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April 1, 2026 – September 30, 2026

Supplementary Briefing on Financial Results

ID Holdings Corporation (TSE Prime Market Code: 4709)
President, Representative Director and Group CEO
Masaki Funakoshi

November 24, 2026

Apology Concerning Misconduct by a Former Employee of the ID Group

We once again sincerely apologize for the significant inconvenience and concern caused to our customers, shareholders and investors, business partners, and all other stakeholders regarding the misconduct by a former employee of our Group, as disclosed on September 15, 2026.

We are continuing sincere discussions with the affected customer toward a resolution, including compensation. In addition, we have established the Business Risk Management Department and are reviewing our operational management framework, taking into account the opinions of external experts.

Furthermore, we recorded extraordinary losses resulting from this misconduct in our financial results for the first six months of the fiscal year ending March 31, 2027. To clarify management responsibility for this matter, the Company, having received offers to voluntarily forgo a portion of executive compensation, has decided to reduce executive compensation.

The Company's management recognizes that ensuring the reliable implementation of the measures formulated to prevent a recurrence is a critical responsibility of management. The Company will strive to restore the trust of all stakeholders by steadily and thoroughly implementing these measures.

Disclosure History Concerning Misconduct by a Former Employee of the ID Group

Date	Disclosure
Sep. 15	Notice and Apology Concerning Misconduct by an Employee of the ID Group
Sep. 30	Notice Regarding the Establishment of an Advisory Committee Composed of External Experts
Oct. 16	Notice Regarding the Results of the Investigation into Misconduct by a Former Employee of the ID Group and Measures to Prevent Recurrence (Interim Report)
Nov. 17	Notice Regarding Management Responsibility and Future Measures Concerning Misconduct by a Former Employee of the ID Group

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1 Performance Overview for Q2 FY2026

2 Mid-term Management Plan
Next 50 Episode Ⅲ: Jump!!!

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Net Sales ¥19,399 million (-0.4% YoY)

- ⊖ Completion of some projects in application development
- ⊕ IT infrastructure and consulting and training, which are focus areas, trended firmly

Gross Profit ¥5,236 million (+3.7% YoY)
Operating Income ¥1,898 million (–6.0% YoY)
Operating Income Margin 9.8% (–0.6P YoY)

- ⊕ Improved productivity in base areas
- ⊖ Increase in returns to employees (base pay increases) and in strategic investment in personnel training and retention

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Financial Results (Consolidated)

(¥ million)	2025.9		2026.9			
	Results	(% of net sales)	Results	(% of net sales)	Diff.	YoY
Net sales	19,472	-	**19,399**	**-**	-72	-0.4%
Cost of sales	14,423	74.1%	**14,163**	**73.0%**	-260	-1.8%
Gross profit	5,048	25.9%	**5,236**	**27.0%**	187	+3.7%
SG&A expenses	3,029	15.6%	**3,337**	**17.2%**	308	+10.2%
EBITDA[1]	2,210	11.4%	**2,073**	**10.7%**	-137	-6.2%
Operating income	2,018	10.4%	**1,898**	**9.8%**	-120	-6.0%
Ordinary income	2,003	10.3%	**1,926**	**9.9%**	-76	-3.8%
Net income attributable to owners of parent	1,274	6.5%	**943**	**4.9%**	-331	-26.0%
Earnings per share (EPS) (¥)	37.82	-	**27.74**	**-**	-10.08	-
EPS before amortization of goodwill[2](¥)	40.81	-	**30.38**	**-**	-10.43	-

Notes:

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
3. 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.

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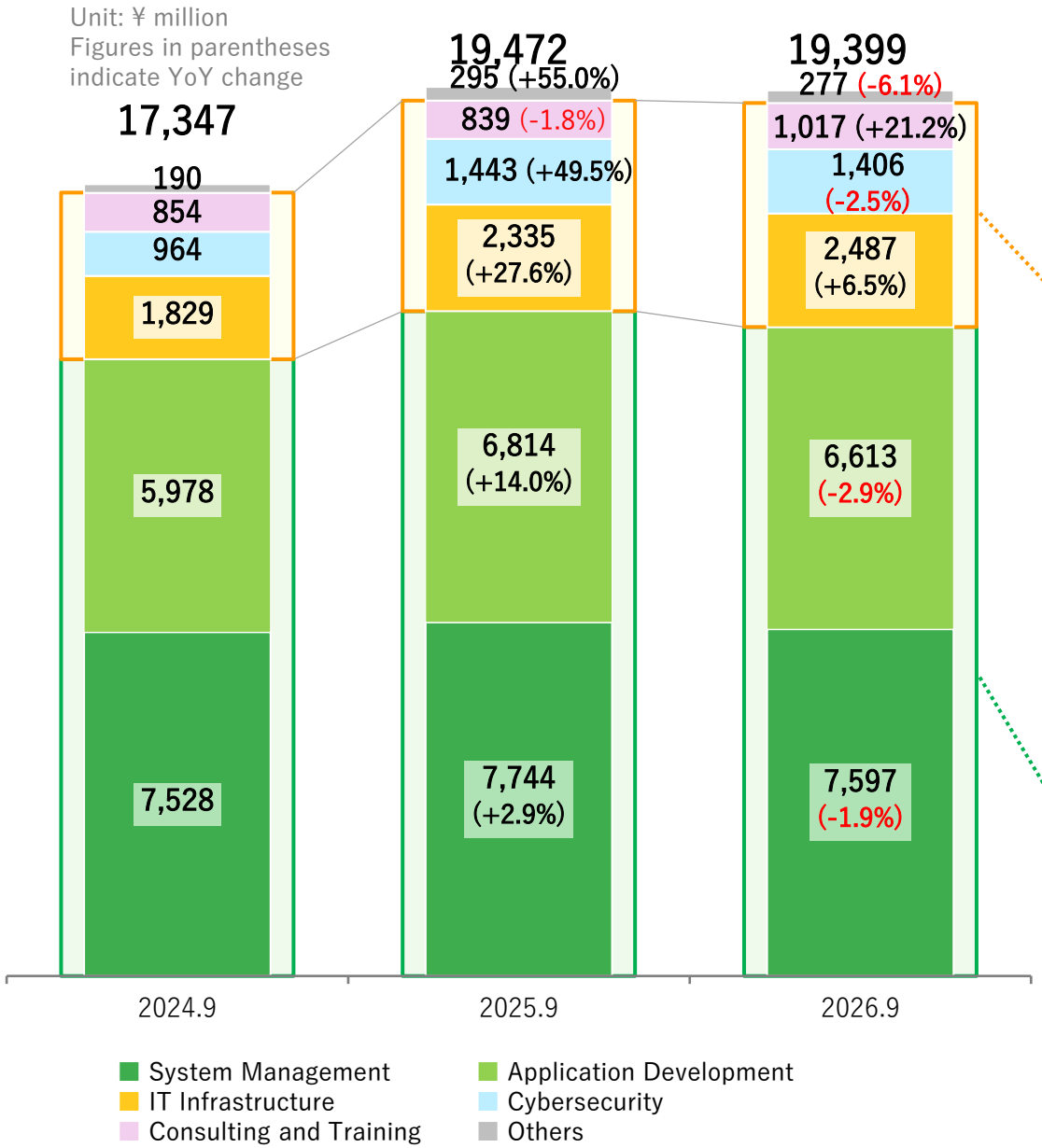
Net Sales by Service



Focus areas

¥4.9 billion
(% of net sales: 25.3%
YoY: +6.4%)

Consulting and Training (Share of net sales: 5.2%)
- ⊕ Orders received for consulting expanded with customers related to finance, energy, and transportation
- ⊕ Upskilling of personnel based on the Mid-term Management Plan

Cybersecurity (Share of net sales: 7.2%)
- ⊕ New projects were secured and transactions expanded through partnerships with major IT vendors
- ⊖ Some high-revenue projects were wrapped up

IT Infrastructure (Share of net sales: 12.8%)
- ⊕ New projects were secured with customers related to finance, transportation, and energy

Base areas

¥14.2 billion
(% of net sales: 73.3%
YoY: -2.4%)

Application Development (Share of net sales: 34.1%)
- ⊖ Impact of curbed investment by some customers
- ⊕ Orders received expanded through partnerships with major IT vendors

System Management (Share of net sales: 39.2%)
- ⊖ Some projects with major IT vendors drew to a close
- ⊕ Projects with existing customers expanded

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Gross Profit by Service

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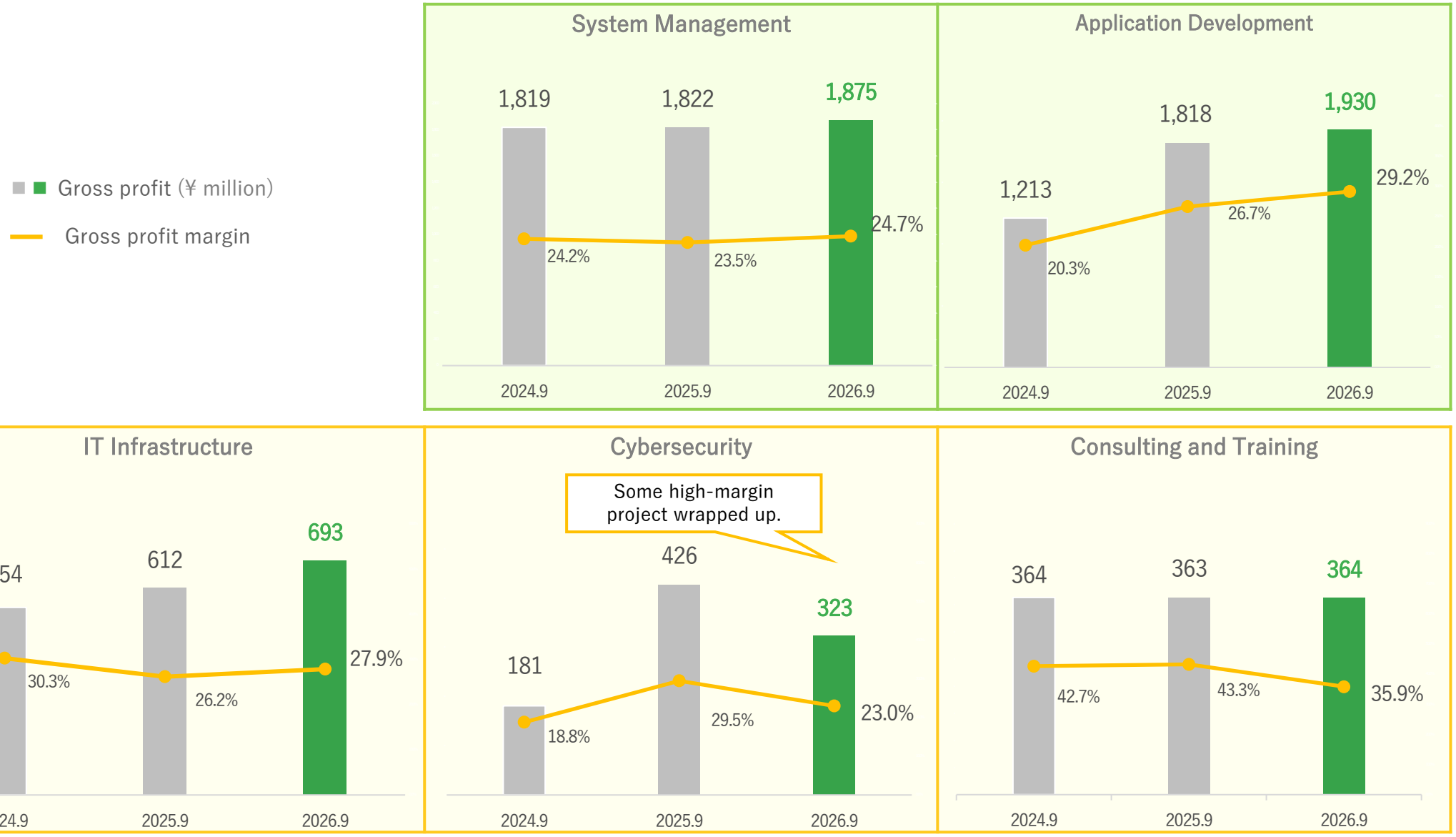

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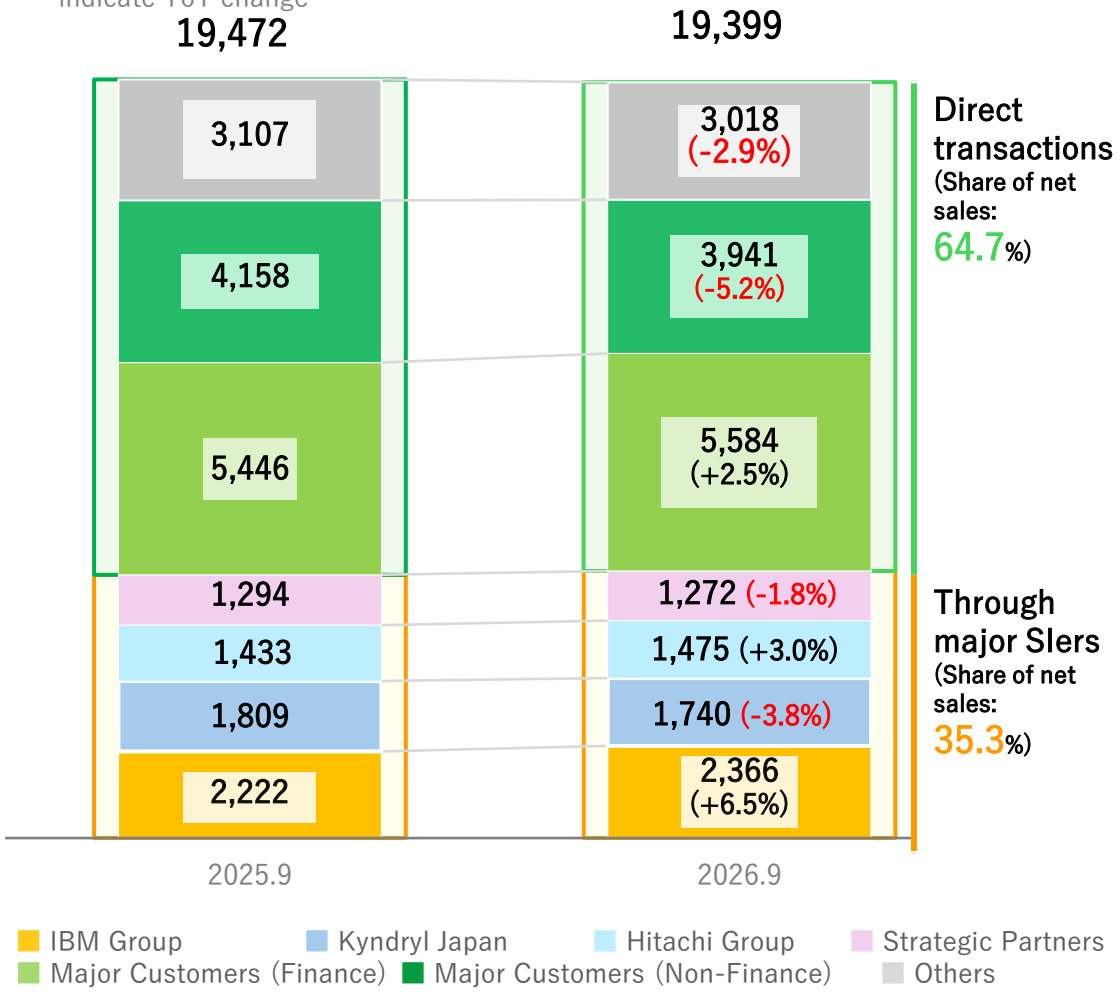
Net Sales by Strategic Alliances

The ID Group secures a stable earnings base by maintaining a balance between direct contracts (over 60%) and projects through major SIers.

Unit: ¥ million
Figures in parentheses indicate YoY change



Direct transactions (Share of net sales: 64.7%)

Through major SIers (Share of net sales: 35.3%)

Major Customers (Non-Finance) (Share of net sales: 20.3%)
- ⊖ Application development projects with customers in manufacturing and energy declined.
- ⊖ Consulting projects with customers related to broadcasting wrapped up.
- ⊕ New IT infrastructure projects were secured with customers related to transportation.

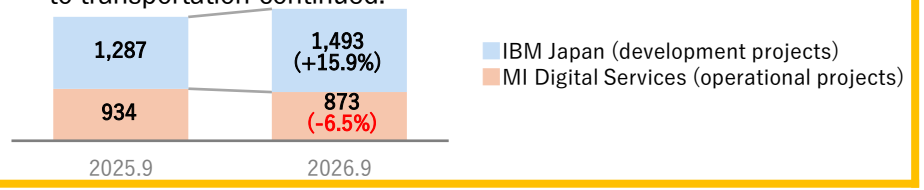
Major Customers (Finance) (Share of net sales: 28.8%)
- ⊕ Public-sector projects in system management expanded.
- ⊕ Finance-related projects in focus areas expanded.
- ⊖ Projects in IT infrastructure decreased.

Strategic Partners (Share of net sales: 6.6%)
- ⊖ Projects in application development decreased.
- ⊕ New security projects were secured.

Hitachi Group (Share of net sales: 7.6%)
- ⊕ Among other events, orders received in security projects expanded with customers in government and municipal offices.

Kyndryl Japan (Share of net sales: 9.0%)
- ⊖ Among other events, projects in system management drew to a close.

IBM Group (Share of net sales: 12.2%)
- ⊕ Large-scale application development projects with customers related to transportation continued.



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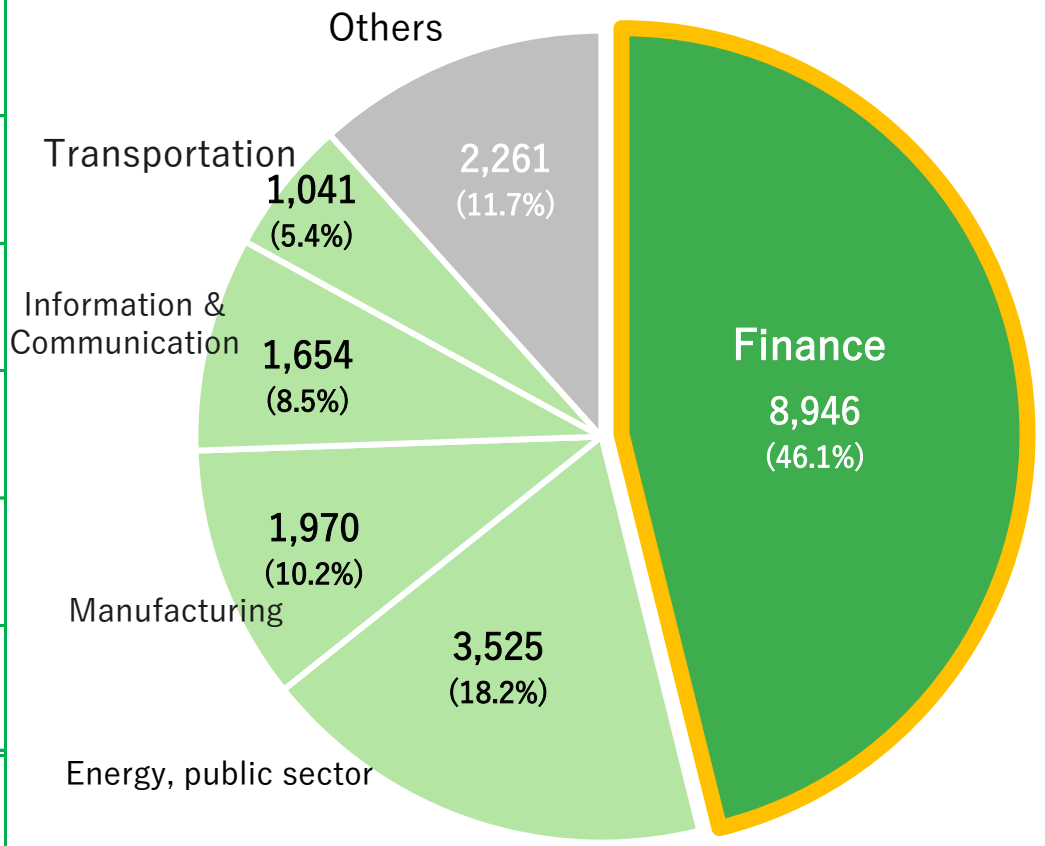
Net Sales Composition by End-user Industry

Transactions with the financial sector account for more than 40% of net sales.

(¥ million)	2026.9	(% of net sales)	YoY	
Finance	8,946	46.1%	+222	+2.5%
Energy, public sector	3,525	18.2%	-443	-11.2%
Manufacturing	1,970	10.2%	+90	+4.8%
Information & Communication	1,654	8.5%	-8	-0.5%
Transportation	1,041	5.4%	+292	+39.1%
Others*	2,261	11.7%	-226	-9.1%
Total	19,399	100.0%	-72	-0.4%

*"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.)

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



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Operating Income Analysis (YoY)

(¥ million)	2025.9 Results	2026.9 Results	2026.9 Diff.
Net sales	19,472	19,399	-72 (-0.4%)
Cost of sales	14,423	14,163	-260 (-1.8%)
Gross profit	5,048	5,236	+187 (+3.7%)
SG&A expenses	3,029	3,337	+308 (+10.2%)
Operating income	2,018	1,898	-120 (-6.0%)

Main factors for change in gross profit

- ■ Decrease in cost of sales -260
  - Outsourcing expenses -179
  - Labor cost -106
  - Manufacturing expenses +62

Main factors for change in operating income

- ■ Increase in personnel expenses +70
  - Promotion of returns to employees (base pay increases)
- ■ Increase in other SG&A expenses +237
  - Increase in strategic investment in personnel training and retention

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Analysis of Net Income Attributable to Owners of Parent (YoY)

(¥ million)	2025.9 Results	2026.9 Results	2026.9 Diff.
Ordinary income	2,003	1,926	-76
Extraordinary income	47	2	-44
Extraordinary losses	0	243	+243
Total income taxes, etc.	775	742	-33
Net income attributable to owners of parent	1,274	943	-331

Factors for increase in extraordinary losses

- Recording of provision of allowance for loss on compensation for damage resulting from misconduct by a former employee of the ID Group
  +243

■Disclosures regarding misconduct by a former employee of the ID Group

Date	Disclosure document
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Analysis of Balance-sheet Factors

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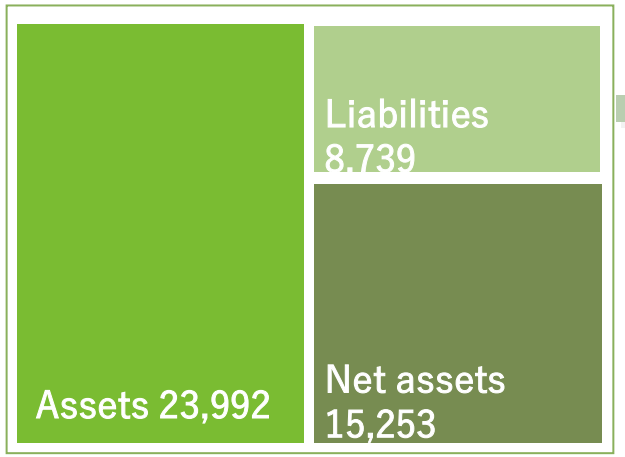
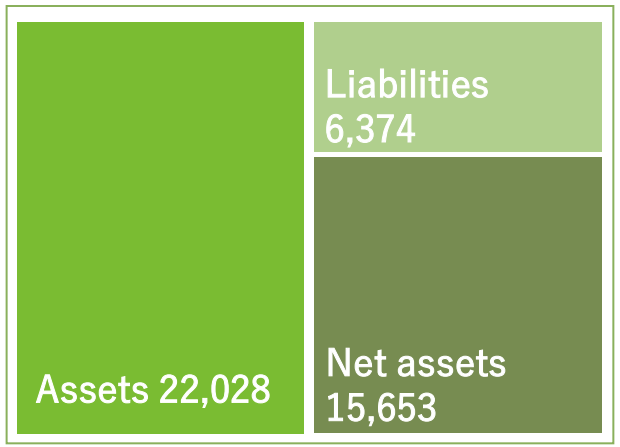
(¥ million)

2026.3



2026.9



Main Factors

- Cash and deposits decreased
  -936
- Accounts receivable–trade decreased
  -714
- Deferred tax assets decreased
  -300
- Contract assets decreased
  -251
- Securities decreased
  -100
- Investment securities increased
  +337

Main Factors

- Interest-bearing debt decreased
  -1,000
- Provision for bonuses decreased
  -710
- Income taxes payable decreased
  -398

Equity Ratio: **70.7%**

Current Ratio: **262.5%**

Goodwill: **¥184 million**

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Cash Flows and Interest-bearing Debt

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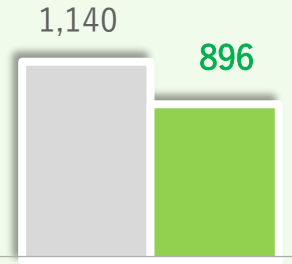
Operating Activities



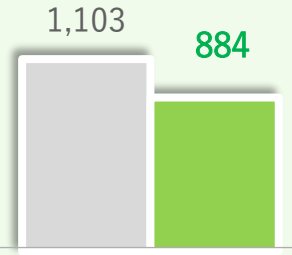
- Net income before income taxes (1,685)
- Corporation tax, etc. paid (-858)

Investing Activities



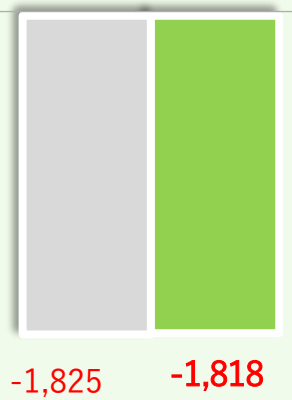
- Purchase of investment securities (-44)
- Purchase of property, plant and equipment (-36)
- Purchase of intangible assets (-21)
- Other (guarantee deposits, etc.) (-12)
- Proceeds from redemption of securities (100)

Free Cash Flows*

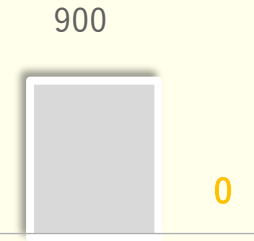


Financing Activities

- Net decrease in short-term loans payable (-1,000)
- Cash dividends paid (including dividends paid to non-controlling interests) (-775)



Interest-bearing Debt



(¥ million)

2025.9
2026.9

Main reasons in Q2 FY2026

*Free Cash Flows = Cash Flows from Operating Activities + Cash Flows from Investing Activities

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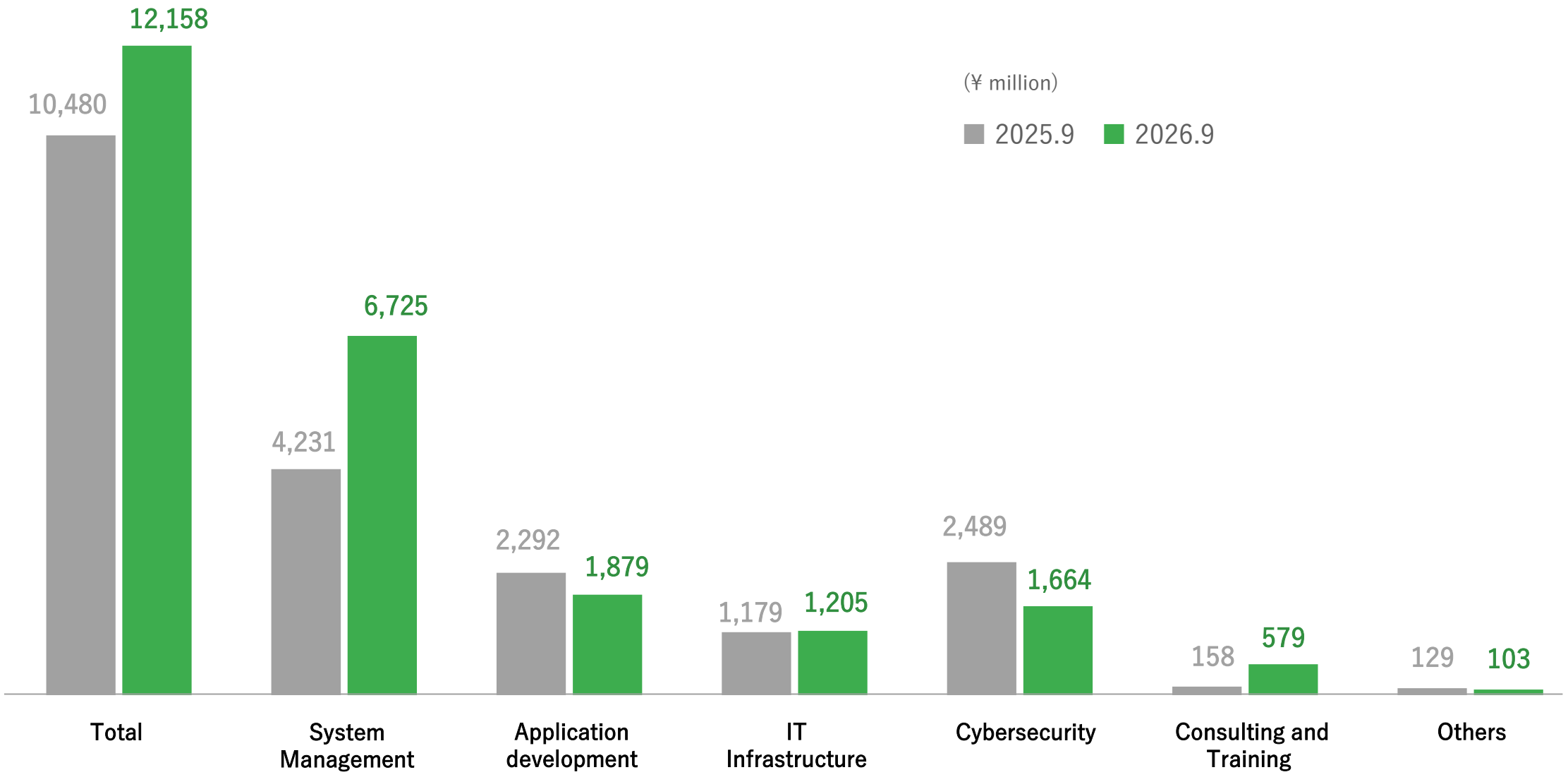
Order Backlog by Service (Cumulative)



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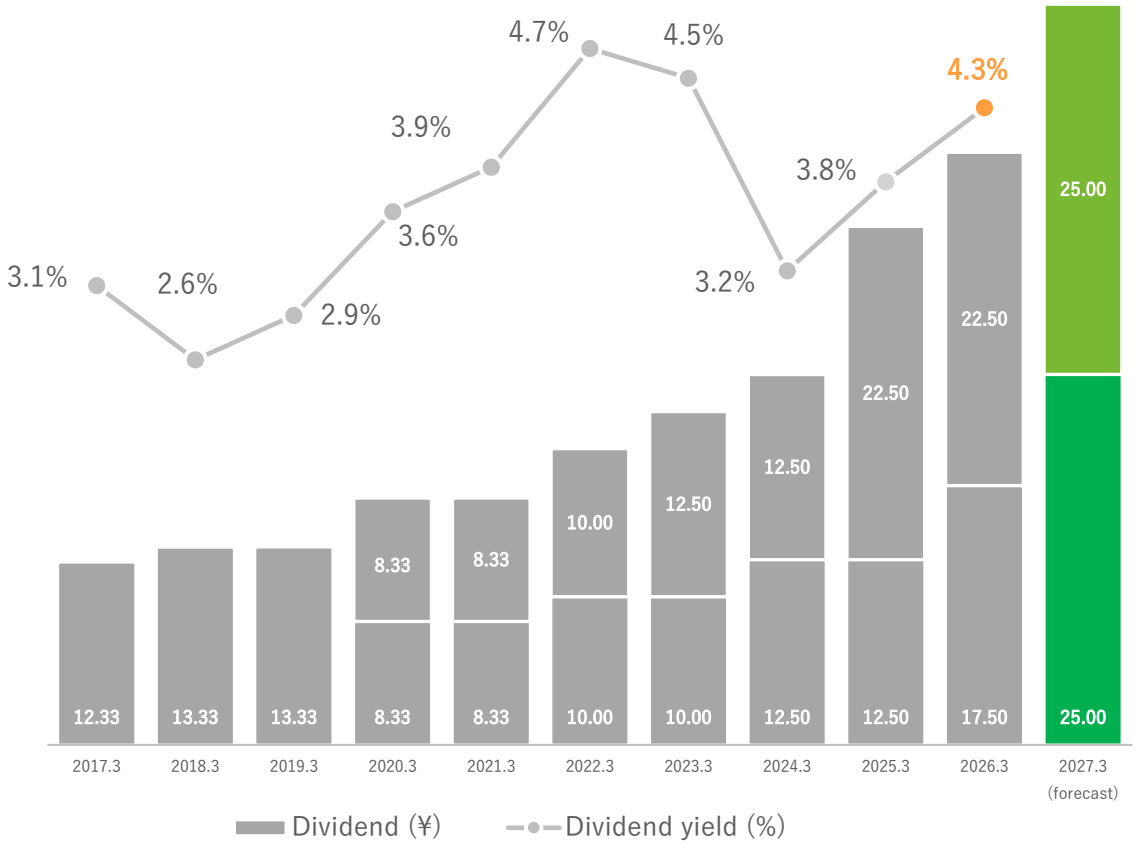
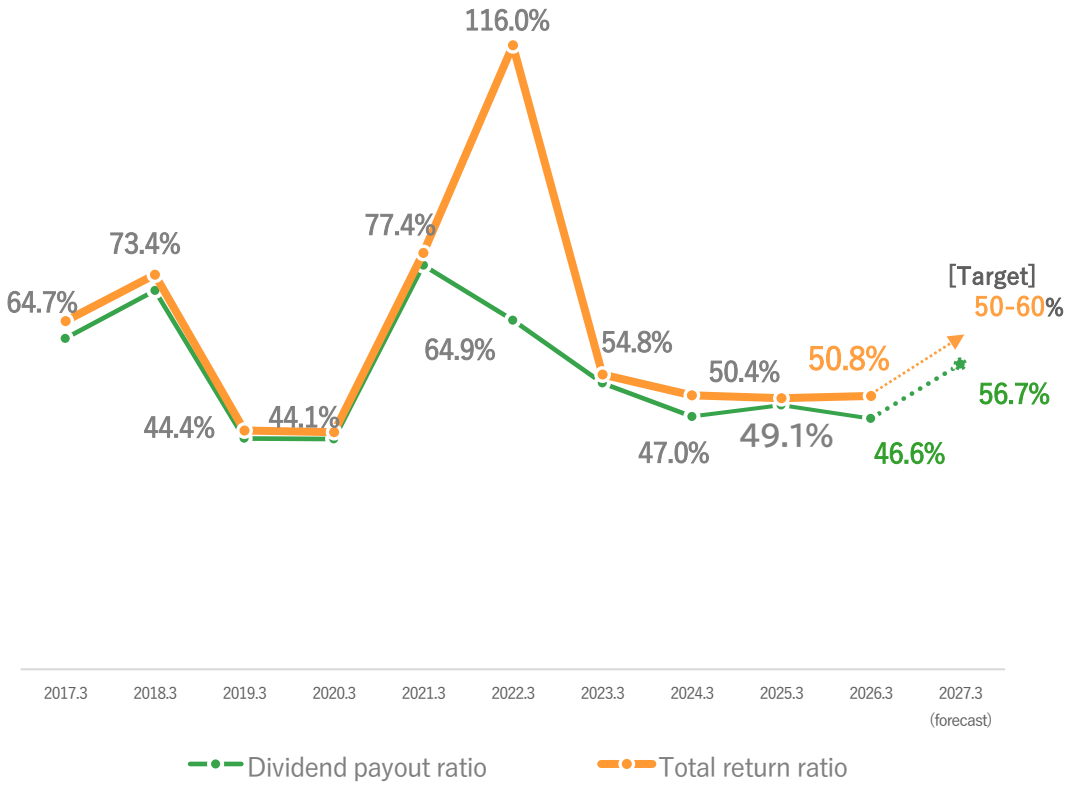
Enhancement of return to shareholders

For FY2026, the Company plans to pay an annual dividend of ¥50 per share, an expected increase of ¥10 from the previous fiscal year. The Company will maintain its total return ratio target (50–60%) and continue to pay stable dividends.

Dividend per share & dividend yield



Dividend payout ratio & total return ratio



* The Company conducted 1.5-for-1 stock splits of its common shares effective January 1, 2017 and July 1, 2021. The Company also conducted a 2-for-1 stock split of its common shares effective April 1, 2026. Dividends in the graph have been adjusted to reflect the stock splits.

* Total return ratio (%) = (Total dividends + Amount of purchase of treasury stock) ÷ Net income attributable to owners of parent × 100

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Shareholders (As of September 30, 2026)

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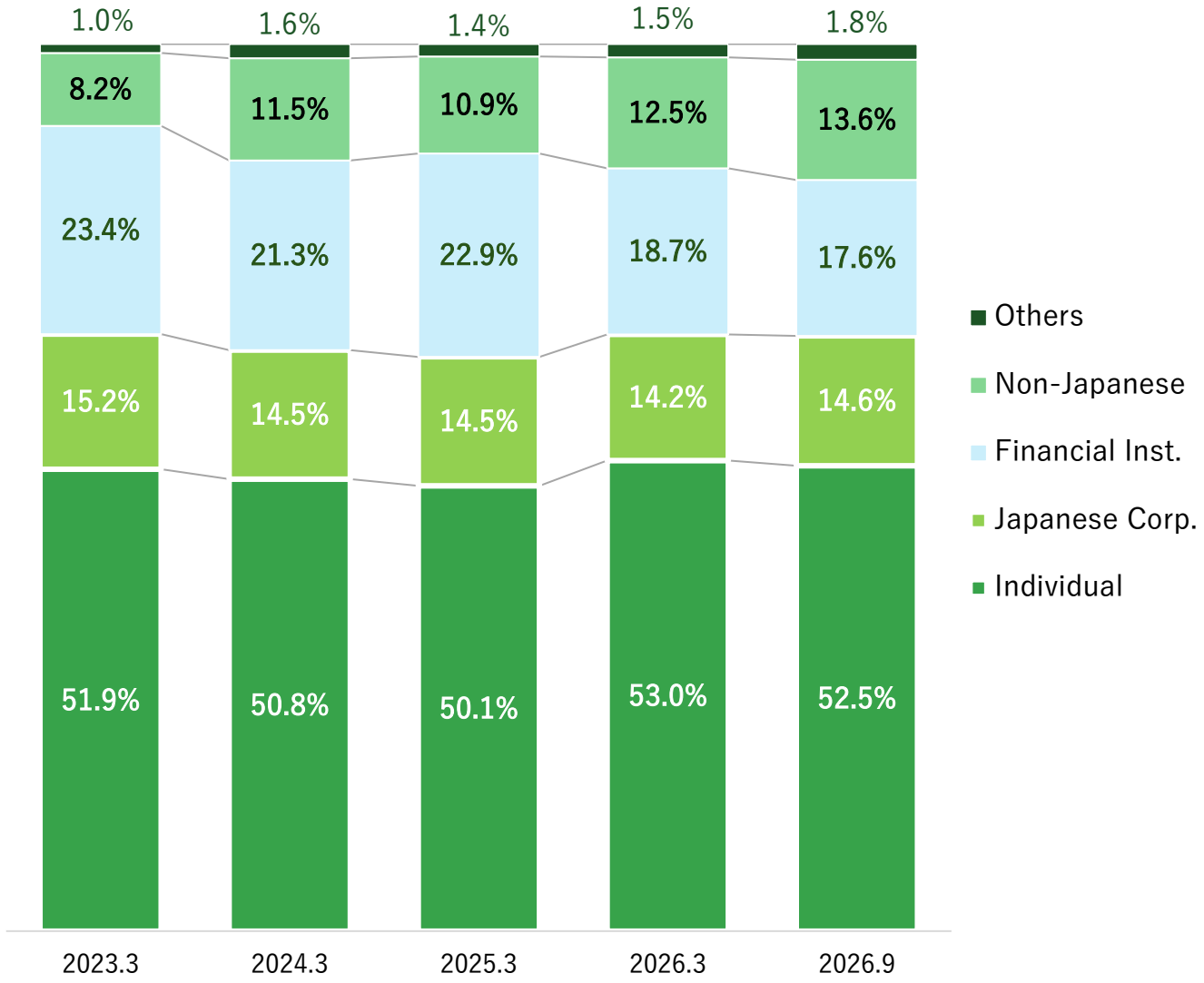
Shareholding by investor type



Major shareholders

- ✓ No. of shareholders: 10,116
  (+1,491 since March 31, 2026)
- ✓ **No. of shareholders with voting rights: 8,257**
  (+1,439 since March 31, 2026)
- ✓ Treasury stocks (97 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)	9.17%
2	A.K.Corporation	9.11%
3	PERSHING-DIV. OF DLJ SECS. CORP.	6.89%
4	ID Employee Ownership Account	5.30%
5	Mizuho Trust & Banking Co., Ltd.	3.25%
6	TDC SOFT Inc.	2.48%
7	Custody Bank of Japan, Ltd. (Trust Account)	2.22%
8	Akemi Funakoshi	1.72%
9	Kaori Marubayashi	1.56%
10	Eiko Ozaki	1.05%

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Personal Experience and Achievements as a Human Being

The ID Group contributes to society in a wide variety of ways.

Activities of the ID Group (FY2025 Results: approx. ¥290 million)



Employment of the disabled to grow plants and vegetables

Spreading Japanese food culture to the world

Support for children's cafeterias

ID Group blood donation day





◀ Fieldwork training camp in Yonago, Tottori Prefecture for new employees

Elimination of gender-based barriers
Hiring and deployment of a global workforce

Establishment of partnership rules

SUSTAINABLE DEVELOPMENT GOALS

1 貧困をなくそう
2 飢餓をゼロに
3 すべての人に健康と福祉を
9 産業と技術革新の基盤をつくろう
11 住み続けられるまちづくりを
4 質の高い教育をみんなに
5 ジェンダー平等を実現しよう
10 人や国の不平等をなくそう

Support for culture and the arts





The Group supports a wide range of artists through patronage of the arts and culture, including:

- Tsuruga Wakasanojo XI
  (11th head of the Tsuruga school of Shinnai joruri (dramatic recitation accompanied by shamisen) and keeper of an important intangible cultural asset (Living National Treasure)
- Senkei Fukuda, painter in the Japanese style
- Tomomi Kohno, guitarist, and other musicians, etc.

External evaluations

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

Selected for inclusion in the "White 500" (6th overall selection)

SPORTS YELL COMPANY 2026

Certified as a "Sports Yell Company" for 2026

2026年認定（2025年度基準） くるみん 子育てサポートしています

Certified under the Kurumin program

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Trend in Share Price (from December 2013)

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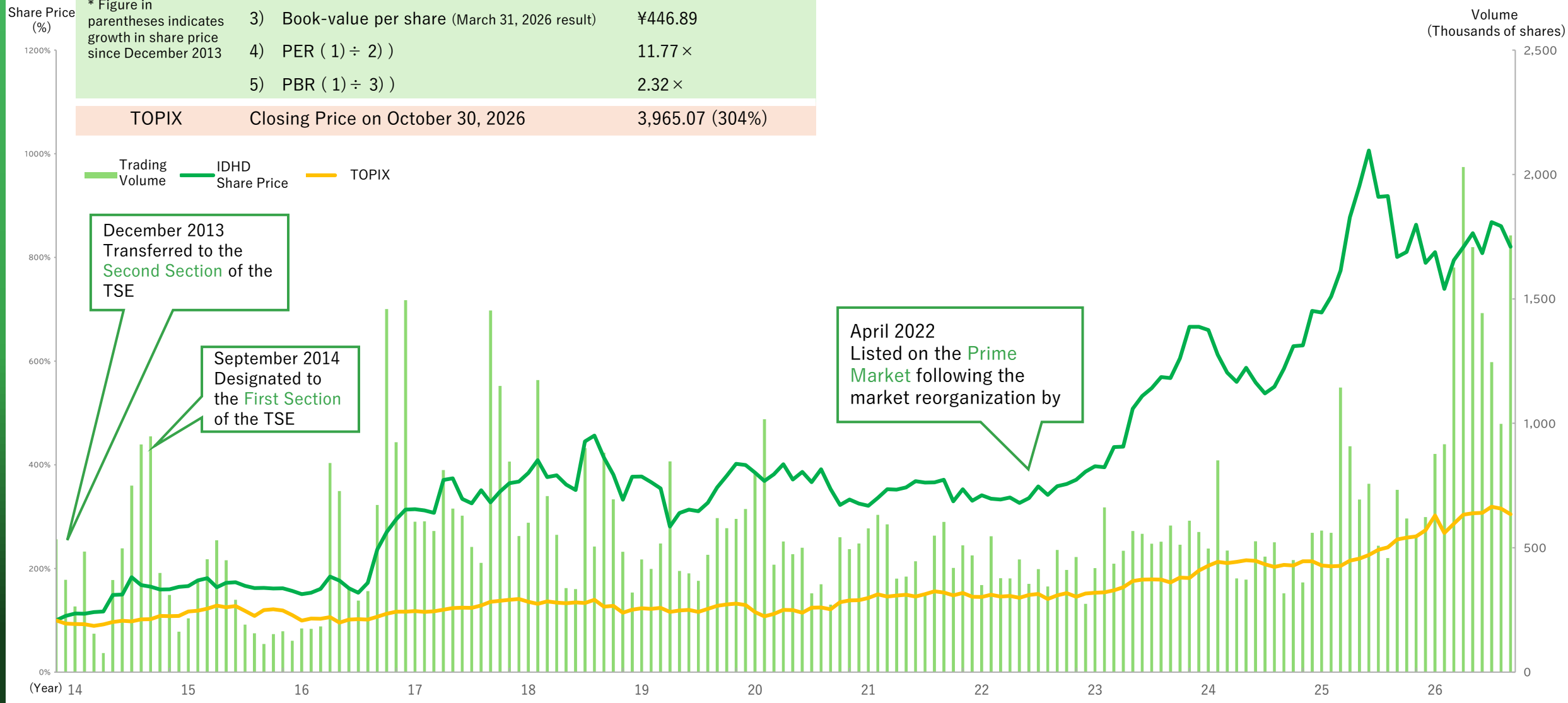
IDHD * Figure in parentheses indicates growth in share price since December 2013	1)	Closing Price on October 30, 2026	¥1,038 (821%)
	2)	Net income per share (March 31, 2027 forecast)	¥88.21
	3)	Book-value per share (March 31, 2026 result)	¥446.89
	4)	PER (1) ÷ 2))	11.77×
	5)	PBR (1) ÷ 3))	2.32×
TOPIX	Closing Price on October 30, 2026		3,965.07 (304%)



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Forecast of Consolidated Financial Results for FY2026 (YoY)

(¥ million)	2026.3 Results	2026.3 (% of net sales)	2027.3 Plan	2027.3 (% of net sales)	Diff.	YoY
Net sales	39,371	-	42,000	-	+2,628	+6.7%
EBITDA	4,518	11.5%	4,850	11.5%	+331	+7.3%
Operating income	4,128	10.5%	4,500	10.7%	+371	+9.0%
Ordinary income	4,212	10.7%	4,550	10.8%	+337	+8.0%
Net income attributable to owners of parent	2,907	7.4%	3,000	7.1%	+92	+3.2%
Earnings per share (EPS)(¥)	85.93	-	88.21	-	+2.28	-
EPS before amortization of goodwill (¥)	91.90	-	92.83	-	+0.93	-
Cash flows from operating activities	3,060	-	3,200	-	+139	-

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1

Performance Overview for Q2 FY2026

2

Mid-term Management Plan
Next 50 Episode Ⅲ: Jump!!!

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Path of Growth Toward Achieving the Vision

To achieve the medium-term vision, the ID Group is setting **two themes: a shift to a** lean, **high-profit model** and **a transformation of culture** to support it.

FY2029

Achievement of a lean ID Group with high profit and excellent reputation

Net sales ¥50 billion

Gross profit (margin)

¥15 billion (30%)

Next 50 Episode III: JUMP!!!

FY2025 to FY2027

Shift to a high-profit model × Transformation of culture

Net sales ¥44 billion

Gross profit (margin) ¥12.3 billion (28%)

New Theme !

AI transitions from a tool to a labor force. Repetitive work is delegated to AI, enabling people to focus on high-value work domains.

Next 50 Episode II: Ride on Time

FY2022 to FY2024

Cultivation of a platform for growth in the DX era

Net sales ¥36.2 billion*

Gross profit (margin)

¥8.65 billion (23.9%)*

60th anniversary of foundation

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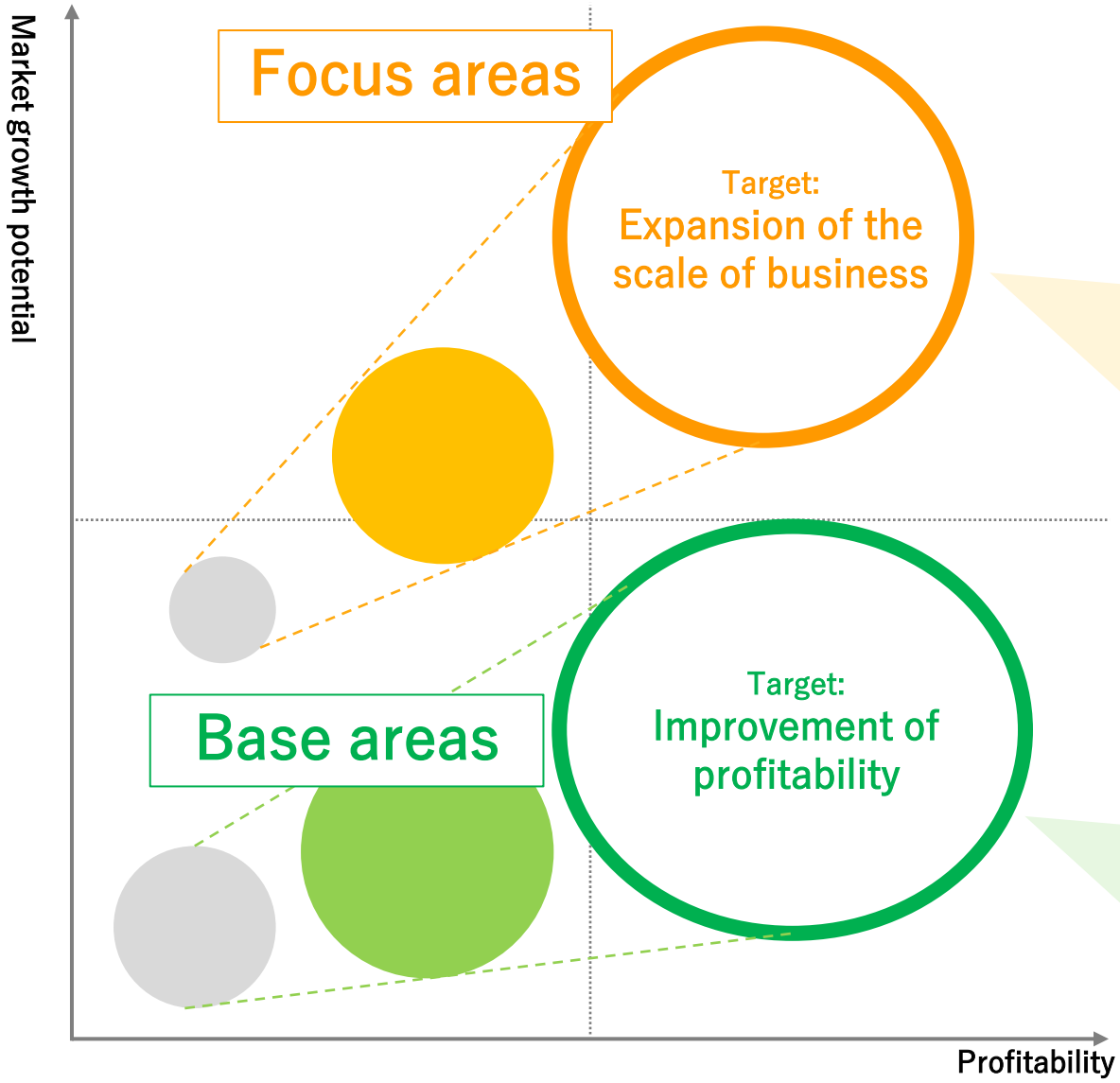
Service Portfolio Strategy: Overview

Aiming to *Jump!!!* by growing the scale of business in Focus areas and profitability in Base areas.



IT infrastructure

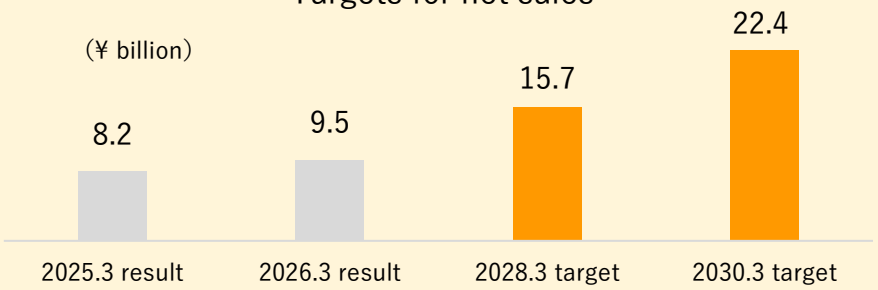
Cybersecurity

Consulting

Expansion of the scale of net sales

by concentrating resources and providing high-value-added services

Targets for net sales



Advancement of **personnel shift through upskilling**

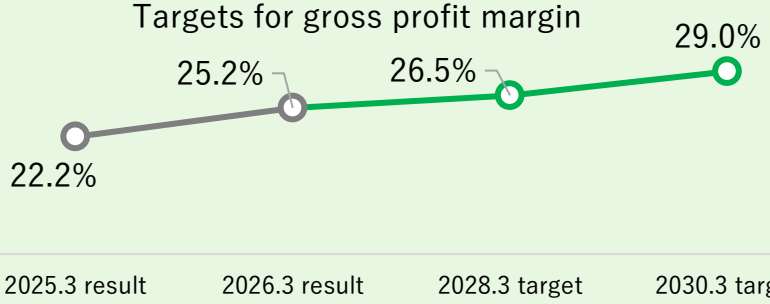
System management

Application development

Improvement of gross profit margin

through effective use of leading-edge technology and effective project selection and focus

Targets for gross profit margin



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Service Portfolio Strategy: Numerical Targets

Unit: Billions of yen	FY2024 result	FY2025 target	FY2025 result	FY2026 target	FY2027 target
Consolidated net sales	36.2	38.5	39.3	42.0	44.0
Net sales in Focus areas	8.2	8.7	9.5	11.6	15.7
Net sales in Base areas	27.5	29.8	29.2	30.4	28.3
Consolidated gross profit margin	23.9%	26.2%	25.7%	26.4%	28.0%
Gross profit margin in Focus areas	29.7%	28.5%	28.9%	29.0%	30.6%
Gross profit margin in Base areas	22.2%	25.1%	25.2%	25.4%	26.5%
Shift of personnel from Base areas to Focus areas	-	-	54 people	225 people over 3 years (FY2025 – FY2027)	

Focus areas

Personnel shift

Shifting of personnel from base areas to focus areas

FY2025

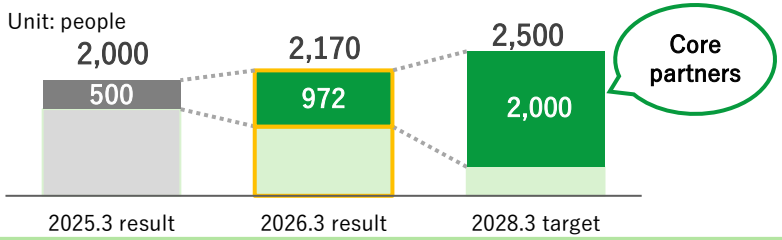
Results: **54** people (total)

(+4 against annual target)

Base areas

Strengthening our business-partner strategy

The Group will secure high-value-added, mutually assisting personnel by strengthening certification of core partners and training personnel in mutual assistance.



Educational and training expenses

Expansion of education and training, including upskilling

FY2025

Results: ¥**380** million (total)

(Progress rate on full-year target: 88.7%)

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Changes in Projects Driven by AX (AI Operating Company)

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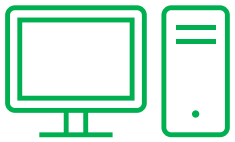
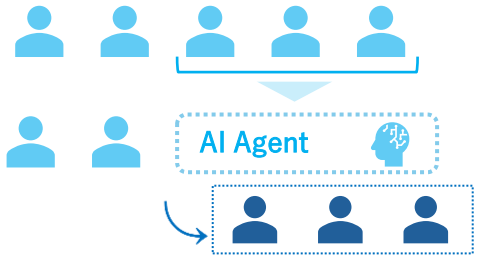
From a company that “develops and operates systems” to an AI Operating Company that deploys and continuously improves AI at customer sites to generate business outcomes.

1) AX projects	2) Projects previously overlooked due to cost and resource constraints	3) Human resource capacity created by AI agent adoption	4) Mission-critical projects for financial systems, etc.
 AI Transformation	 Priority	 Human Resource Capacity	 Social Infrastructure
AX across business operations and systems + Growing demand for projects to strengthen security and enhance governance	Greater efficiency and faster project cycles free up resources on both the client and IT vendor sides, creating greater capacity to commission and undertake projects.	System operations can be managed with fewer personnel ▼ Reallocate the freed-up human resources to growth businesses	Social infrastructure systems that must operate 24/7 are not amenable to AX and so remain as projects that only humans can manage.
Increase in number of projects		Acceleration of AI talent development	Higher-value projects and technologies

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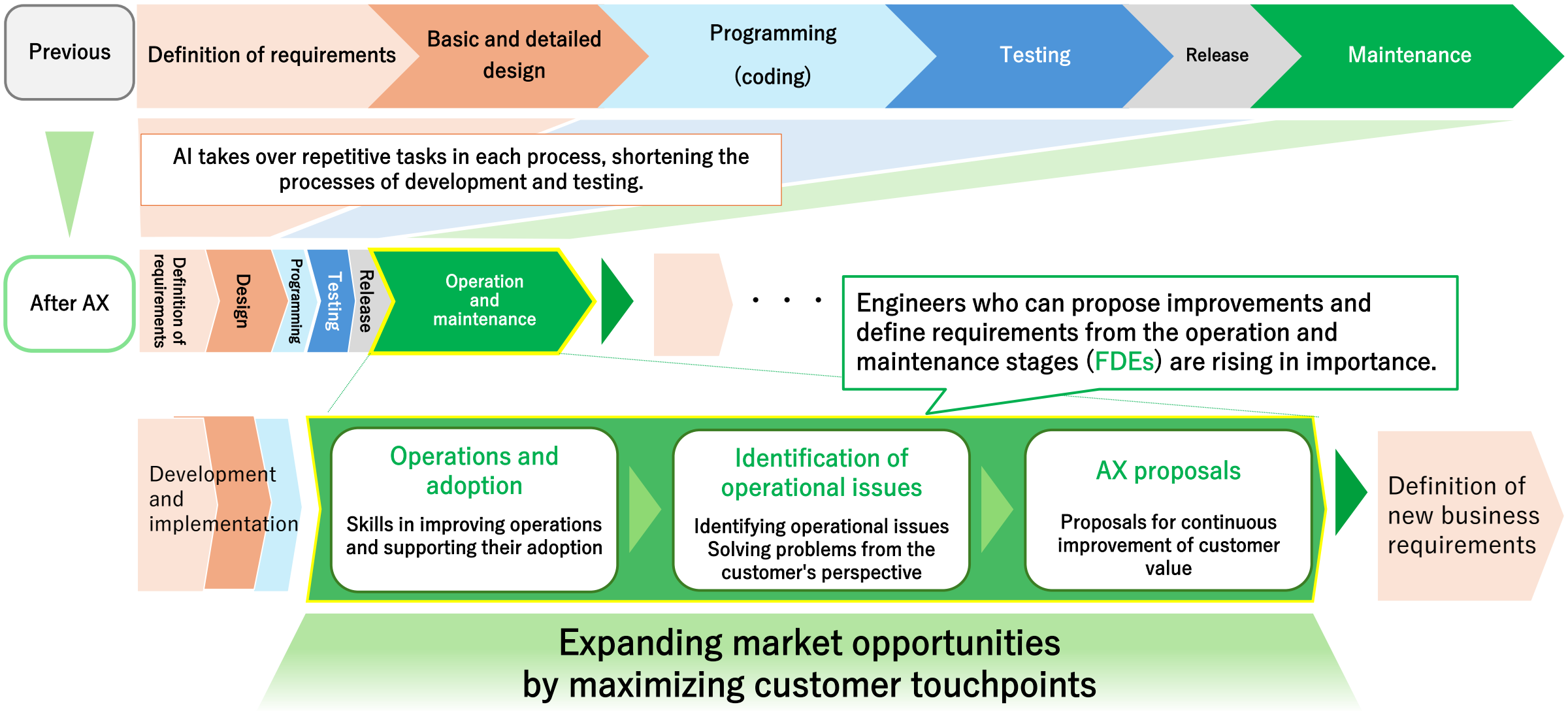
Business Environment for the ID Group: An Industry Being Transformed by AI

AI is emerging as a source of “digital labor,” replacing human labor in a range of tasks.
At the same time, as improvements in efficiency shorten design and development processes, **the domains of operation and maintenance will play vital roles in deepening understanding of customers and driving transformation.**



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Strengths of the ID Group in the Age of AI

Changes in the market environment from AI present opportunities for growth. The ID Group is leveraging AI to accelerate personnel education and deploy Group strengths to deliver value.

Strengths of the ID Group

Focusing on real client work
System management, IT infrastructure, Cybersecurity



Approx. **60%** of ID Group business

Projects directly transacting (as a primary contractor) with end-user clients



Over **60%** of ID Group business

Business results from projects in mission-critical systems such as projects with financial clients



Over **57 years** since the Group's foundation

Three capabilities supporting Group strength

- Technical capabilities (AI Skills)
- Human capabilities (Liberal Arts)
- Organizational capabilities (Organizational Skills)

Personnel training policy

Data-center personnel	Personnel who are experts in types of data centers expected to dominate in the future, such as container-type and modular data centers
AI technology personnel	・Personnel well-versed in container technology, automation solutions, and AI platforms (such as OpenShift, ServiceNow, IBM Bob, etc.) ・Personnel capable of handling "AI audits" and "AI-based business design" for customers
Non-AX personnel	Personnel doing work for which people cannot be replaced with AI

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Toward a Business Model That Integrates AI with Frontline Knowledge

In an age of co-creation between people and AI, the ID Group aims to be an “AI Operating Company” that steadfastly supports businesses that cannot be allowed to stop.

Management issues of corporate clients

Using AI to boost efficiency and save labor while maintaining and improving service quality and safety

Issues, requirements, and work data

Proposals, services, and continuous improvement (Interviews, proposals, implementation support, operational improvements)

ID GROUP

Sales (customer contact point)

Cross-functional teams bringing together specialists from each business division

- Consulting
- Application development
- IT infrastructure
- Cybersecurity
- System management

Enhancing services through synergy of AI and frontline knowledge

AI
Analysis, forecasting, generation, and automation using AI agents

×

Frontline knowledge of the ID Group
Understanding of customers and knowledge about work

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Strategy for Investment in Human Capital

The ID Group is strategically investing in human capital, in the form of expenditures such as returns to employees, educational and training expenses, and recruitment expenses. The amount of investment is **¥6 billion** over three years.

Investment in human capital to boost both technical and human capabilities

AI Technology vs Liberal Arts

Precisely because this is the age of AI, the ID Group is pursuing value that only humans can produce and that AI can never replace.
Guided by its philosophy of IDentity, the ID Group is burnishing human capabilities, to earn its place as a respected corporate group that is the first choice of customers.

Improving employee engagement

A company where employees can fulfill their dreams (Career awareness)	• Offering opportunities aligned with each employee's long-term career vision • Supporting employees in strengthening the creativity and capacity for self-transformation employees will need to achieve their career visions • A merit-based performance evaluation system and compensation linked to upskilling • Enhanced education and training aimed at developing AI engineers
A self-starting workforce (Corporate culture)	• A culture of repeated rethinking to deliver results that exceed expectations • An organization with a high level of psychological safety, with respect for diversity and human rights • An organization that takes pride in its work and overflows with mutual respect • Strengthening of innovation management (certification under ISO56001)
Emphasis on employee wellbeing (Health management)	• Reduction of overtime work and increase in rate of uptake of paid leave • Health support to ensure that employees can work with lively energy regardless of workplace • Expanded menu of options to enable flexible workstyles that respond to a variety of life events

Results of investment in human capital (FY2025)

¥1.7 billion

The ID Group invested in human resource development and recruitment, as well as employee compensation and benefits.
In addition, the Group is implementing a **5% increase in base pay** in FY2026!

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Service Portfolio Strategy: R&D Strategy

The ID Group seeks to bolster its competitive strength by focusing on research, development and commercialization aimed at advancing existing businesses and creating new ones.

AI	Strengthening technical capabilities	➢ With a view to implementing **AI-driven development**, the Group is pursuing research on development standards that assume an AI component and on building systems and environments for putting AI to effective use. ➢ The Group is developing engineers who can make advanced use of a variety of AI platforms, such as IBM's watsonx and Bob, Hitachi's iQ, and NTT Data's LITRON.
	Products and services	➢ In August 2026 the Group began providing **ID-AI Masky**, a software application for identifying and masking personal information in medical imaging, to medical institutions. The software supports safe and effective use of medical data, reducing the workload associated with anonymization, and reinforcement of privacy protection. ➢ The Group offers **Dify Training from Scratch**, a service for beginners, and **Starting AI Agent Training with Dify**, a study program on use of AI agents from design and construction to real-world application.
	In-house activities	➢ The ID Group obtained BSI Kitemark™ certification based on ISO 56001, the international standard for **innovation management systems**, as well as ISO/IEC 42001 certification for **AI management systems**. The ID Group is the first company in Japan to obtain both certifications. ➢ In the current fiscal year, the Group launched the **AI Promotion Committee**, composed of members from both the business division and the management division. By organizing workflows and encouraging effective use of AI agents, the Group is advancing work streamlining and improvement of quality.
Advanced system management	Products and services	➢ The Group commenced sales of ID-VROP, a virtual reality operation center. The ID Group continues to strengthen the functionality of ID-VROP using the Group's own patented technologies related to blockchain.
	Group-external activities	➢ The Group participates in the **Next Generation System Management consortium**. Through enhancement and automation of system operations and other efforts, this consortium aims to increase the value to society of operation management.

ID-VROP ID Virtual Reality OPeration center

R&D investment target: **¥1 billion** over three years

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Twin-Engine M&A Strategy

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Base areas :
Expanding Revenue Scale

- System Management
- Application Development

Focus areas :
Enhancing Corporate Value

- IT Infrastructure
- Cybersecurity
- Consulting and Training
- AI

M&A / Alliance Candidates

Firm A	System Operations Company
Firm B	IT Infrastructure Company
Firm C	Cybersecurity Company
Firm D	AI / FDE-Related Company

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Global Strategy

The ID Group seeks to be a true IT strategic partner offering Japanese-quality IT services.

Vision

The Group aims to expand operations, focusing on securing business at overseas bases of Japanese-affiliated companies.

Target

Marketing	Delivery
Supporting overseas expansion by financial institutions and other major clients	Undertaking contracts for overseas projects as a domestic corporate Group

Establishment of a Global Delivery Center

Plan

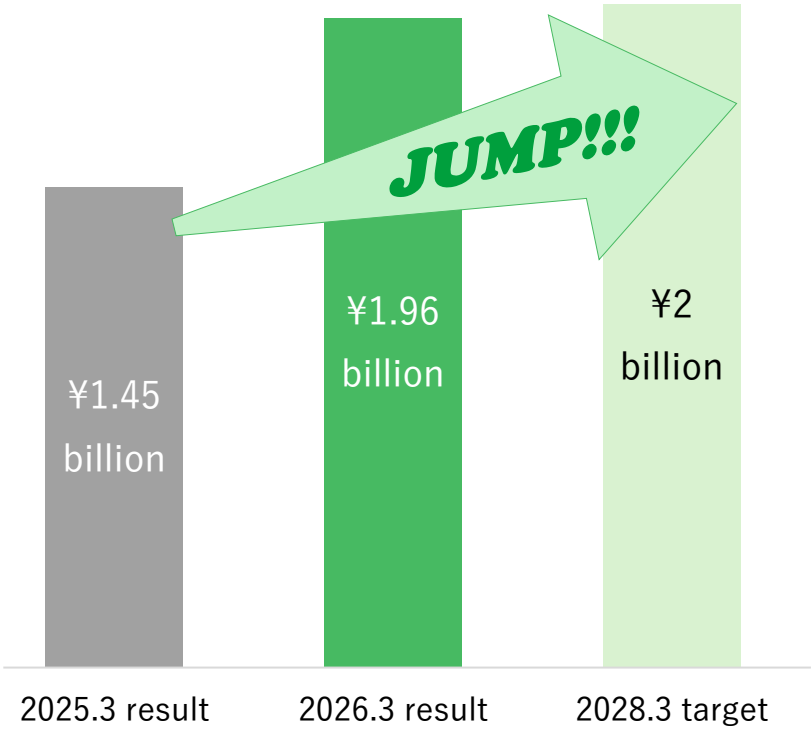
Sharing of technology and resources	Establishment of a reverse-offshore framework

Sales activities and customer management based on gathering information on market trends and advanced solutions

Promotion

Promoting the appeal of the ID Group through operation of “Miraku Boston“ in Boston, MA, USA.

Net-sales target for global strategy



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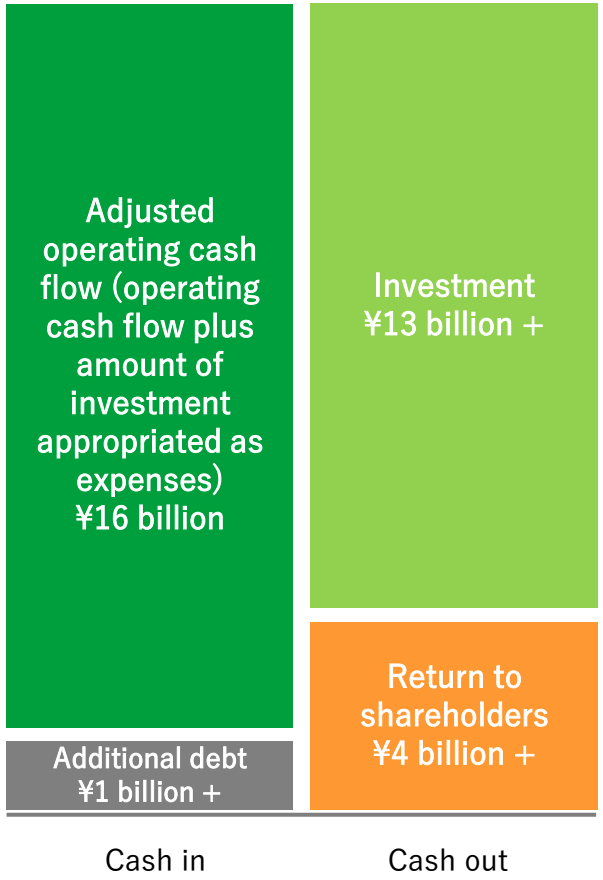
Management That is Mindful of Capital Cost and Share Price (Cash Flow Allocation)

By boosting profitability and applying financial leverage, the ID Group will secure capital, which it will allocate strategically to improve corporate value.

FY2025–FY2027 cumulative period

■ Improvement in sustainable profitability
Shift to key businesses
EBITDA ¥15 billion

■ Use of leverage within a scope that preserves financial soundness



■ Investment in human capital (¥6 billion)
Hiring, education, training, upskill, increase in average salary, etc.

■ Investment in management reform (¥1 billion)
Investment in in-house IT systems to improve productivity and make profitability transparent

■ Investment in R&D (¥1 billion)
Focus on research in advanced technologies such as AI, VR and blockchain

■ Investment in M&A and alliances
Acquisition of companies with synergies in Focus areas such as IT infrastructure and cybersecurity

■ Dividends
A stable and continuous dividend is a basic management principle.
Target of total return ratio of 50%–60%

■ Acquisition of treasury shares
Flexible implementation

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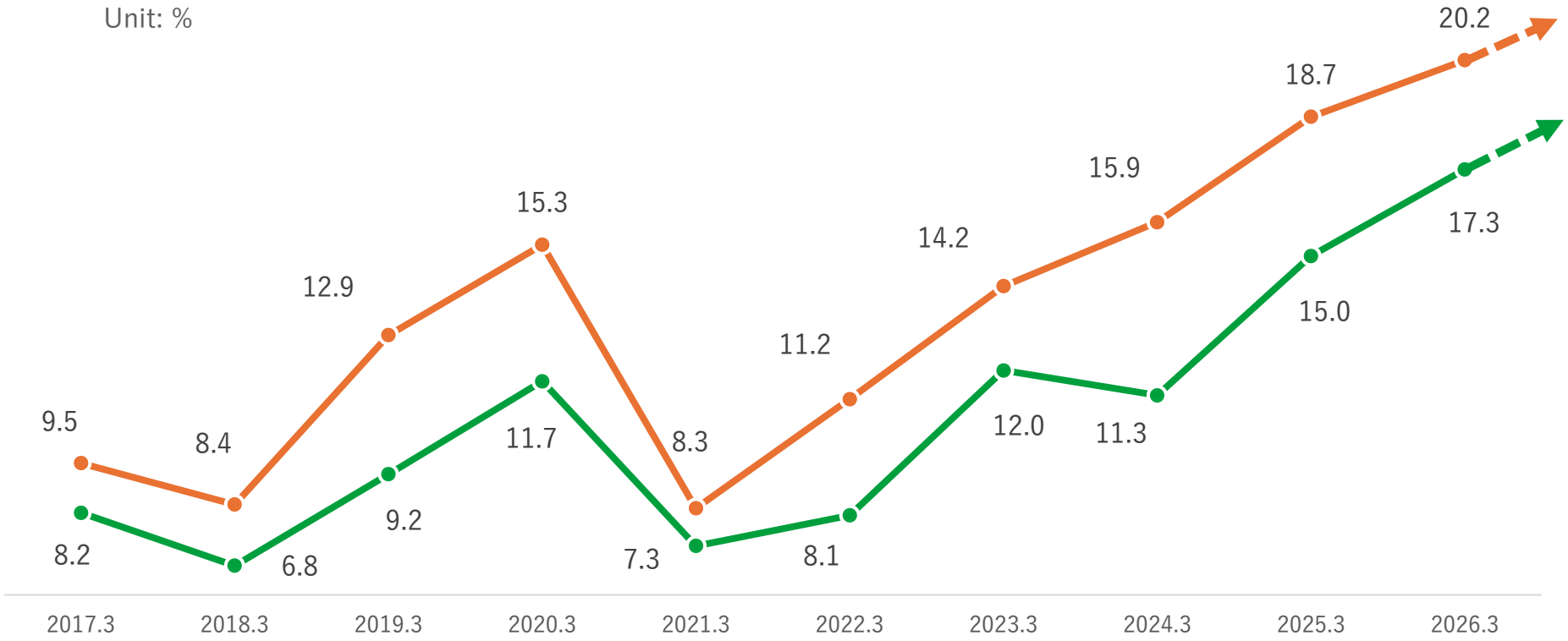
Management That is Mindful of Capital Cost and Share Price (ROE and ROIC)

Over the past 10 years, return on equity (ROE) and return on invested capital (ROIC) have been on an improving trend.
Going forward the Group will, in a sustainable fashion, **continue to aim for ROE greater than shareholder capital cost and ROIC greater than weighted average cost of capital (WACC).**



ROE

Level exceeding shareholder capital cost (7.2%–7.7%)

ROIC

Level exceeding WACC (7.0%–7.4%)

M&A is conducted with the aim of improving ROIC.

■ Return on invested capital (ROIC) = (Operating income – income taxes) ÷ (net assets + interest-bearing debt) × 100

■ Reference calculation of shareholder capital cost and WACC based on Mizuho Securities Co., Ltd. and Mizuho Trust & Banking Co., Ltd.

・Shareholder capital cost (7.2-7.7%) = risk-free rate (about 2.49-2.52%) + beta (0.61–0.88) × market risk premium (6.0–7.62%)

・WACC = interest-bearing debt ÷ (market cap + interest-bearing debt) × (1 – effective tax rate) × debt cost + market cap ÷ (market cap + interest-bearing debt) × shareholder capital cost
Market cap: ¥31.7 billion (as of March 31, 2026, after deduction of treasury stock); debt cost: 0.88%-1.0%; effective tax rate: 30%-31.1%

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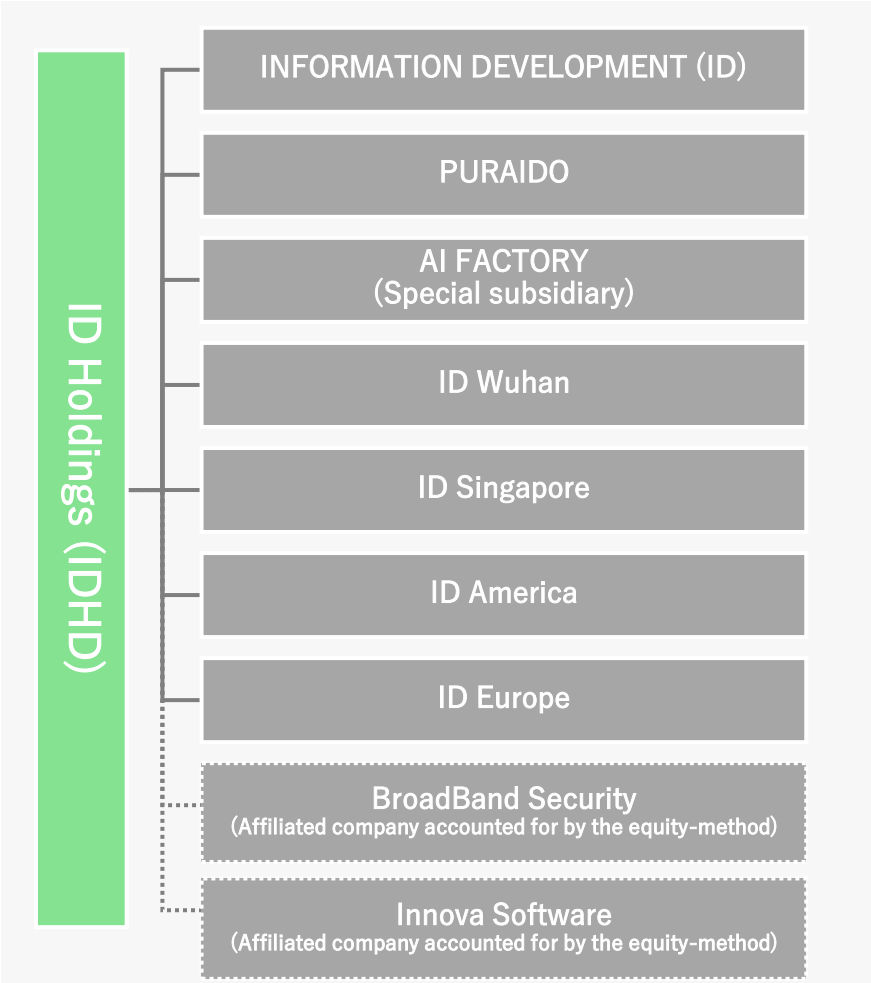
[Reference]Organizational Changes Coming in April 2027 (Transition to an Operating Holding Company Structure)

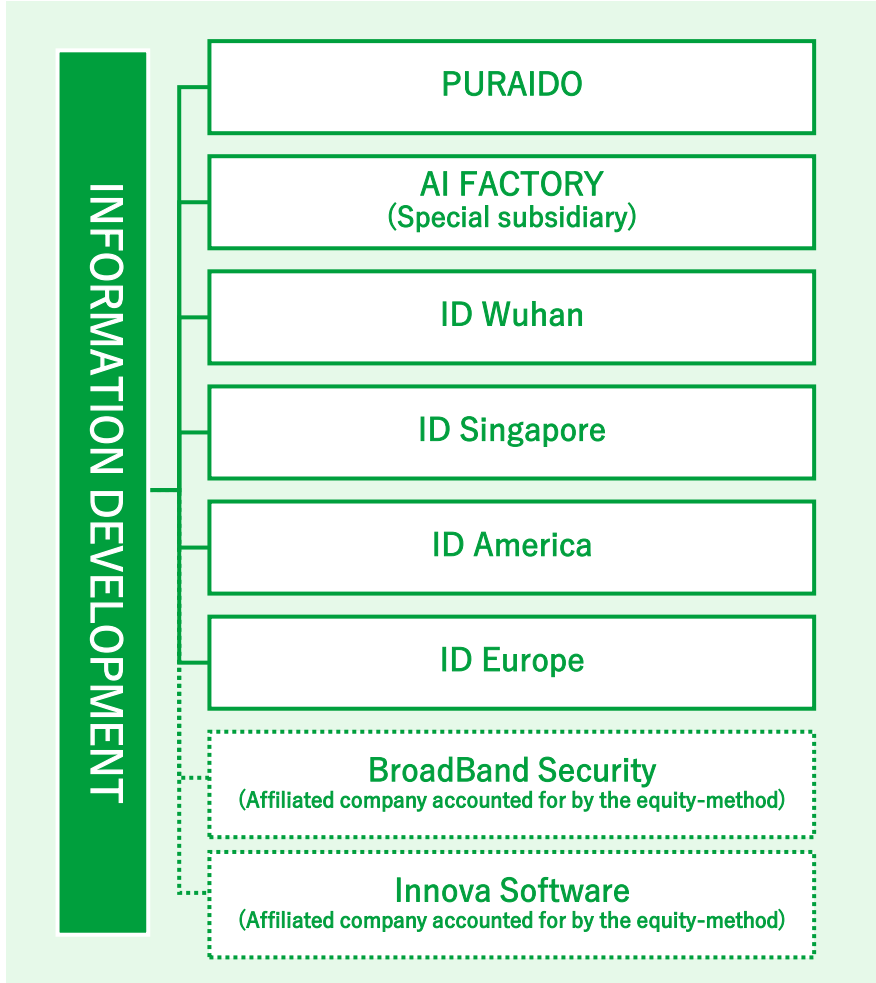
To integrate strategy formulation and business execution, ID Holdings plans to conduct an absorption merger of INFORMATION DEVELOPMENT and transition to an operating holding company structure in April 2027.

Until March 2027 (pure holding company structure)



- IDHD plans to merge with ID, with ID as the absorbed company
- Change IDHD's trade name

From April 2027 (operating holding company structure)



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