Directors, etc. through the trust based on their job performance, etc. as stipulated by the Officer Stock Benefit Rules established by the ID Group. When Directors, etc. receive Company shares while still employed with the Group, before receiving the shares the Directors, etc. must conclude a transfer restriction agreement with the Company. This measure restricts the ability of Directors, etc. to transfer or otherwise dispose of Company shares acquired while employed with the Company before they retire. Shares awarded to Directors, etc., including shares to be awarded in the future, are acquired using funds from a previously established trust, and those shares are segregated and managed as trust property.

Under the J-ESOP-RS, the ID Group awards shares to employees who satisfy certain conditions as stipulated under the Stock Benefit Rules previously established by the ID Group.

The ID Group awards points to employees based on factors such as years of service and promotions, issuing Company shares to employees in proportion to accrued points, once they become eligible to receive the shares based on certain conditions. When employees receive the Company shares while still employed with the Group, before receiving the shares the employees conclude a transfer restriction agreement with the Company. This measure restricts employees’ ability to transfer or otherwise dispose of Company shares acquired while employed with the Company before they retire. Shares awarded to employees, including shares to be awarded in the future, are acquired using funds from a previously established trust, and those shares are segregated and managed as trust property.

(2) Notes on the ID Group shares held in trust

Shares in the ID Group held by BBT-RS and J-ESOP-RS at the end of the consolidated first quarter under review are listed in the consolidated balance sheet under “Net Assets” as “Treasury Stock.” The book value of these shares was ¥269,459,000 at the end of the previous consolidated fiscal period and was ¥268,955,000 at the end of the consolidated first quarter under review. The number of shares was 211,622 at the end of the previous consolidated fiscal period and was 422,620 at the end of the consolidated first quarter under review.

On April 1, 2026, the Company conducted a 2-for-1 split of common shares. If the share split had been conducted before the previous fiscal year, the number of shares would have been 423,244.

(Notes on Material Subsequent Events)

None.