

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2024 (Based on Japanese GAAP)

April 30, 2024

Company name: I S B CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 9702 URL <https://www.isb.co.jp/>
 Representative: President Kazufumi Wakao
 Inquiries: Director, Executive General Manager, Masaya Hirose TEL 03-3490-1761
 Administrative Headquarters
 Scheduled date to file Quarterly Securities Report: May 15, 2024
 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, 2024 (from January 1, 2024 to March 31, 2024)

(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, 2024	8,531	2.0	1,105	7.3	1,132	8.6	760	31.1
Three months ended March 31, 2023	8,366	18.6	1,030	48.0	1,042	49.5	579	30.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2024	66.59		–	
Three months ended March 31, 2023	50.93		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2024	18,100	12,220	67.5
As of December 31, 2023	17,988	11,821	65.7

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, 2023	–	–	–	42.00	42.00
Year ending December 31, 2024	–	–	–	–	–
Year ending December 31, 2024 (Forecast)	–	–	–	46.00	46.00

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

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, 2024	16,500	3.6	1,220	(7.3)	1,250	(6.7)	800	4.8	70.70
Full year	33,700	4.1	2,470	(9.7)	2,550	(9.3)	1,620	10.0	141.88

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2024
(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: No
- 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, 2024	11,417,900 shares	As of December 31, 2023	11,417,900 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	149 shares	As of December 31, 2023	149 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, 2024	11,417,751 shares	Three months ended March 31, 2023	11,388,604 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	8,875,913	8,383,835
Notes and accounts receivable - trade, and contract assets	5,814,030	5,945,260
Prepaid expenses	165,695	216,257
Merchandise	692,511	642,700
Supplies	1,512	1,512
Other	119,880	123,514
Allowance for doubtful accounts	(6,482)	(4,640)
Total current assets	15,663,060	15,308,439
Non-current assets		
Property, plant and equipment		
Buildings and structures	614,435	657,879
Accumulated depreciation and impairment	(357,627)	(380,731)
Buildings and structures, net	256,807	277,147
Land	450,361	450,361
Other	883,791	912,413
Accumulated depreciation and impairment	(673,089)	(687,566)
Other, net	210,701	224,846
Total property, plant and equipment	917,870	952,355
Intangible assets		
Other	36,626	32,978
Total intangible assets	36,626	32,978
Investments and other assets		
Investment securities	483,774	600,507
Long-term prepaid expenses	5,519	4,504
Guarantee deposits	449,994	804,658
Deferred tax assets	369,433	334,479
Other	62,596	62,676
Total investments and other assets	1,371,318	1,806,828
Total non-current assets	2,325,815	2,792,162
Total assets	17,988,876	18,100,601

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,116,541	2,022,315
Contract liabilities	189,947	111,807
Short-term borrowings	120,000	120,000
Accounts payable - other	1,456,499	962,259
Accrued expenses	91,937	174,759
Income taxes payable	574,075	425,147
Accrued consumption taxes	446,747	513,786
Provision for bonuses	33,356	598,446
Provision for bonuses for directors (and other officers)	50,018	58,993
Provision for loss on orders received	88,255	17,952
Provision for retirement benefits for directors	145,000	–
Asset retirement obligations	29,200	29,200
Other	334,147	327,533
Total current liabilities	5,675,726	5,362,201
Non-current liabilities		
Retirement benefit liability	253,788	260,603
Provision for retirement benefits for directors (and other officers)	59,118	63,602
Asset retirement obligations	163,768	179,159
Other	14,895	14,680
Total non-current liabilities	491,570	518,046
Total liabilities	6,167,296	5,880,247
Net assets		
Shareholders' equity		
Share capital	2,378,921	2,378,921
Capital surplus	2,983,099	2,983,099
Retained earnings	6,235,068	6,515,823
Treasury shares	(146)	(146)
Total shareholders' equity	11,596,942	11,877,698
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	162,756	244,787
Foreign currency translation adjustment	61,880	97,868
Total accumulated other comprehensive income	224,637	342,655
Total net assets	11,821,579	12,220,354
Total liabilities and net assets	17,988,876	18,100,601

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, 2023	Three months ended March 31, 2024
Net sales	8,366,601	8,531,447
Cost of sales	6,160,847	6,238,292
Gross profit	2,205,753	2,293,154
Selling, general and administrative expenses	1,175,677	1,187,822
Operating profit	1,030,076	1,105,332
Non-operating income		
Interest income	3,895	3,476
Compensation income	–	22,405
Reversal of allowance for doubtful accounts	8,250	–
Other	3,095	10,791
Total non-operating income	15,240	36,673
Non-operating expenses		
Interest expenses	182	185
Settlement payments	–	6,636
Loss on sale of notes receivable - trade	668	421
Foreign exchange losses	1,417	2,047
Other	165	148
Total non-operating expenses	2,434	9,439
Ordinary profit	1,042,883	1,132,566
Extraordinary losses		
Fraud related losses	107,858	–
Total extraordinary losses	107,858	–
Profit before income taxes	935,024	1,132,566
Income taxes - current	450,220	372,470
Income taxes - deferred	(95,191)	(205)
Total income taxes	355,029	372,265
Profit	579,995	760,301
Profit attributable to owners of parent	579,995	760,301

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024
Profit	579,995	760,301
Other comprehensive income		
Valuation difference on available-for-sale securities	7,507	82,031
Foreign currency translation adjustment	2,830	35,987
Total other comprehensive income	10,338	118,018
Comprehensive income	590,333	878,319
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	590,333	878,319