

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
 Inquiries: Administrative Headquarters 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	1,880	(1,354)	(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
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Number of treasury shares at the end of the period

As of December 31, 2024	149 shares	As of December 31, 2023	149 shares
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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
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
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
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,116,541	2,296,596
Short-term borrowings	120,000	120,000
Accounts payable - other	1,456,499	1,453,399
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
Total current liabilities	5,675,726	5,785,968
Non-current liabilities		
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
Total non-current liabilities	491,570	510,384
Total liabilities	6,167,296	6,296,353
Net assets		
Shareholders' equity		
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)
Total shareholders' equity	11,596,942	13,176,890
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	162,756	202,684
Foreign currency translation adjustment	61,880	124,820
Total accumulated other comprehensive income	224,637	327,504
Total net assets	11,821,579	13,504,395
Total liabilities and net assets	17,988,876	19,800,748

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

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended 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 December 31, 2023	Fiscal year ended 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 December 31, 2023	Fiscal year ended 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	185,241
Other, net	16,914	15,712
Subtotal	3,247,506	2,712,462
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)	(939,033)
Net cash provided by (used in) operating activities	1,945,861	1,880,859

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended 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	–	(28,244)
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 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)	(1,354,706)
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