

May 8, 2025

Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under Japanese GAAP)

Company name: ISB CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 9702
 URL: <https://www.isb.co.jp/>
 Representative: Kazufumi Wakao, Representative Director and President
 Inquiries: Masaya Hirose, Director, Executive General Manager, Administrative Headquarters
 Telephone: +81-3-6775-3270
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(1) Consolidated operating results (cumulative)

(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	%
Three months ended March 31, 2025	9,712	13.8	1,131	2.3	1,139	0.7	726	(4.5)
March 31, 2024	8,531	2.0	1,105	7.3	1,132	8.6	760	31.1

Note: Comprehensive income For the three months ended March 31, 2025: ¥702 million [(20.0)%]
 For the three months ended March 31, 2024: ¥878 million [48.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	63.49	-
March 31, 2024	66.59	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	20,361	13,589	66.7
December 31, 2024	19,800	13,504	68.2

Reference: Equity
 As of March 31, 2025: ¥13,589 million
 As of December 31, 2024: ¥13,504 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	54.00	54.00
Fiscal year ending December 31, 2025	-				
Fiscal year ending December 31, 2025 (Forecast)		0.00		54.00	54.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal 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		Basic 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
Fiscal year ending December 31, 2025	36,100	6.3	2,200	(21.4)	2,300	(20.5)	1,570	(22.8)	137.30

Note: Revisions to the earnings forecasts most recently announced: None

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Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

- (4) Number of issued shares (common shares)

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

As of March 31, 2025	11,437,521 shares
As of December 31, 2024	11,437,521 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	149 shares
As of December 31, 2024	149 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2025	11,437,372 shares
Three months ended March 31, 2024	11,417,751 shares

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: nothing

- * Proper use of earnings forecasts, and other special matters

Forward-looking statements, such as earnings forecasts, contained in this material are based on information available to the Company and certain assumptions that the Company deems reasonable, and actual results may differ due to various factors.

For details on the conditions on which earnings forecasts are based and precautions to be taken when using earnings forecasts, please refer to "Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts" on page 3 of the first quarter Financial Results (Appendix).

Quarterly consolidated balance sheet

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	8,975	8,466
Notes and accounts receivable - trade, and contract assets	6,078	6,689
Prepaid expenses	195	263
Merchandise	921	993
Work in process	0	2
Supplies	0	0
Other	90	193
Allowance for doubtful accounts	(4)	(4)
Total current assets	16,257	16,604
Non-current assets		
Property, plant and equipment		
Buildings and structures	608	688
Accumulated depreciation and impairment	(259)	(282)
Buildings and structures, net	349	405
Land	354	354
Other	1,090	1,136
Accumulated depreciation and impairment	(760)	(787)
Other, net	330	348
Total property, plant and equipment	1,033	1,108
Intangible assets		
Goodwill	625	594
Other	98	101
Total intangible assets	724	696
Investments and other assets		
Investment securities	545	563
Long-term prepaid expenses	9	15
Guarantee deposits	816	828
Deferred tax assets	348	483
Allowance for doubtful accounts	(0)	(0)
Other	65	59
Total investments and other assets	1,784	1,951
Total non-current assets	3,543	3,756
Total assets	19,800	20,361

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,296	2,507
Contract liabilities	171	157
Short-term borrowings	120	120
Accounts payable - other	1,453	867
Accrued expenses	195	360
Income taxes payable	524	614
Accrued consumption taxes	383	542
Provision for bonuses	28	664
Provision for bonuses for directors (and other officers)	89	96
Asset retirement obligations	103	110
Other	418	200
Total current liabilities	5,785	6,243
Non-current liabilities		
Retirement benefit liability	274	266
Provision for retirement benefits for directors (and other officers)	71	73
Asset retirement obligations	145	170
Other	19	18
Total non-current liabilities	510	528
Total liabilities	6,296	6,771
Net assets		
Shareholders' equity		
Share capital	2,392	2,392
Capital surplus	2,996	2,996
Retained earnings	7,787	7,896
Treasury shares	(0)	(0)
Total shareholders' equity	13,176	13,285
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	202	214
Foreign currency translation adjustment	124	89
Total accumulated other comprehensive income	327	303
Total net assets	13,504	13,589
Total liabilities and net assets	19,800	20,361

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	8,531	9,712
Cost of sales	6,238	7,064
Gross profit	2,293	2,648
Selling, general and administrative expenses	1,187	1,517
Operating profit	1,105	1,131
Non-operating income		
Interest income	3	3
Surrender value of insurance policies	-	3
Compensation income	22	-
Other	10	5
Total non-operating income	36	12
Non-operating expenses		
Interest expenses	0	0
Settlement payments	6	-
Loss on sale of notes receivable - trade	0	0
Foreign exchange losses	2	-
Other	0	2
Total non-operating expenses	9	3
Ordinary profit	1,132	1,139
Profit before income taxes	1,132	1,139
Income taxes - current	372	555
Income taxes - deferred	(0)	(142)
Total income taxes	372	413
Profit	760	726
Profit attributable to owners of parent	760	726

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit	760	726
Other comprehensive income		
Valuation difference on available-for-sale securities	82	11
Foreign currency translation adjustment	35	(35)
Total other comprehensive income	118	(23)
Comprehensive income	878	702
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	878	702

(Notes on segment information, etc.)

Segment Information

- I. the three months of the previous fiscal year (January 1, 2024 to March 31, 2024)
1. Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

	Reportable segments		Adjustment amount (Note)	Total
	Information service business	Security system		
Sales				
Revenues from external customers	7,113	1,418	-	8,531
Transactions with other segments	28	83	(112)	-
Total	7,141	1,502	(112)	8,531
Segment Profit	767	329	9	1,105

Note: Segment profit is adjusted to operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment
(Significant impairment loss on fixed assets)
Not applicable.
(Significant fluctuations in the amount of goodwill)
Not applicable.
(Significant Negative Goodwill Accrual)
Not applicable.

- II. the three months of the current fiscal year (January 1, 2025 to March 31, 2025)
1. Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

	Reportable segments		Adjustment amount (Note)	Total
	Information service business	Security system		
Sales				
Revenues from external customers	7,793	1,919	-	9,712
Transactions with other segments	28	10	(39)	-
Total	7,822	1,929	(39)	9,712
Segment Profit	692	432	6	1,131

Note: Segment profit is adjusted to operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment
(Significant impairment loss on fixed assets)
Not applicable.
(Significant fluctuations in the amount of goodwill)
Not applicable.
(Significant Negative Goodwill Accrual)
Not applicable.