

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022 (Based on Japanese GAAP)

April 28, 2022

Company name: I S B CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 9702 URL <https://www.isb.co.jp/>  
 Representative: President Kazufumi Wakao  
 Director,  
 Inquiries: Executive General Manager, Administrative Yoichi Takeda TEL 03-3490-1761  
 Headquarters  
 Scheduled date to file Quarterly Securities Report: May 16, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended March 31, 2022 (from January 1, 2022 to March 31, 2022)

(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, 2022	7,056	5.5	695	(15.8)	697	(17.5)	445	(16.5)
Three months ended March 31, 2021	6,686	5.5	826	33.5	845	36.1	532	65.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2022	39.18		–	
Three months ended March 31, 2021	47.00		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	14,485	9,686	66.9
As of December 31, 2021	14,361	9,557	66.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2021	–	0.00	–	30.00	30.00
Year ending December 31, 2022	–	–	–	–	–
Year ending December 31, 2022 (Forecast)	–	0.00	–	33.00	33.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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, 2022	13,500	5.1	890	(12.9)	910	(13.6)	530	(18.3)	46.64
Full year	28,000	7.0	2,070	10.7	2,130	9.8	1,240	11.7	109.13

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of March 31, 2022	11,363,159 shares	As of December 31, 2021	11,363,159 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	112 shares	As of December 31, 2021	112 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2022	11,363,047 shares	Three months ended March 31, 2021	11,339,792 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,074,660	6,094,494
Notes and accounts receivable - trade	4,962,481	–
Notes and accounts receivable - trade, and contract assets	–	5,070,531
Prepaid expenses	143,239	162,207
Merchandise	265,733	409,001
Work in process	81,042	–
Supplies	1,604	1,604
Other	119,739	122,623
Allowance for doubtful accounts	(35,345)	(37,691)
<b>Total current assets</b>	<b>11,613,155</b>	<b>11,822,770</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	490,913	481,543
Accumulated depreciation and impairment	(295,127)	(290,263)
Buildings and structures, net	195,785	191,280
Land	600,550	600,550
Other	667,618	656,371
Accumulated depreciation and impairment	(472,878)	(473,959)
Other, net	194,740	182,411
<b>Total property, plant and equipment</b>	<b>991,076</b>	<b>974,242</b>
<b>Intangible assets</b>		
Goodwill	711,908	622,920
Other	44,411	41,075
<b>Total intangible assets</b>	<b>756,320</b>	<b>663,995</b>
<b>Investments and other assets</b>		
Investment securities	468,342	441,242
Long-term prepaid expenses	6,601	6,232
Guarantee deposits	293,330	292,828
Deferred tax assets	150,775	200,816
Other	82,152	83,643
Allowance for doubtful accounts	(0)	(0)
<b>Total investments and other assets</b>	<b>1,001,202</b>	<b>1,024,763</b>
<b>Total non-current assets</b>	<b>2,748,598</b>	<b>2,663,001</b>
<b>Total assets</b>	<b>14,361,754</b>	<b>14,485,772</b>

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	1,635,335	1,785,265
Contract liabilities	–	1,782
Short-term borrowings	120,000	120,000
Accounts payable - other	1,063,210	638,700
Accrued expenses	102,563	133,178
Income taxes payable	448,664	315,036
Accrued consumption taxes	401,042	417,252
Provision for bonuses	28,076	477,888
Provision for bonuses for directors (and other officers)	17,395	28,498
Provision for loss on order received	16	5,650
Other	407,572	344,908
<b>Total current liabilities</b>	<b>4,223,878</b>	<b>4,268,161</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	236,485	238,724
Provision for retirement benefits for directors (and other officers)	53,430	45,425
Asset retirement obligations	82,361	82,656
Deferred tax liabilities	43,620	–
Other	164,163	164,163
<b>Total non-current liabilities</b>	<b>580,061</b>	<b>530,969</b>
<b>Total liabilities</b>	<b>4,803,939</b>	<b>4,799,131</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,346,932	2,346,932
Capital surplus	2,951,111	2,951,111
Retained earnings	4,117,861	4,247,019
Treasury shares	(92)	(92)
<b>Total shareholders' equity</b>	<b>9,415,812</b>	<b>9,544,970</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	156,646	136,195
Foreign currency translation adjustment	(14,644)	5,474
<b>Total accumulated other comprehensive income</b>	<b>142,002</b>	<b>141,670</b>
<b>Total net assets</b>	<b>9,557,814</b>	<b>9,686,640</b>
<b>Total liabilities and net assets</b>	<b>14,361,754</b>	<b>14,485,772</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Net sales	6,686,295	7,056,080
Cost of sales	4,777,030	5,273,572
Gross profit	1,909,265	1,782,507
Selling, general and administrative expenses	1,082,574	1,086,513
Operating profit	826,690	695,993
Non-operating income		
Interest income	2,767	3,175
Dividend income	16,000	–
Other	3,487	1,709
Total non-operating income	22,255	4,885
Non-operating expenses		
Interest expenses	257	185
Loss on sale of notes receivable - trade	911	435
Foreign exchange losses	2,001	2,788
Other	56	32
Total non-operating expenses	3,228	3,441
Ordinary profit	845,717	697,437
Profit before income taxes	845,717	697,437
Income taxes - current	406,666	338,741
Income taxes - deferred	(93,869)	(86,545)
Total income taxes	312,796	252,195
Profit	532,921	445,241
Profit attributable to owners of parent	532,921	445,241

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	532,921	445,241
Other comprehensive income		
Valuation difference on available-for-sale securities	4,134	(20,450)
Foreign currency translation adjustment	14,173	20,118
Total other comprehensive income	18,307	(331)
Comprehensive income	551,228	444,909
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	551,228	444,909