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July 31, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Japanese standard)

Company name: INES Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 9742
 URL: <https://www.ines.co.jp/en/>
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: No
 Holding of financial results briefing: No

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

1. Consolidated financial results for the three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Figures in percentages denote year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	7,712	(8.6)	(878)	—	(861)	—	(618)	—
June 30, 2024	8,436	(15.3)	(321)	—	(304)	—	(275)	—

Note: Comprehensive income For the three months ended June 30, 2025: ¥(585) million [—%]
 For the three months ended June 30, 2024: ¥(230) million [—%]

	Profit per share	Fully diluted profit per share
Three months ended	Yen	Yen
June 30, 2025	(29.74)	—
June 30, 2024	(13.24)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	51,675	38,004	73.5
March 31, 2025	56,727	39,192	69.1

Reference: Shareholders' equity
 As of June 30, 2025: ¥38,004 million
 As of March 31, 2025: ¥39,192 million

2. Dividends

	Dividends per share				
	End of Q1	End of Q2	End of Q3	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	25.00	—	30.00	55.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		—	—	—	60.00

Note: Revisions to the forecast of cash dividends most recently announced: No

3. Forecasts for consolidated financial results for the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Figures in percentages denote year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	43,000	6.0	4,000	13.1	4,100	13.6	2,800	14.9	134.53

Note: Revisions to the earnings forecasts most recently announced: No

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies associated with the revision of accounting standards, etc.: No
 - (ii) Changes in accounting policies other than (i): No
 - (iii) Changes in accounting estimates: No
 - (iv) Restatement: No

(4) Number of issued shares (common shares)

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

As of June 30, 2025	20,900,000 shares
As of March 31, 2025	20,900,000 shares

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

As of June 30, 2025	86,693 shares
As of March 31, 2025	99,687 shares

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

Three months ended June 30, 2025	20,806,790 shares
Three months ended June 30, 2024	20,805,961 shares

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or audit corporations: No

- * Explanation regarding the proper use of results forecasts and other important notes
(Disclaimer regarding forward-looking statements)

Forward-looking statements such as results forecasts provided in this document are prepared based on currently available information and assumptions that are deemed reasonable, but the Company does not intend to guarantee their achievement. Actual results may differ significantly from the above forecasts for various reasons.

Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	8,205	14,136
Notes and accounts receivable - trade, and contract assets	15,473	4,122
Securities	–	201
Work in process	399	612
Raw materials and supplies	55	82
Prepaid expenses	505	918
Other	139	225
Allowance for doubtful accounts	(15)	(4)
Total current assets	24,764	20,295
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,951	6,012
Accumulated depreciation	(665)	(733)
Buildings and structures, net	5,286	5,279
Tools, furniture and fixtures	4,020	4,005
Accumulated depreciation	(2,951)	(3,011)
Tools, furniture and fixtures, net	1,068	994
Land	5,299	5,299
Total property, plant and equipment	11,654	11,573
Intangible assets		
Software	3,216	3,662
Other	22	22
Total intangible assets	3,238	3,684
Investments and other assets		
Investment securities	11,836	10,660
Long-term prepaid expenses	503	442
Deferred tax assets	3,514	3,879
Other	1,215	1,139
Total investments and other assets	17,069	16,122
Total non-current assets	31,963	31,380
Total assets	56,727	51,675

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,639	1,771
Short-term borrowings	3,000	—
Current portion of long-term borrowings	833	833
Accrued expenses	960	828
Income taxes payable	253	121
Accrued consumption taxes	571	115
Advances received	136	405
Provision for bonuses	925	1,476
Provision for bonuses for directors (and other officers)	107	28
Asset retirement obligations	10	3
Other	526	830
Total current liabilities	9,965	6,415
Non-current liabilities		
Long-term borrowings	3,749	3,541
Provision for retirement benefits for directors (and other officers)	35	22
Retirement benefit liability	2,866	2,778
Asset retirement obligations	146	142
Other	772	771
Total non-current liabilities	7,569	7,255
Total liabilities	17,535	13,671
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	10,102	10,108
Retained earnings	13,835	12,592
Treasury shares	(120)	(105)
Total shareholders' equity	38,816	37,595
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	153	180
Remeasurements of defined benefit plans	222	228
Total accumulated other comprehensive income	375	409
Total net assets	39,192	38,004
Total liabilities and net assets	56,727	51,675

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income
Quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	8,436	7,712
Cost of sales	7,208	6,946
Gross profit	1,228	766
Selling, general and administrative expenses	1,549	1,645
Operating loss	(321)	(878)
Non-operating income		
Interest income	13	10
Dividend income	7	14
Other	6	12
Total non-operating income	27	37
Non-operating expenses		
Interest expenses	7	16
Other	2	3
Total non-operating expenses	10	20
Ordinary loss	(304)	(861)
Extraordinary income		
Gain on sale of membership	–	2
Total extraordinary income	–	2
Extraordinary losses		
Loss on retirement of non-current assets	7	–
Special retirement benefits	45	–
Other	15	–
Total extraordinary losses	68	–
Loss before income taxes	(372)	(858)
Income taxes	(96)	(239)
Loss	(275)	(618)
Loss attributable to owners of parent	(275)	(618)

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Loss	(275)	(618)
Other comprehensive income		
Valuation difference on available-for-sale securities	37	27
Remeasurements of defined benefit plans, net of tax	7	5
Total other comprehensive income	45	33
Comprehensive income	(230)	(585)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(230)	(585)

(3) Quarterly consolidated statement of cash flow

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Loss before income taxes	(372)	(858)
Depreciation	438	421
Increase (decrease) in provision for bonuses	471	550
Increase (decrease) in provision for bonuses for directors (and other officers)	(53)	(79)
Increase (decrease) in provision for loss on orders received	36	–
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(55)	(13)
Increase (decrease) in retirement benefit liability	(101)	(79)
Loss on retirement of non-current assets	7	–
Loss (gain) on sale of membership	–	(2)
Special retirement benefits	45	–
Decrease (increase) in trade receivables	6,399	11,620
Decrease (increase) in inventories	(219)	(239)
Decrease (increase) in other assets	23	(428)
Increase (decrease) in trade payables	2	(813)
Increase (decrease) in other liabilities	(357)	(428)
Other, net	(77)	(61)
Subtotal	6,186	9,587
Income taxes refund	42	0
Income taxes paid	(727)	(128)
Net cash provided by (used in) operating activities	5,500	9,459
Cash flows from investing activities		
Net decrease (increase) in time deposits	1,000	–
Purchase of property, plant and equipment	(871)	(195)
Proceeds from sale of property, plant and equipment	–	24
Purchase of intangible assets	(333)	(611)
Purchase of long-term prepaid expenses	(20)	(16)
Purchase of investment securities	(1)	(0)
Proceeds from redemption of investment securities	–	1,000
Proceeds from sale of membership	–	5
Payments of leasehold and guarantee deposits	(40)	(11)
Proceeds from refund of leasehold and guarantee deposits	173	84
Payments for asset retirement obligations	(8)	(10)
Other, net	–	7
Net cash provided by (used in) investing activities	(102)	276
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(3,000)
Repayments of long-term borrowings	–	(208)
Repayments of lease liabilities	(0)	(0)
Purchase of treasury shares	(0)	(0)
Dividends paid	(493)	(595)
Net cash provided by (used in) financing activities	(494)	(3,804)
Net increase (decrease) in cash and cash equivalents	4,903	5,931
Cash and cash equivalents at beginning of period	5,265	7,991
Cash and cash equivalents at end of period	10,168	13,923