

February 13, 2026

Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)

Company name: ISB CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 9702
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 Scheduled date of annual general meeting of shareholders: March 27, 2026
 Scheduled date to commence dividend payments: March 30, 2026
 Scheduled date to file annual securities report: March 26, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	37,020	9.0	2,314	(17.3)	2,384	(17.6)	1,435	(29.4)
December 31, 2024	33,954	4.8	2,800	2.4	2,892	2.9	2,032	38.0

Note: Comprehensive income For the fiscal year ended December 31, 2025: ¥1,600 million [(25.1)%]
 For the fiscal year ended December 31, 2024: ¥2,135 million [36.9%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	125.31	-	10.2	11.5	6.3
December 31, 2024	177.80	-	16.1	15.3	8.2

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	21,610	14,522	67.2	1,266.92
December 31, 2024	19,942	13,504	67.7	1,180.73

Reference: Equity
 As of December 31, 2025: ¥14,522 million
 As of December 31, 2024: ¥13,504 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2025	1,745	(1,017)	(617)	9,078
December 31, 2024	1,880	(1,354)	(480)	8,975

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2024	-	0.00	-	54.00	54.00	617	30.4	4.9
December 31, 2025	-	0.00	-	55.00	55.00	630	43.9	4.5
Fiscal year ending December 31, 2026 (Forecast)		0.00		70.00	70.00		43.4	

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(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, 2026	18,700	1.4	1,410	0.5	1,430	0.7	860	10.0	75.00
Fiscal year ending December 31, 2026	38,500	4.0	3,000	29.6	3,050	27.9	1,850	28.9	161.40

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) 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
- (3) Number of issued shares (common shares)

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

As of December 31, 2025	11,463,141 shares
As of December 31, 2024	11,437,521 shares

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

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

- (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2025	11,454,780 shares
Fiscal year ended December 31, 2024	11,431,153 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	17,755	7.3	113	(87.2)	567	(56.4)	371	(65.8)
December 31, 2024	16,551	3.5	885	(6.2)	1,302	(9.6)	1,088	39.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2025	32.38	-
December 31, 2024	95.21	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	13,822	10,678	77.3	933.65
December 31, 2024	13,359	10,726	80.3	937.89

Reference: Equity

As of December 31, 2025: ¥10,678 million

As of December 31, 2024: ¥10,726 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, see "1. Please refer to "Summary of Business Results (4) Future Outlook".

(Method of accessing supplementary material on financial results and contents of the financial results briefing)

Supplementary financial results materials are disclosed on TDnet on the same day and are also posted on the Company's website.

A briefing for institutional investors and analysts is scheduled to be held on Wednesday, March 4, 2026, and a video of the briefing will be posted on the Company's website after the meeting.

Consolidated balance sheet

(Millions of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	8,975	9,078
Notes and accounts receivable - trade, and contract assets	6,078	6,388
Prepaid expenses	195	277
Merchandise	921	1,131
Work in process	0	0
Supplies	0	1
Other	90	73
Allowance for doubtful accounts	(4)	(5)
Total current assets	16,257	16,947
Non-current assets		
Property, plant and equipment		
Buildings and structures	608	1,237
Accumulated depreciation and impairment	(259)	(190)
Buildings and structures, net	349	1,047
Land	354	354
Other	1,090	1,067
Accumulated depreciation and impairment	(760)	(544)
Other, net	330	522
Total property, plant and equipment	1,033	1,923
Intangible assets		
Goodwill	358	286
Customer-related intangible assets	409	368
Other	98	114
Total intangible assets	866	769
Investments and other assets		
Investment securities	545	803
Long-term prepaid expenses	9	13
Guarantee deposits	816	764
Deferred tax assets	348	328
Other	65	59
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,784	1,969
Total non-current assets	3,684	4,663
Total assets	19,942	21,610

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,296	2,373
Short-term borrowings	120	120
Accounts payable - other	1,453	1,586
Accrued expenses	195	294
Contract liabilities	171	185
Income taxes payable	524	600
Accrued consumption taxes	383	340
Provision for bonuses	28	34
Provision for bonuses for directors (and other officers)	89	54
Provision for loss on orders received	-	115
Asset retirement obligations	103	-
Other	418	403
Total current liabilities	5,785	6,109
Non-current liabilities		
Retirement benefit liability	274	263
Provision for retirement benefits for directors (and other officers)	71	85
Asset retirement obligations	145	440
Deferred tax liabilities	141	172
Other	19	17
Total non-current liabilities	651	978
Total liabilities	6,437	7,087
Net assets		
Shareholders' equity		
Share capital	2,392	2,410
Capital surplus	2,996	3,014
Retained earnings	7,787	8,605
Treasury shares	(0)	(0)
Total shareholders' equity	13,176	14,030
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	202	375
Foreign currency translation adjustment	124	116
Total accumulated other comprehensive income	327	492
Total net assets	13,504	14,522
Total liabilities and net assets	19,942	21,610

Consolidated statement of income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	33,954	37,020
Cost of sales	25,713	28,534
Gross profit	8,241	8,486
Selling, general and administrative expenses	5,440	6,171
Operating profit	2,800	2,314
Non-operating income		
Interest income	13	15
Dividend income	30	20
Dividend income of insurance	40	31
Insurance claim income	8	5
Compensation income	22	-
Other	15	16
Total non-operating income	130	89
Non-operating expenses		
Interest expenses	0	1
Share issuance costs	0	0
Settlement payments	6	-
Loss on sale of non-current assets	8	-
Loss on sale of notes receivable - trade	1	1
Foreign exchange losses	18	8
Other	2	9
Total non-operating expenses	38	20
Ordinary profit	2,892	2,384
Profit before income taxes	2,892	2,384
Income taxes - current	856	977
Income taxes - deferred	3	(28)
Total income taxes	860	948
Profit	2,032	1,435
Profit attributable to owners of parent	2,032	1,435

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Profit	2,032	1,435
Other comprehensive income		
Valuation difference on available-for-sale securities	39	173
Foreign currency translation adjustment	62	(8)
Total other comprehensive income	102	164
Comprehensive income	2,135	1,600
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,135	1,600

Consolidated statement of changes in equity

Fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	2,378	2,983	6,235	(0)	11,596	162	61	224	11,821
Changes during period									
Issuance of new shares	13	13			27				27
Dividends of surplus			(479)		(479)				(479)
Profit attributable to owners of parent			2,032		2,032				2,032
Net changes in items other than shareholders' equity						39	62	102	102
Total changes during period	13	13	1,552	-	1,579	39	62	102	1,682
Balance at end of period	2,392	2,996	7,787	(0)	13,176	202	124	327	13,504

Consolidated statement of changes in equity

Fiscal year ended December 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	2,392	2,996	7,787	(0)	13,176	202	124	327	13,504
Changes during period									
Issuance of new shares	17	17			35				35
Dividends of surplus			(617)		(617)				(617)
Profit attributable to owners of parent			1,435		1,435				1,435
Net changes in items other than shareholders' equity						173	(8)	164	164
Total changes during period	17	17	817	-	853	173	(8)	164	1,018
Balance at end of period	2,410	3,014	8,605	(0)	14,030	375	116	492	14,522

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,892	2,384
Depreciation	253	381
Amortization of goodwill	-	71
Increase (decrease) in allowance for doubtful accounts	(1)	0
Increase (decrease) in provision for bonuses	(4)	5
Increase (decrease) in provision for bonuses for directors (and other officers)	39	(35)
Increase (decrease) in provision for loss on orders received	(88)	115
Increase (decrease) in retirement benefit liability	19	(11)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(132)	13
Interest and dividend income	(44)	(36)
Dividend income of insurance	(40)	(31)
Interest expenses	0	1
Compensation income	(22)	-
Settlement payments	6	-
Loss (gain) on sale of property, plant and equipment	8	-
Decrease (increase) in trade receivables	(224)	(296)
Decrease (increase) in inventories	(228)	(210)
Increase (decrease) in trade payables	157	76
Increase (decrease) in accounts payable - other	(21)	137
Increase (decrease) in accrued consumption taxes	(74)	(35)
Decrease (increase) in other current assets	15	(73)
Increase (decrease) in other current liabilities	185	94
Other, net	15	20
Subtotal	2,712	2,572
Interest and dividends received	44	36
Insurance amount of dividends received	40	31
Interest paid	(0)	(1)
Proceeds from insurance income	8	5
Proceeds from compensation	22	-
Settlement paid	(6)	-
Income taxes paid	(939)	(898)
Net cash provided by (used in) operating activities	1,880	1,745

(Millions of yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(372)	(895)
Proceeds from sale of property, plant and equipment	108	-
Payments for asset retirement obligations	(28)	(105)
Purchase of intangible assets	(64)	(57)
Purchase of investment securities	(5)	(5)
Proceeds from sale of investment securities	0	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(626)	-
Payments of leasehold and guarantee deposits	(405)	(20)
Proceeds from refund of leasehold and guarantee deposits	47	70
Proceeds from maturity of insurance funds	0	9
Purchase of long-term prepaid expenses	(11)	(13)
Other, net	3	0
Net cash provided by (used in) investing activities	(1,354)	(1,017)
Cash flows from financing activities		
Repayments of lease liabilities	(0)	(0)
Dividends paid	(479)	(616)
Net cash provided by (used in) financing activities	(480)	(617)
Effect of exchange rate change on cash and cash equivalents	56	(6)
Net increase (decrease) in cash and cash equivalents	102	103
Cash and cash equivalents at beginning of period	8,872	8,975
Cash and cash equivalents at end of period	8,975	9,078

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Group's reporting segments are those of the Company's constituent units for which segregated financial information is available and are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance. The Group classifies its main businesses into "Information Services Business" and "Security Systems Business," and these businesses are the reporting segments.

The business activities of each reporting segment are as follows.

Reportable segments	Description of Business
Information Service Business	Embedded and control software development and verification for automotive, medical, industrial equipment, mobile and information home appliances, etc. Software development data center services (housing, hosting) for distribution, finance, and public solutions, infrastructure construction, operation design, operation and maintenance services for cloud services, etc., Development and sales of system operation services, commercial packages, medical and communication solutions, and sales of equipment associated with the solutions
Security Systems Business	Development, sales and maintenance of access control systems, electric locks, numeric keypads, etc.

2. Method of calculating the amount of sales, profits or losses, assets and other items for each reporting segment

The method of accounting for the reported business segments is in accordance with the accounting policy adopted to prepare consolidated financial statements. Profit in the reporting segment is equal to operating income. Internal sales and transfers between segments are based on prevailing market prices.

3. Information on sales, profits or losses, assets, and other items for each reporting segment

The previous fiscal year (January 1, 2024 to December 31, 2024)

(Millions of yen)

	Reportable segments			Adjustment amount (Note) 1, 2	Per consolidated financial statements
	Information service business	Security system	Total		
Sales					
Revenues from external customers	28,991	4,962	33,954	-	33,954
Transactions with other segments	131	155	287	(287)	-
Total	29,123	5,118	34,241	(287)	33,954
Segment Profit	2,087	676	2,764	35	2,800
Segment Assets	16,976	3,901	20,877	(935)	19,942
Other items					
Depreciation	159	99	259	(5)	253
Increase in property, plant and equipment and intangible assets	54	224	278	(1)	276

Note: 1. Segment profit is adjusted to operating income in the consolidated statements of income.

2. The adjustment amount of segment assets is the amount of inter-segment transaction elimination.

The current fiscal year (January 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable segments			Adjustment amount (Note) 1, 2	Per consolidated financial statements
	Information service business	Security system	Total		
Sales					
Revenues from external customers	31,508	5,512	37,020	-	37,020
Transactions with other segments	121	46	167	(167)	-
Total	31,629	5,558	37,188	(167)	37,020
Segment Profit	1,517	760	2,277	37	2,314
Segment Assets	18,180	4,279	22,460	(850)	21,610
Other items					
Depreciation	230	156	387	(5)	381
Increase in property, plant and equipment and intangible assets	445	175	621	-	621

Note: 1. Segment profit is adjusted to operating income in the consolidated statements of income.

2. The adjustment amount of segment assets is the amount of inter-segment transaction elimination.

Related Information

The previous fiscal year (January 1, 2024 to December 31, 2024)

1. Product and Service Information

Since it is the same category as the reporting segment, the description is omitted.

2. Regional Information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, so the description is omitted.

3. Information per main customer

Since there are no counterparties that account for more than 10% of sales in the consolidated statements of income out of sales to external customers, the description is omitted.

The current fiscal year (January 1, 2025 to December 31, 2025)

1. Product and Service Information

Since it is the same category as the reporting segment, the description is omitted.

2. Regional Information

(1) Net sales

Since sales to external customers in Japan exceed 90% of sales in the consolidated statements of income, the description is omitted.

(2) Property, plant and equipment

The amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, so the description is omitted.

3. Information per main customer

Since there are no counterparties that account for more than 10% of sales in the consolidated statements of income out of sales to external customers, the description is omitted.

Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (January 1, 2024 to December 31, 2024)

Not applicable.

The current fiscal year (January 1, 2025 to December 31, 2025)

Not applicable.

Information on amortization and unamortized balances of goodwill by reporting segment

The previous fiscal year (January 1, 2024 to December 31, 2024)

(Millions of yen)

	Information service business	Security system	Total
Depreciation for the period	-	-	-
Balance at the end of the current fiscal year	358	-	358

Note: As described in the "Business Combinations, etc." section, the provisional accounting treatment for the business combination was finalized in the current fiscal year, and the segment information for the previous fiscal year is based on the amount after the significant revision of the initial allocation of acquisition costs due to the finalization of the provisional accounting treatment was reflected.

The current fiscal year (January 1, 2025 to December 31, 2025)

(Millions of yen)

	Information service business	Security system	Total
Depreciation for the period	71	-	71
Balance at the end of the current fiscal year	286	-	286

Information on Negative Goodwill Accrual Gains by Reporting Segment

The previous fiscal year (January 1, 2024 to December 31, 2024)

Not applicable.

The current fiscal year (January 1, 2025 to December 31, 2025)

Not applicable.

(Business Combinations and Divestitures)

Regarding the business combination with AMBC Inc. for which the deemed acquisition date was December 31, 2024, provisional accounting treatment was applied in the previous consolidated fiscal year and has been finalized in the current consolidated fiscal year.

Due to the finalization of this provisional accounting treatment, significant revisions to the initial allocation of the acquisition cost have been reflected in the comparative information included in the consolidated financial statements for the current fiscal year.

As a result, the provisionally calculated amount of goodwill of 625 million yen decreased by 267 million yen to 358 million yen upon the finalization of the accounting treatment. Additionally, at the end of the previous consolidated fiscal year, customer-related assets and deferred tax liabilities increased by 409 million yen and 141 million yen, respectively. The amortization period for goodwill is 5 years, and the amortization period for customer-related assets allocated to intangible fixed assets other than goodwill is 10 years.