

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended December 31, 2024 (Based on Japanese GAAP)

February 14, 2025

Company name: I S B CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 9702 URL <https://www.isb.co.jp/>  
 Representative: President Kazufumi Wakao  
 Director, Executive General Manager, Masaya Hirose  
 Administrative Headquarters TEL 03-3490-1761  
 Inquiries: TEL 03-3490-1761  
 Scheduled date of ordinary general meeting of shareholders: March 28, 2025  
 Scheduled date to file Securities Report: March 28, 2025  
 Scheduled date to commence dividend payments: March 31, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

|                              | Net sales       |      | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |      |
|------------------------------|-----------------|------|------------------|------|-----------------|------|---|------|
|                              | Millions of yen | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen                         | %    |
| Year ended December 31, 2024 | 33,954          | 4.8  | 2,800            | 2.4  | 2,892           | 2.9  | 2,032                                   | 38.0 |
| Year ended December 31, 2023 | 32,388          | 11.9 | 2,734            | 17.9 | 2,810           | 17.0 | 1,472                                   | 3.4  |

|                              | Earnings per share | Diluted earnings per share | Profit attributable to owners of parent/equity | Ordinary profit/total assets | Operating profit/net sales |
|------------------------------|--------------------|----------------------------|--|------------------------------|----------------------------|
|                              | Yen                | Yen                        | %  | %                            | %                          |
| Year ended December 31, 2024 | 177.80             | —                          | 16.1   | 15.3                         | 8.2                        |
| Year ended December 31, 2023 | 129.07             | —                          | 13.1   | 16.3                         | 8.4                        |

#### (2) Consolidated financial position

|                         | Total assets    | Net assets      | Equity ratio | Net assets per share |
|-------------------------|-----------------|-----------------|--------------|----------------------|
|                         | Millions of yen | Millions of yen | %            | Yen                  |
| As of December 31, 2024 | 19,800          | 13,504          | 68.2         | 1,180.73             |
| As of December 31, 2023 | 17,988          | 11,821          | 65.7         | 1,035.37             |

#### (3) Consolidated cash flows

|                              | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                              | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                            |
| Year ended December 31, 2024 | 1,877                                | (1,350)                              | (480)                                | 8,975                                      |
| Year ended December 31, 2023 | 1,945                                | (270)                                | (454)                                | 8,872                                      |

### 2. Cash dividends

|  | Annual dividends per share |                 |                 |                 |       | Total cash dividends (Total) | Dividend payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|--|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|--------------------------------------|---|
|  | 1st quarter-end            | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |                              |                                      |   |
|  | Yen                        | Yen             | Yen             | Yen             | Yen   | Millions of yen              | %                                    | %   |
| Year ended December 31, 2023             | —                          | 0.00            | —               | 42.00           | 42.00 | 479                          | 32.5                                 | 4.1   |
| Year ended December 31, 2024             | —                          | 0.00            | —               | 54.00           | 54.00 | 617                          | 30.4                                 | 4.9   |
| Year ending December 31, 2025 (Forecast) | —                          | 0.00            | —               | 54.00           | 54.00 |                              | 39.3                                 |   |

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

Percentages indicate year-on-year changes

|                                 | Net sales       |     | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |        | Earnings per share |
|---------------------------------|-----------------|-----|------------------|--------|-----------------|--------|---|--------|--------------------|
|                                 | Millions of yen | %   | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %      | Yen                |
| Six months ending June 30, 2025 | 17,700          | 6.2 | 950              | (38.2) | 980             | (37.6) | 670                                     | (40.2) | 58.60              |
| Full year                       | 36,100          | 6.3 | 2,200            | (21.4) | 2,300           | (20.5) | 1,570                                   | (22.8) | 137.30             |

4. Notes

(1) Significant changes in the scope of consolidation during the year ended December 31, 2024: Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

|                         |                   |                         |                   |
|-------------------------|-------------------|-------------------------|-------------------|
| As of December 31, 2024 | 11,437,521 shares | As of December 31, 2023 | 11,417,900 shares |
|-------------------------|-------------------|-------------------------|-------------------|

Number of treasury shares at the end of the period

|                         |            |                         |            |
|-------------------------|------------|-------------------------|------------|
| As of December 31, 2024 | 149 shares | As of December 31, 2023 | 149 shares |
|-------------------------|------------|-------------------------|------------|

Average number of shares during the period

|                              |                   |                              |                   |
|------------------------------|-------------------|------------------------------|-------------------|
| Year ended December 31, 2024 | 11,431,153 shares | Year ended December 31, 2023 | 11,408,428 shares |
|------------------------------|-------------------|------------------------------|-------------------|

**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

|  | As of December 31, 2023 | As of December 31, 2024 |
|--|-------------------------|-------------------------|
| <b>Assets</b>  |                         |                         |
| Current assets   |                         |                         |
| Cash and deposits  | 8,875,913               | 8,975,183               |
| Notes and accounts receivable - trade, and contract assets | 5,814,030               | 6,078,707               |
| Prepaid expenses   | 165,695                 | 195,774                 |
| Merchandise  | 692,511                 | 921,378                 |
| Work in process  | –                       | 457                     |
| Supplies   | 1,512                   | 857                     |
| Other  | 119,880                 | 90,110                  |
| Allowance for doubtful accounts                            | (6,482)                 | (4,958)                 |
| Total current assets                                       | 15,663,060              | 16,257,509              |
| Non-current assets   |                         |                         |
| Property, plant and equipment                              |                         |                         |
| Buildings and structures                                   | 614,435                 | 608,341                 |
| Accumulated depreciation and impairment                    | (357,627)               | (259,118)               |
| Buildings and structures, net                              | 256,807                 | 349,222                 |
| Land   | 450,361                 | 354,004                 |
| Other  | 883,791                 | 1,090,868               |
| Accumulated depreciation and impairment                    | (673,089)               | (760,336)               |
| Other, net   | 210,701                 | 330,531                 |
| Total property, plant and equipment                        | 917,870                 | 1,033,758               |
| Intangible assets  |                         |                         |
| Goodwill   | –                       | 625,987                 |
| Other  | 36,626                  | 98,910                  |
| Total intangible assets                                    | 36,626                  | 724,898                 |
| Investments and other assets                               |                         |                         |
| Investment securities                                      | 483,774                 | 545,593                 |
| Long-term prepaid expenses                                 | 5,519                   | 9,668                   |
| Guarantee deposits   | 449,994                 | 816,406                 |
| Deferred tax assets  | 369,433                 | 348,057                 |
| Other  | 62,596                  | 65,059                  |
| Allowance for doubtful accounts                            | –                       | (202)                   |
| Total investments and other assets                         | 1,371,318               | 1,784,582               |
| Total non-current assets                                   | 2,325,815               | 3,543,239               |
| Total assets   | 17,988,876              | 19,800,748              |

(Thousands of yen)

|  | As of December 31, 2023 | As of December 31, 2024 |
|--|-------------------------|-------------------------|
| <b>Liabilities</b>   |                         |                         |
| <b>Current liabilities</b>   |                         |                         |
| Notes and accounts payable - trade                                   | 2,116,541               | 2,274,614               |
| Short-term borrowings  | 120,000                 | 120,000                 |
| Accounts payable - other   | 1,456,499               | 1,475,381               |
| Accrued expenses   | 91,937                  | 195,974                 |
| Contract liabilities   | 189,947                 | 171,808                 |
| Income taxes payable   | 574,075                 | 524,383                 |
| Accrued consumption taxes  | 446,747                 | 383,467                 |
| Provision for bonuses  | 33,356                  | 28,945                  |
| Provision for bonuses for directors (and other officers)             | 50,018                  | 89,932                  |
| Provision for retirement benefits for directors                      | 145,000                 | –                       |
| Provision for loss on orders received                                | 88,255                  | –                       |
| Asset retirement obligations   | 29,200                  | 103,290                 |
| Other  | 334,147                 | 418,170                 |
| <b>Total current liabilities</b>                                     | <b>5,675,726</b>        | <b>5,785,968</b>        |
| <b>Non-current liabilities</b>                                       |                         |                         |
| Retirement benefit liability   | 253,788                 | 274,295                 |
| Provision for retirement benefits for directors (and other officers) | 59,118                  | 71,603                  |
| Asset retirement obligations   | 163,768                 | 145,438                 |
| Other  | 14,895                  | 19,047                  |
| <b>Total non-current liabilities</b>                                 | <b>491,570</b>          | <b>510,384</b>          |
| <b>Total liabilities</b>   | <b>6,167,296</b>        | <b>6,296,353</b>        |
| <b>Net assets</b>  |                         |                         |
| <b>Shareholders' equity</b>  |                         |                         |
| Share capital  | 2,378,921               | 2,392,430               |
| Capital surplus  | 2,983,099               | 2,996,608               |
| Retained earnings  | 6,235,068               | 7,787,998               |
| Treasury shares  | (146)                   | (146)                   |
| <b>Total shareholders' equity</b>                                    | <b>11,596,942</b>       | <b>13,176,890</b>       |
| <b>Accumulated other comprehensive income</b>                        |                         |                         |
| Valuation difference on available-for-sale securities                | 162,756                 | 202,684                 |
| Foreign currency translation adjustment                              | 61,880                  | 124,820                 |
| <b>Total accumulated other comprehensive income</b>                  | <b>224,637</b>          | <b>327,504</b>          |
| <b>Total net assets</b>  | <b>11,821,579</b>       | <b>13,504,395</b>       |
| <b>Total liabilities and net assets</b>                              | <b>17,988,876</b>       | <b>19,800,748</b>       |

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

|  | Fiscal year ended<br>December 31, 2023 | Fiscal year ended<br>December 31, 2024 |
|--|--|--|
| Net sales  | 32,388,135                             | 33,954,594                             |
| Cost of sales  | 24,589,466                             | 25,713,506                             |
| Gross profit   | 7,798,668                              | 8,241,088                              |
| Selling, general and administrative expenses                         | 5,064,474                              | 5,440,684                              |
| Operating profit   | 2,734,193                              | 2,800,403                              |
| Non-operating income   |  |  |
| Interest income  | 16,922                                 | 13,574                                 |
| Dividend income  | 13,005                                 | 30,757                                 |
| Dividend income of insurance   | 13,767                                 | 40,181                                 |
| Insurance claim income   | 17,500                                 | 8,131                                  |
| Compensation income  | –                                      | 22,405                                 |
| Reversal of allowance for doubtful accounts                          | 8,760                                  | –                                      |
| Other  | 19,805                                 | 15,854                                 |
| Total non-operating income   | 89,761                                 | 130,905                                |
| Non-operating expenses   |  |  |
| Interest expenses  | 737                                    | 973                                    |
| Share issuance costs   | 31                                     | 24                                     |
| Settlement payments  | –                                      | 6,636                                  |
| Loss on sale of non-current assets                                   | –                                      | 8,087                                  |
| Loss on sale of notes receivable - trade                             | 1,746                                  | 1,841                                  |
| Foreign exchange losses  | 10,260                                 | 18,923                                 |
| Other  | 629                                    | 2,038                                  |
| Total non-operating expenses   | 13,406                                 | 38,524                                 |
| Ordinary profit  | 2,810,548                              | 2,892,784                              |
| Extraordinary losses   |  |  |
| Impairment losses  | 188,492                                | –                                      |
| Provision for retirement benefits for directors (and other officers) | 145,000                                | –                                      |
| Fraud related losses   | 107,858                                | –                                      |
| Total extraordinary losses   | 441,350                                | –                                      |
| Profit before income taxes   | 2,369,198                              | 2,892,784                              |
| Income taxes - current   | 1,044,392                              | 856,732                                |
| Income taxes - deferred  | (147,734)                              | 3,576                                  |
| Total income taxes   | 896,657                                | 860,308                                |
| Profit   | 1,472,540                              | 2,032,475                              |
| Profit attributable to owners of parent                              | 1,472,540                              | 2,032,475                              |

## Consolidated statements of comprehensive income

(Thousands of yen)

|   | Fiscal year ended<br>December 31, 2023 | Fiscal year ended<br>December 31, 2024 |
|---|--|--|
| Profit  | 1,472,540                              | 2,032,475                              |
| Other comprehensive income                            |  |  |
| Valuation difference on available-for-sale securities | 57,618                                 | 39,928                                 |
| Foreign currency translation adjustment               | 29,388                                 | 62,939                                 |
| Total other comprehensive income                      | 87,006                                 | 102,867                                |
| Comprehensive income                                  | 1,559,546                              | 2,135,343                              |
| Comprehensive income attributable to                  |  |  |
| Comprehensive income attributable to owners of parent | 1,559,546                              | 2,135,343                              |

## Consolidated statements of changes in equity

Fiscal year ended December 31, 2023

(Thousands of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 2,361,512            | 2,965,691       | 5,218,072         | (92)            | 10,545,183                 |
| Changes during period                                |                      |                 |                   |                 |                            |
| Issuance of new shares                               | 17,408               | 17,408          |                   |                 | 34,816                     |
| Dividends of surplus                                 |                      |                 | (455,544)         |                 | (455,544)                  |
| Profit attributable to owners of parent              |                      |                 | 1,472,540         |                 | 1,472,540                  |
| Purchase of treasury shares                          |                      |                 |                   | (53)            | (53)                       |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | 17,408               | 17,408          | 1,016,996         | (53)            | 1,051,758                  |
| Balance at end of period                             | 2,378,921            | 2,983,099       | 6,235,068         | (146)           | 11,596,942                 |

|  | Accumulated other comprehensive income                |   |  | Total net assets |
|--|---|---|--|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income |                  |
| Balance at beginning of period                       | 105,138   | 32,491                                  | 137,630                                      | 10,682,814       |
| Changes during period                                |   |   |  |                  |
| Issuance of new shares                               |   |   |  | 34,816           |
| Dividends of surplus                                 |   |   |  | (455,544)        |
| Profit attributable to owners of parent              |   |   |  | 1,472,540        |
| Purchase of treasury shares                          |   |   |  | (53)             |
| Net changes in items other than shareholders' equity | 57,618  | 29,388                                  | 87,006                                       | 87,006           |
| Total changes during period                          | 57,618  | 29,388                                  | 87,006                                       | 1,138,765        |
| Balance at end of period                             | 162,756   | 61,880                                  | 224,637                                      | 11,821,579       |

Fiscal year ended December 31, 2024

(Thousands of yen)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period                       | 2,378,921            | 2,983,099       | 6,235,068         | (146)           | 11,596,942                 |
| Changes during period                                |                      |                 |                   |                 |                            |
| Issuance of new shares                               | 13,509               | 13,509          |                   |                 | 27,018                     |
| Dividends of surplus                                 |                      |                 | (479,545)         |                 | (479,545)                  |
| Profit attributable to owners of parent              |                      |                 | 2,032,475         |                 | 2,032,475                  |
| Purchase of treasury shares                          |                      |                 |                   |                 |                            |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            |
| Total changes during period                          | 13,509               | 13,509          | 1,552,930         | –               | 1,579,948                  |
| Balance at end of period                             | 2,392,430            | 2,996,608       | 7,787,998         | (146)           | 13,176,890                 |

|  | Accumulated other comprehensive income                |   |  | Total net assets |
|--|---|---|--|------------------|
|  | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income |                  |
| Balance at beginning of period                       | 162,756   | 61,880                                  | 224,637                                      | 11,821,579       |
| Changes during period                                |   |   |  |                  |
| Issuance of new shares                               |   |   |  | 27,018           |
| Dividends of surplus                                 |   |   |  | (479,545)        |
| Profit attributable to owners of parent              |   |   |  | 2,032,475        |
| Purchase of treasury shares                          |   |   |  |                  |
| Net changes in items other than shareholders' equity | 39,928  | 62,939                                  | 102,867                                      | 102,867          |
| Total changes during period                          | 39,928  | 62,939                                  | 102,867                                      | 1,682,815        |
| Balance at end of period                             | 202,684   | 124,820                                 | 327,504                                      | 13,504,395       |



## Consolidated statements of cash flows

(Thousands of yen)

|   | Fiscal year ended<br>December 31, 2023 | Fiscal year ended<br>December 31, 2024 |
|---|--|--|
| Cash flows from operating activities  |  |  |
| Profit before income taxes  | 2,369,198                              | 2,892,784                              |
| Depreciation  | 136,640                                | 253,322                                |
| Impairment losses   | 188,492                                | –                                      |
| Amortization of goodwill  | 355,954                                | –                                      |
| Increase (decrease) in allowance for doubtful accounts                                      | (32,873)                               | (1,644)                                |
| Increase (decrease) in provision for bonuses  | 4,519                                  | (4,410)                                |
| Increase (decrease) in provision for bonuses for directors (and other officers)             | 27,123                                 | 39,914                                 |
| Increase (decrease) in provision for loss on orders received                                | 85,167                                 | (88,255)                               |
| Increase (decrease) in retirement benefit liability   | 15,945                                 | 19,928                                 |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | 150,083                                | (132,514)                              |
| Interest and dividend income  | (29,928)                               | (44,332)                               |
| Dividend income of insurance  | (13,767)                               | (40,181)                               |
| Interest expenses   | 737                                    | 973                                    |
| Compensation income   | –                                      | (22,405)                               |
| Settlement payments   | –                                      | 6,636                                  |
| Loss (gain) on sale of property, plant and equipment  | –                                      | 8,087                                  |
| Fraud related losses  | 107,858                                | –                                      |
| Decrease (increase) in trade receivables  | (395,007)                              | (224,501)                              |
| Decrease (increase) in inventories  | 33,792                                 | (228,668)                              |
| Increase (decrease) in trade payables   | 48,240                                 | 157,274                                |
| Increase (decrease) in accounts payable - other   | 65,824                                 | (21,690)                               |
| Increase (decrease) in accrued consumption taxes  | 75,443                                 | (74,322)                               |
| Decrease (increase) in other current assets   | 25,266                                 | 15,515                                 |
| Increase (decrease) in other current liabilities  | 11,880                                 | 280,292                                |
| Other, net  | 16,914                                 | 11,967                                 |
| Subtotal  | 3,247,506                              | 2,803,767                              |
| Interest and dividends received   | 29,928                                 | 44,332                                 |
| Insurance amount of dividends received  | 13,767                                 | 40,181                                 |
| Interest paid   | (737)                                  | (983)                                  |
| Subsidies received  | 1,140                                  | –                                      |
| Proceeds from insurance income  | 17,500                                 | 8,131                                  |
| Proceeds from compensation  | –                                      | 22,405                                 |
| Settlement paid   | –                                      | (6,636)                                |
| Spending of fraud related   | (107,858)                              | –                                      |
| Income taxes paid   | (1,255,384)                            | (1,034,084)                            |
| Net cash provided by (used in) operating activities   | 1,945,861                              | 1,877,115                              |

(Thousands of yen)

|   | Fiscal year ended<br>December 31, 2023 | Fiscal year ended<br>December 31, 2024 |
|---|--|--|
| Cash flows from investing activities  |  |  |
| Purchase of property, plant and equipment   | (113,306)                              | (372,184)                              |
| Proceeds from sale of property, plant and equipment                                 | –                                      | 108,367                                |
| Payments for asset retirement obligations   | –                                      | (24,500)                               |
| Purchase of intangible assets   | (10,804)                               | (64,820)                               |
| Purchase of investment securities   | (4,583)                                | (5,628)                                |
| Proceeds from sale of investment securities   | –                                      | 837                                    |
| Purchase of shares of subsidiaries resulting in change in scope<br>of consolidation | –                                      | (626,956)                              |
| Payments of leasehold and guarantee deposits  | (136,587)                              | (405,817)                              |
| Proceeds from refund of leasehold and guarantee deposits                            | –                                      | 47,670                                 |
| Proceeds from maturity of insurance funds   | 5,045                                  | 41                                     |
| Purchase of membership  | (8,245)                                | –                                      |
| Purchase of long-term prepaid expenses  | (3,706)                                | (11,390)                               |
| Other, net  | 2,101                                  | 3,419                                  |
| Net cash provided by (used in) investing activities                                 | (270,086)                              | (1,350,962)                            |
| Cash flows from financing activities  |  |  |
| Repayments of lease liabilities   | (1,082)                                | (880)                                  |
| Purchase of treasury shares   | (53)                                   | –                                      |
| Dividends paid  | (453,722)                              | (479,768)                              |
| Net cash provided by (used in) financing activities                                 | (454,859)                              | (480,649)                              |
| Effect of exchange rate change on cash and cash equivalents                         | 25,751                                 | 56,745                                 |
| Net increase (decrease) in cash and cash equivalents                                | 1,246,666                              | 102,249                                |
| Cash and cash equivalents at beginning of period                                    | 7,626,267                              | 8,872,933                              |
| Cash and cash equivalents at end of period  | 8,872,933                              | 8,975,183                              |