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## Summary of financial results for the first quarter of the fiscal year ending September 2025 [J-GAAP] (non-consolidated)

13 Feb 2025

Company name Internetworking and Broadband Consulting Co., Ltd. Listed TSE  
Code 3920 URL <https://www.abc21.co.jp/>  
Representative (Title) CEO and President (Name) Kato, Hiroyuki  
Contact (Title) General Manager, Corporate Services Div. (Name) Matsumoto, Kazuhiko TEL:03-5117-2780  
Scheduled dividend payment date —  
Supplementary materials: Yes  
Explanatory meeting: Not scheduled

(Fraction less than JPY mil)

### 1. Q1 of FYE Sep-2025 Financial results (1 Oct 2024 to 31 Dec 2024)

#### (1) Statement of income (Cumulative)

(YoY %)

	Sales		Operating Income		Ordinary income (loss)		Profit (loss)	
	JPY mil	%	JPY mil	%	JPY mil	%	JPY mil	%
Q1 of FYE Sep-2025	419	—	13	—	12	—	10	—
Q1 of FYE Sep-2024	—	—	—	—	—	—	—	—

	EPS	Diluted EPS
	JPY	JPY
Q1 of FYE Sep-2025	1.92	1.91
Q1 of FYE Sep-2024	—	—

(Ref.) Equity in earnings of affiliates Q1 of FYE Sep-2025: 3 million yen Q1 of FYE Sep-2024: 4 million yen

(Note) Consolidated results were disclosed for the first quarter of the fiscal year ended September 2024. However, following the subsequent business transfer of consolidated subsidiary Sunday Arts Co., Ltd. in that fiscal year, the company became less significant. It is now excluded from the scope of consolidation, and our financial statements from the first quarter of the fiscal year ending in September 2025 are non-consolidated. Therefore, the operating results (cumulative) and year-on-year change rates for the first quarter of the fiscal year ended in September 2024 are not included.

#### (2) Balance sheet

	Total Assets		Net Assets		Capital-to-asset ratio
	JPY mil		JPY mil		%
Q1 FYE Sep-2025	3,060		1,905		62.3
FYE Sep-2024	3,240		1,905		58.8

(Ref.) Net assets Q1 FYE Sep-2025 1,905JPY mil FYE Sep-2024 1,905JPY mil

### 2. Dividend

	Dividend				
	Q1	2Q	3Q	4Q	Total
	JPY	JPY	JPY	JPY	JPY
FYE Sep-2024	—	4.00	—	4.00	8.00
FYE Sep-2025	—	—	—	—	—
FYE Sep-2025 (Est.)	—	6.00	—	6.00	12.00

(Note) Revisions to the forecasts of cash dividends most recently announced: No

### 3. Financial Forecast (1 Oct 2024 to 30 Sep 2025)

(YoY%)

	Sales		Operating Income		Ordinary income (loss)		Profit (loss)		EPS
	JPY mil	%	JPY mil	%	JPY mil	%	JPY mil	%	JPY
Up to end of 2Q	1,056	—	170	—	192	—	137	—	—
FYE Sep-2022	2,400	14.8	450	17.0	482	21.9	358	55.5	64.72

(Note) 1. Revisions to the earnings forecasts most recently announced: No

2. Due to the transition to non-consolidated financial statements, we do not provide any forecasts for cumulative year-on-year change rates for the second quarter of the fiscal year ending in September 2025

\* Note

(1) Application of specific accounting procedure for preparing quarterly financial statements: Yes

(Note) For details, please refer to "2. Quarterly financial statements and major notes (3) Notes on quarterly financial statements (application of accounting procedures specific to the preparation of quarterly financial statements)" on page 6 of the attached documents.

(2) Changes in accounting policies, estimation and restatement

- ① Accounting policy changes in accordance with revision of Accounting Standard : None
- ② Accounting policy changes excluding ① : None
- ③ Accounting estimate changes : None
- ④ Restatement : None

(3) Number of outstanding shares (Ordinary share)

- ① Outstanding number of shares at FYE (Incl. treasury shares)
- ② Number of treasury shares at FYE
- ③ Average number of shares

Q1 of Sep-2025	5,725,600	Sep-2024	5,723,600
Q1 of Sep-2025	194,159	Sep-2024	194,159
Q1 of Sep-2025	5,529,876	Q1 of Sep-2024	5,529,441

\* Audit of the financial statements by auditors: No

\* (Disclaimer)

The description regarding estimation or forecast in the future in this material is based on our information and assumptions that we have understood reasonably, we never commit, pledge or promise an achievement of the description. Actual achievement will suffer from various factors. For the assumptions underlying the earnings forecasts and precautions regarding the use of the earnings forecasts, please refer to "1. Overview of business results, etc. (3) Explanation of business performance forecasts and other forward-looking information" on page 3 of the attached documents.

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## 1. Overview of business results, etc.

### (1) Overview of business results for the quarter under review

The environment surrounding the Japanese economy during the first quarter was difficult to predict due to factors including trends in prices, foreign exchange and financial markets, the situation in the Middle East and Ukraine, political changes in Europe and the United States, and uncertainties regarding the Chinese economy. In addition, regular pay rises and overall wage growth remain at a high level, especially among large companies. Given this ongoing and accelerating wage growth on one hand, and rising prices on the other, we believe that the Japanese economy will continue to grow, albeit slowly.

For companies, digital transformation (DX) through the promotion of streamlining and automation of business processes, as well as green transformation (GX) in pursuit of an earth-friendly environment, are becoming increasingly important due to the decline in the working population and diversification of worker needs caused by the declining birthrate and aging population, the establishment of new work styles that are not tied to place of work, and the rapid advancement of generative AI. The importance of transformation using IT is increasing in all business entities, including the transportation industry (such as automobiles and railways), financial institutions, infrastructure industries (such as electricity and gas), and public institutions such as local governments, and security measures are also becoming of utmost importance.

Under these circumstances, we held a private exhibition "IBC DAY 2024" in October 2024. At the event, we organized case study seminars by users and exhibited the latest solutions from our company and sponsoring companies, and were attended by many users and partner companies. We will continue to expand our functions and services by taking into consideration the unique usage methods for each industry shared by users at the case study seminars.

In December 2024, as part of the digital transformation of school affairs and learning that has progressed as part of the government (Ministry of Education, Culture, Sports, Science and Technology) initiative known as the GIGA School Initiative (in which students will be provided with one device each and a high-speed, high-capacity communications network in an integrated manner to realize an education that fosters individually optimized creativity), we opened a special website for boards of education and our partner companies to introduce the necessary solutions to the challenges posed by the initiative, namely, "resolving network problems" and "developing appropriate networks." By grasping the current state of the ICT environment in educational settings, analyzing and predicting future system conditions, and providing an optimal ICT environment in preparation for NEXT GIGA, we hope to contribute to realizing the learning that the GIGA School Initiative aims to provide.

Also in December 2024, we revised the price of System Answer G3. Since the product was released in 2018, we have been able to provide stable services for over six years thanks to your support. However, due to recent changes in the external environment, such as rising prices and labor costs, we are forced to revise our prices. With the understanding and cooperation of all our stakeholders, we will continue to strive to develop products and improve our services to further satisfy our customers.

As part of our CSR activities, in December 2012, 11 employees visited AlonAlon, an NPO that runs a Type B business that supports continued employment in Futtsu City, Chiba Prefecture. They observed disabled people working energetically and cheerfully growing Phalaenopsis orchids and provided support, primarily by pulling weeds on the farm. Through these activities, we aim to develop the character of each employee with kindness and the ability to help those in need, and we will continue to contribute to the realization of a sustainable society, as envisioned by the SDGs, through various activities.

As we operate in a single segment involving only software and service-related businesses, segment information has been omitted. Within the software and services business, the performance by sales category related to our IT system monitoring-related business is as follows:

Regarding license sales, we saw many renewals from customers who had already been using System Answer, and we were able to steadily make sales of solutions, which is our focus. As a result, sales from license sales were 198,116 thousand yen (up 22.3% year on year), sales from provision of services were 142,605 thousand yen (up 12.4% year on year), and sales from other sales etc. were 78,401 thousand yen (down 1.4% year on year).

Due to these factors, our business performance up to the end of the first quarter saw a rise in both sales and profits, with sales of 419,123 thousand yen, operating profit of 13,813 thousand yen, ordinary profit of 12,727 thousand yen, and quarterly net profit of 10,600 thousand yen.

We began paying dividends in the fiscal year ending September 2022 and have continued to increase dividends. To ensure that we continue to actively return profits to shareholders in the future, we have introduced a progressive dividend system. Returning profits to shareholders is an important management priority for us. Our policy is to actively return profits to shareholders by continuing to pay progressive dividends, taking into consideration future trends in business performance and financial conditions, as well as a comprehensive review of internal reserves for future business development.

(2) Overview of financial position for the quarter under review

(Assets)

Total assets at the end of the first quarter of this fiscal year were 3,060,818 thousand yen (3,240,080 thousand yen at the end of the previous fiscal year), a decrease of 179,261 thousand yen. This was mainly due to an increase in cash and deposits of 190,132 thousand yen, while accounts receivable-trade decreased by 407,005 thousand yen.

(Liabilities)

Total liabilities at the end of the first quarter of this fiscal year were 1,155,207 thousand yen (1,334,807 thousand yen at the end of the previous fiscal year), a decrease of 179,599 thousand yen. This was mainly due to an increase in contract liabilities of 7,613 thousand yen, while accounts payable-trade and accrued income taxes decreased by 40,428 thousand yen and 25,181 thousand yen, respectively.

(Net assets)

The total net assets at the end of the first quarter of the accounting period were 1,905,611 thousand yen (1,905,273 thousand yen at the end of the previous fiscal year), an increase of 337 thousand yen. This was mainly due to a decrease in retained earnings of 11,517 thousand yen, while the valuation difference on available-for-sale securities increased by 11,255 thousand yen.

(3) Explanation of business performance forecasts and other forward-looking information

Regarding business performance forecasts, there are no changes to the forecasts for the second quarter and full year announced in the "Financial Results for the Fiscal Year Ending September 2024" dated November 14, 2024.

## 2. Quarterly financial statements and major notes

### (1) Quarterly balance sheet

(Unit: JPY thousand)

	Previous fiscal year (up to 30 Sep 2024)	Up to end of latest Q1 (31 Dec 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	1,926,216	2,116,348
Accounts receivable – trade	660,181	253,175
Inventories	34,085	54,461
Other	48,356	38,478
Current assets	2,668,839	2,462,464
Non-current assets		
Property, plant and equipment	31,676	30,250
Intangible assets	45,235	56,292
Investments and other assets		
Investment securities	169,866	186,089
Affiliated company shares	43,301	43,301
Insurance reserve fund	162,847	169,466
Other	118,313	112,954
Investments and other assets	494,328	511,811
Non-current assets	571,240	598,354
Assets	3,240,080	3,060,818
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade-	125,095	84,667
Short-term loan payable	800,000	800,000
Current portion of long-term loans payable	50,018	25,019
Income taxes payable	34,026	8,845
Contract liabilities	91,554	99,167
Other	232,621	136,251
Current liabilities	1,333,316	1,153,950
Non-current liabilities		
Other	1,491	1,257
Non-current liabilities	1,491	1,257
Liabilities	1,334,807	1,155,207
<b>Net assets</b>		
Shareholders' equity		
Capital stock	443,230	443,530
Capital surplus	438,952	439,252
Retained earnings	1,221,447	1,209,929
Treasury stock	(221,114)	(221,114)
Shareholders' equity	1,882,515	1,871,597
Valuation and conversion differences, etc.		
Valuation difference on available-for-sale securities	22,758	34,013
Total valuation and conversion differences, etc.	22,758	34,013
Net assets	1,905,273	1,905,611
Liabilities and net assets	3,240,080	3,060,818

(2) Quarterly income statement  
(Up to end of Q1)

(Unit: JPY thousand)

	Up to end of latest Q1 (from 1 Oct 2024 to 31 Dec 2024)
Sales	419,123
COGS	103,662
Gross profit	315,461
Selling, general and administrative expenses	301,647
Operating Income	13,813
Non-operating income	
Commission fee	252
Other	89
Non-operating income	342
Non-operating expenses	
Interest expenses	1,428
Non-operating expenses	1,428
Ordinary income (loss)	12,727
Extraordinary income	
Gain from liquidation of affiliated companies	2,788
Extraordinary income	2,788
Quarterly profit before tax	15,516
Corporate tax etc.	4,915
Quarterly net profit	10,600

(3) Notes regarding quarterly financial statements

(Notes regarding going concern assumption)

Not applicable.

(Notes in the event of significant changes in the amount of shareholders' equity)

Up to end of previous Q1 (from 1 Oct 2023 to 31 Dec 2023)

Dividend payment

Resolution	Types of shares	Total dividend amount (thousand yen)	Dividend per share (yen)	Reference date	Effective date	Dividend source
19 December 2023 Ordinary general meeting of shareholders	Common stock	33,176	6	30 September 2023	20 December 2023	Retained earnings

Up to end of latest Q1 (from 1 Oct 2024 to 31 Dec 2024)

Dividend payment

Resolution	Types of shares	Total dividend amount (thousand yen)	Dividend per share (yen)	Reference date	Effective date	Dividend source
20 December 2024 Ordinary general meeting of shareholders	Common stock	22,117	4	30 September 2024	23 December 2024	Retained earnings

(Notes regarding quarterly cash flow statements)

We do not provide results for the first three months of the previous fiscal year (from 1 September 2023 to 31 December 2023) as they were consolidated. In addition, we have not prepared a quarterly cash flow statement for the period up to the end of the first quarter of the fiscal year under review. Depreciation expenses (including amortization expenses for intangible fixed assets) up to the end of the first quarter of the fiscal year under review are as follows:

Up to end of latest Q1 (from 1 Oct 2024 to 31 Dec 2024)	
Depreciation	9,098 thousand yen



(Equity method profit and loss, etc.)

Up to end of latest Q1  
(from 1 Oct 2024 to 31 Dec 2024)

Amount of investment in affiliated companies	16,861 thousand yen
Amount of investment when applying the equity method	64,379 thousand yen
Amount of investment profit when applying the equity method	3,971 thousand yen

(Notes to segment information, etc.)

As we operate in a single segment involving only software and services-related business, information is not provided by segment.

(Notes regarding accounting procedures specific to the preparation of quarterly financial statements)

(Calculation of tax expenses)

The effective tax rate after applying tax-effect accounting to income before taxes for the fiscal year including the current first quarter is reasonably estimated, and calculated by multiplying income before taxes by that estimated effective tax rate. However, when calculating tax expenses using the estimated effective tax rate would result in a significantly unreasonable result, the calculation is made using the statutory effective tax rate.