

Note: This document is an English translation of the “Kessan Tanshin” for the fiscal year that ended March 31, 2024 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 Fiscal Year Ended March 31, 2024 (J-GAAP)

April 30, 2024

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
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Scheduled date of the Annual General Meeting of Shareholders: June 21, 2024
 Scheduled date of dividend payment: June 24, 2024
 Scheduled date of filing of the Annual Securities Report: June 24, 2024
 Preparation of supplementary materials on financial results: Yes
 Presentation on results: Yes (for institutional investors and financial analysts)

(Amounts of less than ¥1 million are truncated)

1. Consolidated Financial Results for FY2023 (April 1, 2023 – March 31, 2024)

(1) Consolidated Business Results

(% indicates YoY changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2023	32,680	5.1	2,769	14.2	2,860	14.2	1,777	26.7
FY2022	31,101	11.9	2,424	29.7	2,504	30.3	1,402	34.1

Note: Comprehensive income FY2023 ¥2,359 million (41.5 %) FY2022 ¥1,667 million (40.8 %)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating income margin
	¥	¥	%	%	%
FY2023	106.42	—	15.9	15.2	8.5
FY2022	84.54	—	14.2	14.8	7.8

Reference: Equity in income of affiliates FY2023 ¥ – million FY2022 ¥ – million

	EBITDA		EPS before amortization of goodwill	
	¥ million	%	¥	%
FY2023	3,421	12.8	133.04	19.5
FY2022	3,033	21.8	111.33	26.8

Note: Diluted net income per share for the consolidated fiscal year under review is not listed because none exists.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Book value per share
	¥ million	¥ million	%	¥
FY2023	20,061	12,010	59.6	712.87
FY2022	17,519	10,432	59.3	625.64

Reference: Equity FY2023 ¥11,954 million FY2022 ¥10,382 million

(3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
FY2023	1,422	-233	-432	5,680
FY2022	1,654	-360	-1,275	4,801

2. Dividends

	Annual dividends					Total amount of cash dividends (annual)	Payout ratio (consolidated)	Dividend on equity (consolidated)
	End of the first quarter	End of the second quarter	End of the third quarter	End of the fiscal period	Total			
	¥	¥	¥	¥	¥	¥ million	%	%
FY2022	—	20.00	—	25.00	45.00	767	53.2	7.5
FY2023	—	25.00	—	25.00	50.00	852	47.0	7.5
FY2024 (forecast)	—	25.00	—	30.00	55.00		52.7	

3. Forecasts of Consolidated Results for FY2024 (April 1, 2024 – March 31, 2025)

(% indicates YoY changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
FY2024 (full fiscal year)	35,000	7.1	3,000	8.3	3,000	4.9	1,750	-1.5	104.36

	EBITDA		EPS before amortization of goodwill	
	¥ million	%	¥	%
FY2024 (full fiscal year)	3,550	3.8	127.25	-4.4

***Notes**

(1) Changes in important subsidiaries during the period

(Changes in specified subsidiaries resulting in change in consolidation scope: No

(2) 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

(3) Number of shares outstanding (common stock)

- (i) Number of shares outstanding (inclusive of treasury stock)
- (ii) Amount of treasury stock
- (iii) Interim average number of shares

FY2023	18,066,453 shares	FY2022	18,066,453 shares
FY2023	1,297,430 shares	FY2022	1,471,167 shares
FY2023	16,698,964 shares	FY2022	16,591,639 shares

(4) 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

Reference: Outline of unconsolidated financial results

1. Unconsolidated Financial Results for FY2023 (April 1, 2023 – March 31, 2024)**(1) Unconsolidated Business Results**

(% indicates YoY changes)

	Operating revenue		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2023	5,113	22.0	1,776	20.2	1,804	19.8	1,684	21.4
FY2022	4,192	116.6	1,477	36.5	1,506	37.9	1,388	29.7

	Net income per share	Diluted net income per share
	¥	¥
FY2023	100.88	—
FY2022	83.66	—

Note: Diluted net income per share for the fiscal year under review is not listed because none exists.

(2) Unconsolidated Financial Position

	Total assets	Net assets	Equity ratio	Book value per share
	¥ million	¥ million	%	¥
FY2023	14,174	10,563	74.5	629.93
FY2022	12,494	9,299	74.4	560.36

Reference: Equity FY2023 ¥10,563 million FY2022 ¥9,299 million

* The Consolidated Financial Results are not subject to audit by a certified public accountant or audit corporation.

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

Results forecasts are estimates based on the information that was available as of the day the results were announced, and some of this information may be uncertain. The actual results, etc. may be different from the forecasts because of changes in business conditions, etc. See (5) 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) 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 and J-ESOP-RS plans are included in treasury stock.

(Method of obtaining supplementary explanatory materials regarding results and details of the results briefing)

The ID Group will hold a results briefing for institutional investors and analysts on May 23, 2024. The materials that will be distributed at the briefing will be posted on the Group website promptly after the briefing.

Contents

1. Summary of Business Results, etc.	2 -
(1) Summary of Business Results for the Period.....	2 -
(2) Summary of Financial Condition for the Period.....	5 -
(3) Summary of Cash Flow for the Period.....	5 -
(4) Basic Policy on Profit Distributions and Dividends for the Current Period and the Next Period....	6 -
(5) Forecast.....	7 -
2. Basic Approach to the Selection of Accounting Standards.....	7 -
3. Consolidated Financial Statements and Important Notes.....	8 -
(1) Consolidated Balance Sheet.....	8 -
(2) Consolidated Statement of Income and Comprehensive Income.....	10 -
(Consolidated Statement of Income).....	10 -
(Consolidated Statement of Comprehensive Income).....	12 -
(3) Consolidated Statement of Changes in Shareholders' Equity	13 -
(4) Consolidated Cash Flow Statement	15 -
(5) Notes on Consolidated Financial Statements.....	17 -
(Notes on Assumptions Regarding Going Concern).....	17 -
(Changes in Accounting Policies).....	17 -
(Additional Information)	17 -
(Segment Information, etc.)	18 -
(Per-Share Information)	19 -
(Material Subsequent Events)	19 -

1. Summary of Business Results, etc.

(1) Summary of Business Results for the Period

During the consolidated fiscal year under review (April 1, 2023 to March 31, 2024: FY2023), the Japanese economy proceeded on a gradual recovery keynote. However, the path forward remained unclear amid concerns regarding high resource prices, geopolitical tensions, and recession risk fed by monetary tightening worldwide, among other issues.

The information services industry, in which the Group is a participant, continued on a firm footing. Demand for IT investment related to digital transformation (DX), the use of digital technology to create new business models or transform existing ones, has formed a solid base and is expected to continue on a firm trend.

Amid this environment, Group business results were overall favorable. Net sales were ¥32.680 billion (+5.1% YoY). Solid trends in system management*, cybersecurity, consulting, training and IT infrastructure were key factors.

Earnings were favorable. Although returns to employees rose, income swelled in tandem with increasing revenues and the high-margin DX-related business expanded. Operating income grew to ¥2.769 billion (+14.2% YoY) and ordinary income rose to ¥2.860 billion (+14.2% YoY). Net income attributable to owners of parent swelled to ¥1.777 billion (+26.7% YoY) and EBITDA improved to ¥3.421 billion (+12.8% YoY).

In summary, net sales, operating income, ordinary income and net income attributable to owners of parent all increased for the third fiscal year in succession. Each result was the highest ever for the Group.

Note: Beginning in the fiscal year under review, the service name “system operation management” is changed to “system management.” This change in service name is not accompanied by any change in service content.

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

(Millions of ¥)

		Previous consolidated accounting period under review (April 1, 2022 to March 31, 2023)	Consolidated accounting period under review (April 1, 2023 to March 31, 2024)	YoY	
				Amount of change	Rate of change (%)
System management	Net sales	13,637	14,593	956	7.0
	Gross profit	2,964	3,226	261	8.8
	Gross profit margin	21.7 %	22.1 %	0.4P	-
Software development	Net sales	11,458	11,573	114	1.0
	Gross profit	2,535	2,117	-417	-16.5
	Gross profit margin	22.1 %	18.3 %	-3.8P	-
IT infrastructure	Net sales	2,602	2,862	259	10.0
	Gross profit	644	796	152	23.6
	Gross profit margin	24.8 %	27.8 %	3.0P	-
Cybersecurity, consulting and training	Net sales	2,934	3,319	385	13.1
	Gross profit	621	960	339	54.6
	Gross profit margin	21.2 %	28.9 %	7.7P	-
Others	Net sales	467	331	-135	-29.1
	Gross profit	36	52	15	42.6
	Gross profit margin	7.9 %	15.9 %	8.0P	-
Total	Net sales	31,101	32,680	1,579	5.1
	Gross profit	6,802	7,153	351	5.2
	Gross profit margin	21.9 %	21.9 %	0.0P	-

Note: In software development, gross profit declined against the previous fiscal year, due to occurrence of some low-margin projects.

(i) System management

The Group won new contracts by strengthening sales to major IT vendors and expanded transactions with existing clients. Net sales were ¥14.593 billion (+7.0% YoY).

(ii) Software development

Although some projects drew to a close, transactions with major IT vendors swelled as a result of reinforced sales efforts, while orders accepted from customers related to the public sector and finance expanded. Net sales edged up to ¥11.573 billion (+1.0% YoY).

(iii) IT infrastructure

The Group won major projects from customers related to finance, and transactions with major IT vendors expanded. Order acceptance from customers related to transportation and manufacturing also grew. Net sales improved to ¥2.862 billion (+10.0% YoY).

(iv) Cybersecurity, consulting and training

A rebound decline occurred as formation of major cybersecurity projects came to an end, with the segment moving into a conservative phase in the period under review. However, orders received for consulting services quickened and new projects were secured in cybersecurity. Net sales grew to ¥3.319 billion (+13.1% YoY).

(v) Others

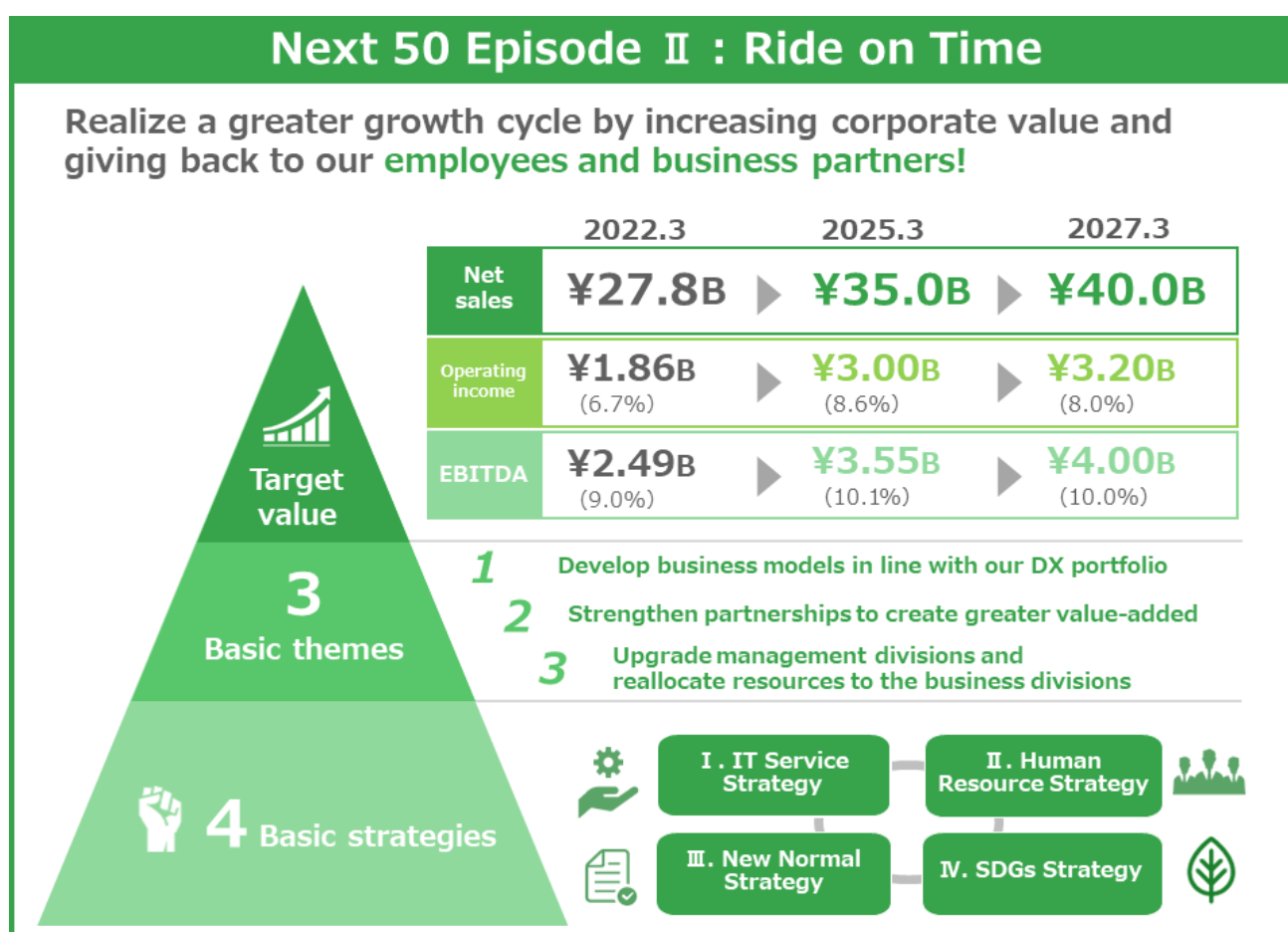
Although orders accepted for product sales expanded, the segment was impacted by changes in service category for some projects. Net sales declined to ¥331 million (-29.1% YoY).

Management Policy Initiatives

In the previous Mid-term Management Plan, the ID Group strove to upgrade its services in various fields by cultivating engineers with a thorough grounding in digital technology, thereby building a foundation for future growth. Beginning in the fiscal year ended March 31, 2023 (FY2022), the Group prepared “Next 50 Episode II: Ride on Time,” the Mid-term Management Plan covering the period FY2022 through FY2024, to bolster profitability based on the following three basic themes:

1. Develop business models in line with our DX portfolio, which is focused on strengthening support for advancement of customers’ DX and development of original solutions
2. Strengthen partnerships to create greater value-added
3. Upgrade management divisions and reallocate resources to the business divisions

Under this Mid-term Management Plan, the Group is pursuing four basic strategies to achieve the above three basic themes: an IT service strategy, a personnel strategy, a “new normal” strategy and a Sustainable Development Goals (SDGs) strategy.



Note: Business partners refers to IT partners collaborating with the Group on projects.

1) IT Service Strategy

The Group identifies fields of technology where needs are strong and works with corporate partners to support customers in advancing DX and develop original solutions targeting growth fields. Based on a joint research agreement signed with Tottori University in March 2023, the Group pursued research on an AI system for X-ray image diagnostics in orthopedic surgery. Using the ChatGPT API, the Group developed ID AI Concierge, a chat service exclusively for corporate clients. Sales of a Lite version of the service, incorporating basic features, began in August 2023; in January 2024 the Group launched the Pro version, which can answer questions based on company-internal data such as company regulations. Also in January 2024, after a long period of development, the Group initiated sales of a virtual operating center (VROP). The Group acquired three patents using blockchain, a type of database technology that makes it difficult to tamper with data. Based on these patented technologies, the Group strove to create services with enhanced levels of security.

2) Human Resource Strategy

To expand its DX services and boost value-added, the Group is further enhancing its training programs, accelerating the development of mid- to senior-level engineers and planning-and-proposal staff. In the fiscal year under review, based on the Digital Skill Standards formulated by the Ministry of Economy, Trade and Industry (METI) and the Information-technology Promotion Agency (IPA), the Group prepared a training roadmap for each role of personnel advancing DX and deployed the roadmap in-house. To bolster the AI literacy of all employees Group-wide, the Group implemented in-house training by AI “fellows” and provided some 300 employees with online study plans. In December 2023, in the “2023 Technology Contest: Young Engineers Having Fun with General Technology Training,” sponsored by the Japan Information Technology Service Industry Association (JISA), the Group won the Award for Excellence and Award for Overall Excellence in three categories: use of generative AI, UI/UX and solving technical issues. In addition, the Group provided 100 young employees with hands-on training to earn Certified Cybersecurity Technician (CCT) status and provided some 50 employees with online training on Web 3.0. In these ways the Group actively developed personnel capable of applying digital skills in areas of technology where demand is high.

3) New Normal Strategy

The ID Group is working to streamline and add value to operations through measures such as overhauling its core in-house systems and is constructing a smart administrative division. The Group built a “zero-trust” environment to digitalize the duties of the administrative division, automate communications among offices and divisions and advance the centralization of information, thereby building a secure yet flexible network for transformation. To streamline operations, achieve seamless communication and boost Group-wide productivity, the Group upgraded its internal systems. In addition to activities to make operations sustainable and further streamline the duties of the administrative division, the Group transferred still more back-office functions to the Sanin Business Process Outsourcing Center.

4) SDGs Strategy

The Group takes concerted steps to advance sustainability through its business activities, aiming for a virtuous circle of solving social problems and enhancing corporate value. To visualize its efforts to manage its human capital, the Group published information about its human capital and related efforts on the website. The Group supported employees’ health through initiatives such as health management seminars and support for employees seeking to quit smoking. In measures to contribute to society, the Group supported cultural and arts activities by sponsoring classical concerts, and participated in beach clean-up activities. In February 2024, the Group received a letter of thanks from the Japanese Red Cross Society for its ID Group Blood Donation Day, a continuous blood drive. The ID Group invested in companies that support the LGBTQ+ community and supported disaster relief for victims of the 2024 Noto Peninsula Earthquake. In November 2023, the Group’s work on diversity, respect for human rights and management of human capital were recognized with a three-star rating in the Smart Work Survey and the SDGs Management Survey by Nikkei. Finally, in March 2024 the Group was certified as an “Excellent Enterprise of Health and Productivity Management (White 500)” (large corporation category) for the fifth consecutive year.

(2) Summary of Financial Condition for the Period

Assets, liabilities, and net assets

Assets at the end of the consolidated accounting period under review increased by ¥2.541 billion from the end of the previous consolidated accounting period, to ¥20.061 billion. Although amortization of goodwill reduced assets by ¥444 million, cash and deposits increased by ¥851 million, contract assets increased by ¥499 million, accounts receivable–trade increased by ¥126 million and investment securities increased by ¥592 million.

Liabilities at the end of the consolidated accounting period under review increased by ¥963 million to ¥8.050 billion from the end of the previous consolidated accounting period, as interest-bearing debt increased by ¥422 million.

Net assets at the end of the consolidated accounting period under review increased by ¥1.578 billion to ¥12.010 billion from the end of the previous consolidated accounting period. Although year-end and interim dividend payments decreased by ¥852 million, net income attributable to owners of parent increased by ¥1.777 billion, valuation difference on available-for-sale securities increased by ¥420 million and foreign-currency translation adjustments increased by ¥144 million.

(3) Summary of Cash Flow for the Period

Cash flows from operating activities	¥1.422 billion (–¥231 million YoY)
Cash flows from investment activities	–¥233 million (+¥127 million YoY)
Cash flows from financing activities	–¥432 million (+¥842 million YoY)
Cash and cash equivalents at end of period	¥5.680 billion (+¥879 million YoY)

Cash flows from operating activities were ¥1.422 billion, as net income before income taxes was ¥2.904 billion, increase in notes and accounts receivable–trade was ¥121 million, decrease in notes and accounts payable–trade was ¥464 million, Corporation tax, etc. paid was ¥1.048 billion and amortization of goodwill was ¥444 million.

Cash flows from investment activities were –¥233 million, as proceeds from withdrawal of time deposits were ¥315 million, payments into time deposits were ¥260 million and purchase of property, plant and equipment was ¥172 million.

Cash flows from financing activities were –¥432 million, as net increase in short-term loans payable was ¥800 million, repayment of long-term loans payable was ¥375 million and cash dividends paid was ¥851 million.

Thus, cash and cash equivalents at the end of the period rose to ¥5.680 billion, which is an ¥879 million increase over the previous consolidated accounting period.

Reference: Cash flow benchmarks

	FY2019	FY2020	FY2021	FY2022	FY2023
Equity ratio (%)*	57.0	55.7	57.9	59.3	59.6
Equity ratio (%) at fair value	102.3	86.7	86.4	94.7	129.5
Ratio of cash flow to interest-bearing debt (annual)	0.3	–5.7	1.5	1.3	1.8
Interest coverage ratio (multiple)	263.0	–33.6	96.1	111.6	141.1

*Equity ratio: Shareholder equity / total assets

Equity ratio at fair value: Market capitalization / total assets

Ratio of cash flow to interest-bearing debt: Interest-bearing debt / cash flow

Interest coverage ratio: Cash flow / interest payments

1. These benchmarks were calculated based on consolidated financial figures.
2. Market capitalization was calculated based on the closing share price at the end of the period multiplied by the number of shares outstanding (after deducting treasury stock).
3. To determine cash flow, the cash flows from operating activities stated in the Consolidated Cash Flow Statement were used. All debts stated in the consolidated balance sheet on which interest payments are being made are included in the interest-bearing debt. The interest expenses paid stated in the Consolidated Cash Flow Statement were used regarding interest payments.

(4) Basic Policy on Profit Distributions and Dividends for the Current Period and the Next Period

(i) Basic policy on profit distributions

The Group considers the return of profits to shareholders to be one of its chief management priorities. It is making every effort to secure a strong business foundation and improve stable revenues and return on equity. The Group’s basic policy is to maintain appropriate distributions of profits based on the business results. Also, in the current Mid-term Management Plan (FY2022 through FY2024), the Company is targeting total return ratio*, which includes both dividends and purchase of treasury shares, of 50–60%.

* Total return ratio = (total dividends + amount of purchase of treasury stock) ÷ net income attributable to owners of parent

(ii) Dividends for the current period

The Group’s forecast of the year-end dividend for the fiscal year under review is ¥25 per share. When combined with the interim dividend of ¥25 per share already distributed, the total dividend per share in the period under review is forecast to be ¥50 per share. Total return ratio for the period under review, including amount of treasury stock acquired, is forecast to be 50.9%. (For details, please refer to “Notice Concerning Decision on Matters Related to Acquisition of Treasury Stock” published on April 30, 2024) The Group will deploy its internal reserves to expand operations and boost business results. Initiatives include training the engineers the Group needs to deliver value-added IT solutions related to DX; formation of services using leading-edge technologies such as AI, blockchain and VR; acquisition of new products; and investment in advancing the Group’s global strategy.

(iii) Dividends for the next period

On October 20, 2024, the Group celebrates the 55th anniversary of its foundation. To thank shareholders for their unwavering support, the Group intends to distribute a commemorative dividend of ¥5 per share as part of the year-end dividend for FY2024. With the inclusion of this commemorative dividend, the Group expects to distribute an interim dividend of ¥25 per share and a year-end dividend of ¥30 per share, for a total dividend of ¥55 per share. The total dividend per share for the next fiscal year is thus ¥5 higher than the ¥50 per share distributed in the fiscal year under review. (For details, please refer to “Notice of Revision to Forecast of Consolidated Results for FY2023, Forecast of Consolidated Results for FY2024, and Dividend Forecast

(Commemorative Dividend),” published April 15, 2024.)

(5) Forecast

The information services industry, to which the ID Group belongs, is expected to continue on a firm footing. Demand for IT investment related to DX aimed to create and transform new business models has formed a solid base and is expected to maintain a stable glidepath.

Against this background, and continuing on the roadmap outlined in the current Mid-term Management Plan, “Next 50 Episode II: Ride on Time,” the ID Group is setting its sights on improved profitability. To this end, the Group will intensify support for corporate customers seeking to advance DX and will expand entry into new businesses by building out its lineup of original solutions.

In view of the above, the Group’s forecast of consolidated business results for FY2024 calls for net sales of ¥35.0 billion (+7.1% over the previous fiscal year (YoY)), operating income of ¥3.0 billion (+8.3% YoY), ordinary income of ¥3.0 billion (+4.9% YoY) and net income attributable to owners of parent of ¥1.75 billion (−1.5% YoY).

The above forecast of business results was prepared based on information available at the time of publication. Actual business results may differ from those forecast due to various factors.

2. Basic Approach to the Selection of Accounting Standards

The ID Group is currently basing its accounting policies on consolidated financial statements prepared according to Japanese accounting standards, in light of the ability to compare periods and companies on the consolidated financial statements.

The ID Group will comply appropriately with the IFRS standards considering domestic and international conditions.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheet

(Thousands of ¥)

	Previous consolidated accounting period As of March 31, 2023	Consolidated accounting period under review As of March 31, 2024
Assets		
Current assets		
Cash and deposits	5,069,433	5,920,631
Notes receivable–trade	2,200	–
Accounts receivable–trade	5,903,800	6,029,880
Contract assets	293,657	793,644
Work in process	858	636
Accounts receivable–other	153,382	271,421
Other	265,957	886,256
Allowance for doubtful accounts	–40,068	–
Total current assets	11,649,222	13,902,470
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,530,802	1,593,026
Accumulated depreciation	–725,496	–777,141
Buildings and structures (net)	805,305	815,885
Motor vehicles and transport equipment	10,141	14,794
Accumulated depreciation	–6,394	–6,963
Motor vehicles and transport equipment (net)	3,747	7,831
Machines and equipment	15,664	15,664
Accumulated depreciation	–15,664	–15,664
Machines and equipment (net)	0	0
Tools, appliances, and accessories	561,381	663,582
Accumulated depreciation	–454,394	–528,148
Tools, appliances, and accessories (net)	106,987	135,434
Land	411,148	411,148
Construction in progress	–	4,000
Total property, plant and equipment	1,327,189	1,374,298
Intangible assets		
Goodwill	1,304,134	859,665
Software	152,791	135,577
Other	764	754
Total intangible assets	1,457,690	995,997
Investments and other assets		
Investment securities	1,865,067	2,457,655
Deferred tax assets	553,277	530,266
Guarantee deposits	285,952	328,933
Other	388,449	478,918
Allowance for doubtful accounts	–7,500	–7,500
Total investments and other assets	3,085,248	3,788,272
Total non-current assets	5,870,127	6,158,567
Total assets	17,519,349	20,061,038

(Thousands of ¥)

	Previous consolidated accounting period As of March 31, 2023	Consolidated accounting period under review As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable–trade	1,147,457	1,211,827
Contract liabilities	62,077	111,302
Short-term loans payable	1,400,000	2,200,000
Current portion of long-term loans payable	375,100	200,000
Income taxes payable	580,112	634,985
Provision for bonuses	1,134,387	1,157,594
Provision for directors' bonuses	31,600	24,454
	10,095	-
Other	1,216,611	1,519,504
Total current liabilities	5,957,442	7,059,670
Non-current liabilities		
Long-term loans payable	350,000	150,000
Deferred tax liabilities	286,834	455,922
Provision for directors' retirement benefits	29,331	36,666
Net retirement benefit liability	174,944	22,569
Other	288,600	325,794
Total non-current liabilities	1,129,710	990,952
Total liabilities	7,087,153	8,050,623
Net assets		
Shareholders' equity		
Capital stock	592,344	592,344
Capital surplus	754,132	754,132
Retained earnings	8,819,108	9,743,914
Treasury stock	-836,345	-762,970
Total shareholders' equity	9,329,240	10,327,421
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	755,600	1,176,088
Foreign currency translation adjustment	297,086	441,618
Remeasurements of retirement benefit plans	711	8,942
Total accumulated other comprehensive income	1,053,398	1,626,649
Non-controlling interests	49,557	56,344
Total net assets	10,432,196	12,010,415
Total liabilities and net assets	17,519,349	20,061,038

(2) Consolidated Statement of Income and Comprehensive Income
(Consolidated Statement of Income)

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2022 to March 31, 2023)	Consolidated accounting period under review (April 1, 2023 to March 31, 2024)
Net sales	31,101,353	32,680,739
Cost of sales	24,298,736	25,527,091
Gross profit	6,802,616	7,153,648
Selling, general, and administrative expenses		
Directors' compensation	352,540	309,206
Salary allowances and bonuses	1,232,423	1,210,239
Provision for bonuses	152,595	157,882
Provision for directors' bonuses	37,257	28,778
Retirement benefit expenses	47,907	35,134
Provision for directors' retirement benefits	6,285	7,335
Statutory welfare expenses	350,230	309,070
Land rent	323,851	327,803
Depreciation	142,155	135,802
Amortization of goodwill	444,469	444,469
Other	1,287,992	1,418,621
Total selling, general, and administrative expenses	4,377,710	4,384,343
Operating income	2,424,906	2,769,305
Non-operating income		
Interest income	2,149	7,630
Dividend income	34,344	28,268
Insurance proceeds and dividends	10,668	8,529
Subsidy income	20,381	11,008
Foreign exchange gains	424	29,910
Other	29,462	21,488
Total non-operating income	97,431	106,835
Non-operating expenses		
Interest expenses	14,819	10,082
Commitment line fees	308	-
Other	2,873	5,285
Total non-operating expenses	18,001	15,367
Ordinary income	2,504,336	2,860,773

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2022 to March 31, 2023)	Consolidated accounting period under review (April 1, 2023 to March 31, 2024)
Extraordinary income		
Gain on sales of non-current assets	-	3,472
Gain on sales of investment securities	-	70,193
Total extraordinary income	-	73,665
Extraordinary losses		
Loss on sales of non-current assets	599	-
Loss on retirement of non-current assets	22,451	2,878
Loss on office closings	37,271	-
Loss on valuation of investment securities	-	27,412
Loss on termination of retirement benefit plan	112,184	-
Total extraordinary losses	172,506	30,291
Net income before income taxes	2,331,830	2,904,147
Income taxes—current	978,677	1,113,017
Income taxes—deferred	-56,284	5,139
Total income taxes	922,393	1,118,156
Net income	1,409,436	1,785,990
Net income attributable to non-controlling interests	6,795	8,835
Net income attributable to owners of parent	1,402,641	1,777,155

(Consolidated Statement of Comprehensive Income)

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2022 to March 31, 2023)	Consolidated accounting period under review (April 1, 2023 to March 31, 2024)
Net income	1,409,436	1,785,990
Other comprehensive income		
Valuation difference on available-for-sale securities	188,383	420,487
Foreign currency translation adjustment	73,060	144,531
Remeasurements of retirement benefit plans	-3,766	8,231
Total other comprehensive income	257,677	573,251
Comprehensive income	1,667,114	2,359,241
(Breakdown)		
Comprehensive income attributable to owners of parent	1,660,319	2,350,406
Comprehensive income attributable to non-controlling interests	6,795	8,835

(3) Consolidated Statement of Changes in Shareholders' Equity

Previous consolidated accounting period (April 1, 2022 to March 31, 2023)

(Thousands of ¥)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances at the beginning of the period	592,344	733,644	8,096,543	-817,549	8,604,982
Changes during the period					
Dividends from surplus			-680,075		-680,075
Net income attributable to owners of parent			1,402,641		1,402,641
Acquisition of treasury stock				-79,953	-79,953
Disposition of treasury stock		20,487		61,157	81,645
Net changes of items other than shareholders' equity					
Total changes during the period	-	20,487	722,565	-18,795	724,257
Balances at the end of the period	592,344	754,132	8,819,108	-836,345	9,329,240

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of retirement benefit plans	Total accumulated other comprehensive income			
Balances at the beginning of the period	567,216	224,026	4,477	795,720	-	45,514	9,446,217
Changes during the period							
Dividends from surplus							-680,075
Net income attributable to owners of parent							1,402,641
Acquisition of treasury stock							-79,953
Disposition of treasury stock							81,645
Net changes of items other than shareholders' equity	188,383	73,060	-3,766	257,677	-	4,043	261,720
Total changes during the period	188,383	73,060	-3,766	257,677	-	4,043	985,978
Balances at the end of the period	755,600	297,086	711	1,053,398	-	49,557	10,432,196

Consolidated accounting period under review (April 1, 2023 to March 31, 2024)

(Thousands of ¥)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balances at the beginning of the period	592,344	754,132	8,819,108	-836,345	9,329,240
Changes during the period					
Dividends from surplus			-852,349		-852,349
Net income attributable to owners of parent			1,777,155		1,777,155
Acquisition of treasury stock				-2,075	-2,075
Disposition of treasury stock				75,449	75,449
Net changes of items other than shareholders' equity					
Total changes during the period	-	-	924,806	73,374	998,180
Balances at the end of the period	592,344	754,132	9,743,914	-762,970	10,327,421

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of retirement benefit plans	Total accumulated other comprehensive income			
Balances at the beginning of the period	755,600	297,086	711	1,053,398	-	49,557	10,432,196
Changes during the period							
Dividends from surplus							-852,349
Net income attributable to owners of parent							1,777,155
Acquisition of treasury stock							-2,075
Disposition of treasury stock							75,449
Net changes of items other than shareholders' equity	420,487	144,531	8,231	573,251	-	6,787	580,038
Total changes during the period	420,487	144,531	8,231	573,251	-	6,787	1,578,219
Balances at the end of the period	1,176,088	441,618	8,942	1,626,649	-	56,344	12,010,415

(4) Consolidated Cash Flow Statement

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2022 to March 31, 2023)	Consolidated accounting period under review (April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Net income before income taxes	2,331,830	2,904,147
Depreciation	164,418	207,831
Amortization of goodwill	444,469	444,469
Loss on retirement of non-current assets	22,451	2,878
Loss (gain) on sales of non-current assets	599	-3,472
Loss on office closings	37,271	—
Loss on termination of retirement benefit plan	112,184	—
Loss (gain) on sales of investment securities	—	-70,193
Loss (gain) on valuation of investment securities	—	27,412
Increase (decrease) in allowance for doubtful accounts	—	-40,068
Increase (decrease) in provision for bonuses	306,510	23,207
Increase (decrease) in provision for directors' bonuses	18,275	-7,945
Increase (decrease) in net defined benefit liability	5,167	-139,787
Increase (decrease) in provision for directors' retirement benefits	3,999	7,335
Increase (decrease) in provision for product warranties	10,095	-10,095
Interest income and dividend income	-36,494	-35,899
Interest expenses	14,819	10,082
Foreign exchange losses (gains)	-7,298	-13,630
Decrease (increase) in notes and accounts receivable—trade	-1,398,275	-121,645
Decrease (increase) in inventories	20,422	2,341
Increase (decrease) in notes and accounts payable—trade	197,774	-464,291
Increase (decrease) in amounts payable—other	-59,611	47,383
Increase (decrease) in accrued consumption tax, etc.	152,249	-2,029
Decrease (increase) of other current assets	257,742	-707,099
Increase (decrease) in other current liabilities	81,319	302,822
Decrease (increase) in other non-current assets	-109,284	-80,596
Increase (decrease) in other non-current liabilities	31,507	38,104
Other	78,928	123,951
Subtotal	2,681,073	2,445,214
Interest and dividend income received	36,494	35,899
Interest expenses paid	-14,819	-10,082
Corporation tax, etc. paid	-1,048,607	-1,048,471
Net cash provided by (used in) operating activities	1,654,140	1,422,560
Cash flows from investment activities		
Payments into time deposits	-145,087	-260,333
Proceeds from withdrawal of time deposits	7,009	315,199
Purchase of property, plant and equipment	-54,515	-172,132
Proceeds from sales of property, plant and equipment	216	3,885
Purchase of intangible assets	-93,685	-41,143
Purchase of investment securities	-77,690	-33,734
Proceeds from sales of investment securities	100	86,672
Collection of long-term loans receivable	282	75
Other	2,976	-131,670
Net cash provided by (used in) investing activities	-360,393	-233,182

(Thousands of ¥)

	Previous consolidated accounting period (April 1, 2022 to March 31, 2023)	Consolidated accounting period under review (April 1, 2023 to March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-160,000	800,000
Repayment of long-term loans payable	-432,933	-375,100
Purchase of treasury stock	-79,953	-2,075
Proceeds from sales of treasury stock	81,645	—
Cash dividends paid	-677,038	-851,012
Cash dividends paid to non-controlling interests	-2,752	-2,048
Other	-4,344	-2,143
Net cash provided by (used in) financing activities	-1,275,375	-432,379
Effect of exchange rate changes on cash and cash equivalents	69,767	122,380
Net increase (decrease) in cash and cash equivalents	88,138	879,378
Cash and cash equivalents at beginning of period	4,713,364	4,801,503
Cash and cash equivalents at end of period	4,801,503	5,680,881

(5) Notes on Consolidated Financial Statements
(Notes on Assumptions Regarding Going Concern)

None.

(Changes in Accounting Policies)

None.

(Additional Information)

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

The ID Group had previously introduced two performance pay plans. The aim of these plans was to encourage Group directors and corporate officers (“Directors, etc.”) and employees to contribute to better mid-to-long-term results and greater corporate value. The “board benefit trust (BBT) plan” applies to Directors, etc., while the “Japanese employee stock ownership plan (J-ESOP)” applies to Group employees. At a meeting of the Board of Directors on April 28, 2023, the Group resolved to change J-ESOP to “Japanese employee stock ownership plan - restricted stock (J-ESOP-RS).” J-ESOP-RS limits the number of shares that can be transferred to an employee before the employee retires

(1) How the Plans Work

At a meeting held on April 30, 2015, the Board of Directors approved the BBT for Directors, etc. as a way to provide directors’ compensation. The BBT 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. Directors, etc. are generally eligible to receive the award of Company shares when they retire.

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 their years of service or promotions, and issues Company shares to employees commensurate with the points that the employees were awarded when they received the right to receive shares in accordance with certain conditions. Before the Company awards the shares, employees conclude a transfer restriction agreement with the Company. This transfer restriction agreement places restrictions on the disposal, such as by share transfer, etc., of Company shares awarded to employees during their period of service, until their date of retirement. In this way employees are restricted in the ways that they can dispose of the shares awarded to them (by share transfer, etc.) until they retire. The shares to be awarded to the employees in the future are acquired through 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 and J-ESOP-RS at the end of the consolidated fiscal period under review are listed in the consolidated balance sheet under “Net Assets” as “Treasury Stock.” The book value of these shares was ¥208,371,000 at the end of the previous consolidated fiscal period and was ¥132,921,000 at the end of the consolidated fiscal period under review. The number of shares was 452,217 at the end of the previous consolidated fiscal period and was 275,516 at the end of the consolidated fiscal period under review.

(Segment Information, etc.)

[Segment Information]

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

[Related Information]

Previous consolidated accounting period (April 1, 2022 to March 31, 2023)

1. Information by Product and Service

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

2. Information by Region

(1) Net sales

Omitted. Net sales to external clients in Japan make up more than 90% of the net sales reported in the consolidated statement of income.

(2) Property, plant and equipment

Omitted. The amount of property, plant and equipment located in Japan makes up more than 90% of the amount of the property, plant and equipment reported in the consolidated balance sheet.

3. Information by Major Client

In net sales to external clients, no individual client accounts for 10% or more of net sales as reported in the consolidated statement of income, so this item is omitted.

Consolidated accounting period under review (April 1, 2023 to March 31, 2024)

1. Information by Product and Service

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

2. Information by Region

(1) Net sales

Omitted. Net sales to external clients in Japan make up more than 90% of the net sales reported in the consolidated statement of income.

(2) Property, plant and equipment

Omitted. The amount of property, plant and equipment located in Japan makes up more than 90% of the amount of the property, plant and equipment reported in the consolidated balance sheet.

3. Information by Major Client

In net sales to external clients, no individual client accounts for 10% or more of net sales as reported in the consolidated statement of income, so this item is omitted.

[Information on Non-current Asset Impairment Losses by Reporting Segment]

None.

[Information on Depreciated Amount of Goodwill and Undepreciated Balances for Each Reporting Segment]

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

[Information on Gain on Bargain Purchase by Reporting Segment]

None.

(Per-Share Information)

	Previous consolidated accounting period (April 1, 2022 to March 31, 2023)	Consolidated accounting period under review (April 1, 2023 to March 31, 2024)
Book value per share	¥625,64	¥712,87
Net income per share	¥84,54	¥106,42

- Notes: 1. The number of Company shares held by Custody Bank of Japan, Ltd. (Trust Account E) as the trust property regarding the board benefit trust (BBT) plan and Japanese employee stock ownership plan - restricted stock (J-ESOP-RS) is included in the number of common shares that were treasury stock at the end of the period for calculating the book value per share, and is included in the treasury stock to be deducted in the calculation of the interim average number of shares for calculating the net income per share. The trust account held 452,217 shares at the end of the previous consolidated accounting period, and 275,516 shares at the end of the current consolidated accounting period. The interim average number of shares was 448,896 shares in the previous consolidated accounting period, and 347,162 shares for the current consolidated accounting period.
2. Diluted net income per share is not listed because none exists.
3. The basis for calculating the net income per share is stated below.

	Previous consolidated accounting period (April 1, 2022 to March 31, 2023)	Consolidated accounting period under review (April 1, 2023 to March 31, 2024)
Net income per share		
Net income attributable to owners of parent	¥1,402,641,000	¥1,777,155,000
Amounts not attributable to common shareholders	—	—
Net income attributable to owners of parent regarding common stock	¥1,402,641,000	¥1,777,155,000
Interim average number of shares	Common stock: 16,591,639 shares	Common stock: 16,698,964 shares

4. The number of Company shares held by Custody Bank of Japan, Ltd. (Trust Account E) as the trust property regarding the board benefit trust (BBT) plan and Japanese employee stock ownership plan - restricted stock (J-ESOP-RS) is included in the number of common shares that were interim average treasury stock for calculating the net income per share.

(Material Subsequent Events)

None.