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February 13, 2026

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### **Initiatives to Advance Management with an Awareness of Capital Cost and Share Price**

ISB CORPORATION ("ISB") hereby announces that, at a meeting of ISB's Board of Directors ("Board") held on February 13, 2026, the Board resolved future policy to improve the current status of "Initiatives to Advance Management with an Awareness of Capital Cost and Share Price", following its review of the status. This will facilitate the company's sustainable growth and medium-to long-term value increase.

For more details, please refer to the attached document "Initiatives to Advance Management with an Awareness of Capital Cost and Share Price."

# Initiatives to Advance Management with an Awareness of Capital Cost and Share Price

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**ISB Corporation**

**| Securities code: 9702**

**February 13, 2026**

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We have formulated a new medium- to long-term business plan looking ahead to the fiscal year ending December 2030.

Through this plan, we aim to further improve capital efficiency and enhance market valuation, including improvements in the price-to-earnings (P/E) ratio.

### Management Target (FY2030)

ROE

**14.0% or Higher**

### Consolidated Performance Targets (FY2030)

Net Sales

**¥50.0 Billion**  
or Higher

Operating Profit

**¥4.5 Billion**  
or Higher

### Shareholder Returns (FY2030)

Dividend Payout  
Ratio

**50% or Higher**

DOE  
(Dividend on Equity)

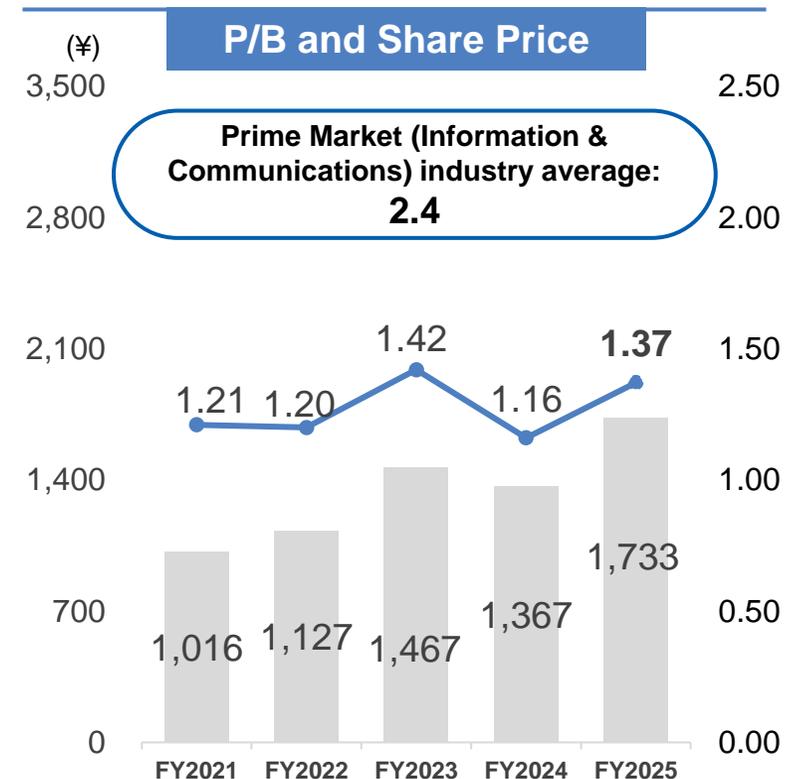
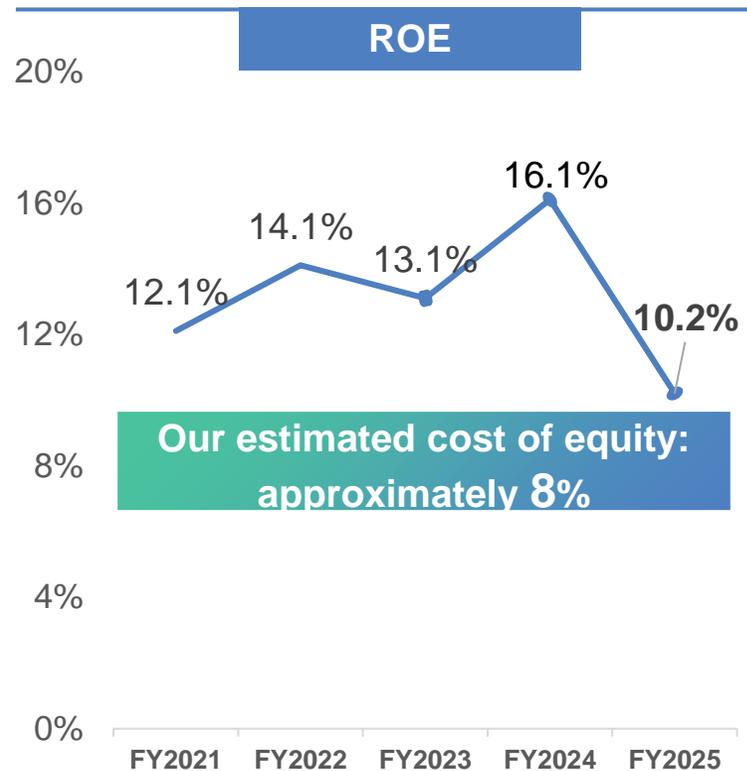
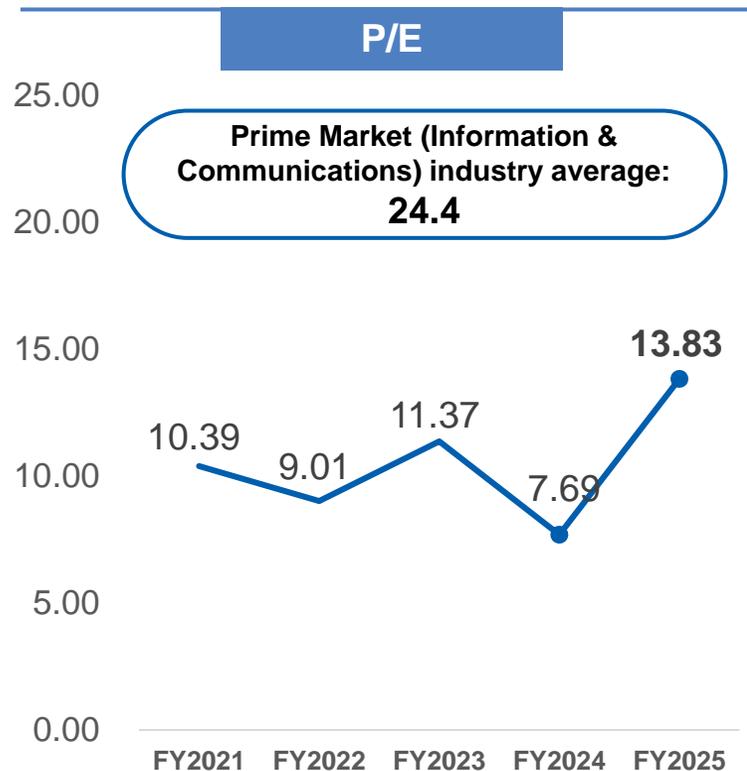
Minimum of **4%**

Flexible Share  
Repurchases

**For details of the plan, including other management targets, please refer to the disclosure materials dated February 13, 2026, titled “ISB Group Medium- to Long-Term Business Plan 2030.”**

While our price-to-book ratio (P/B) exceeds 1.0, our price-to-earnings ratio (P/E) remains below the industry average.

By improving our P/E ratio, we aim to further enhance our market valuation.



**P/E:**  
Compared with the Prime Market industry average, our historical P/E has trended at a lower level.

**ROE:**

- Maintained at double-digit levels
- Consistently exceeded our cost of equity

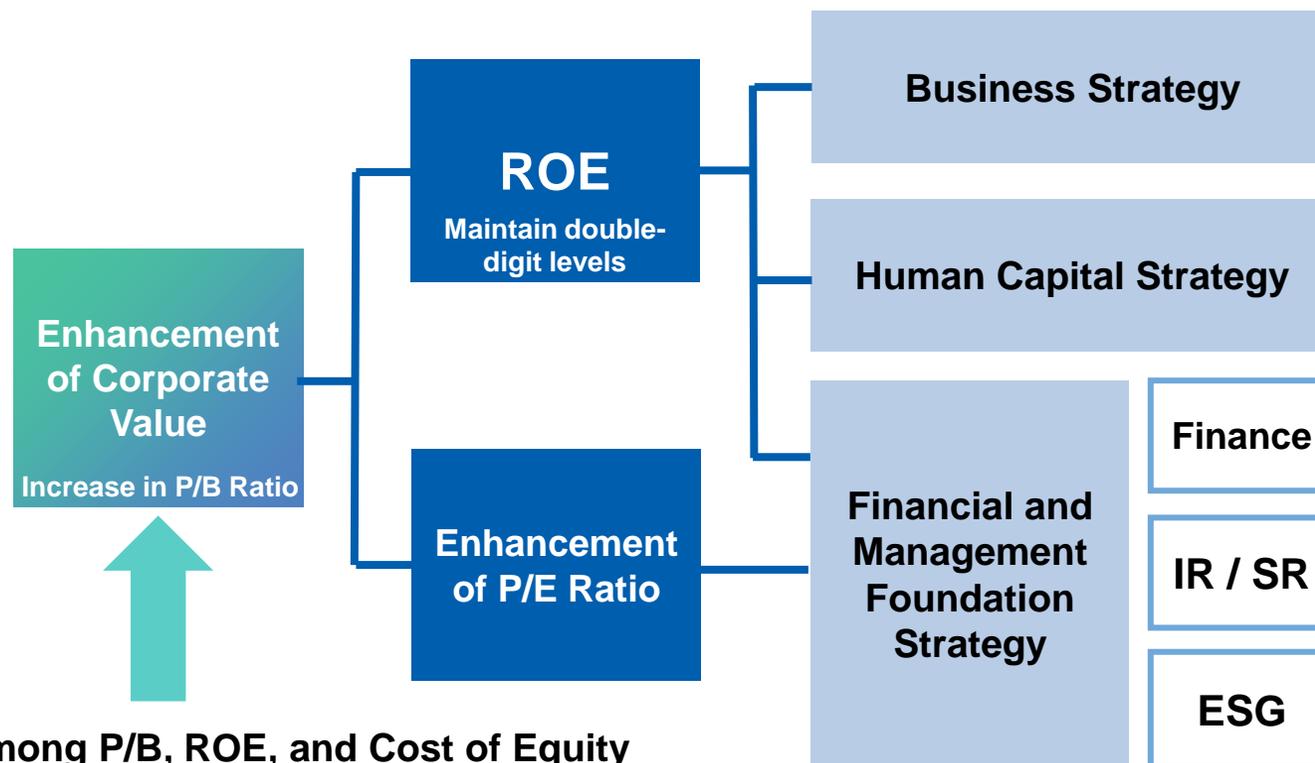
**P/B:**  
While our P/B ratio is not below 1.0, it has historically trended below the Prime Market industry average.

\* A 2-for-1 stock split of common shares was conducted effective January 1, 2021.

\* Industry-average P/E and P/B ratios for the Prime Market (Information & Communications sector) are based on data as of December 2025:

<https://www.jpx.co.jp/markets/statistics-equities/misc/04.html>

We will actively enhance information disclosure and engage in constructive dialogue (strengthening our IR activities) and, through the steady execution of our medium- to long-term business plan, continuously enhance business value and foster expectations for future profit growth.



Relationship among P/B, ROE, and Cost of Equity

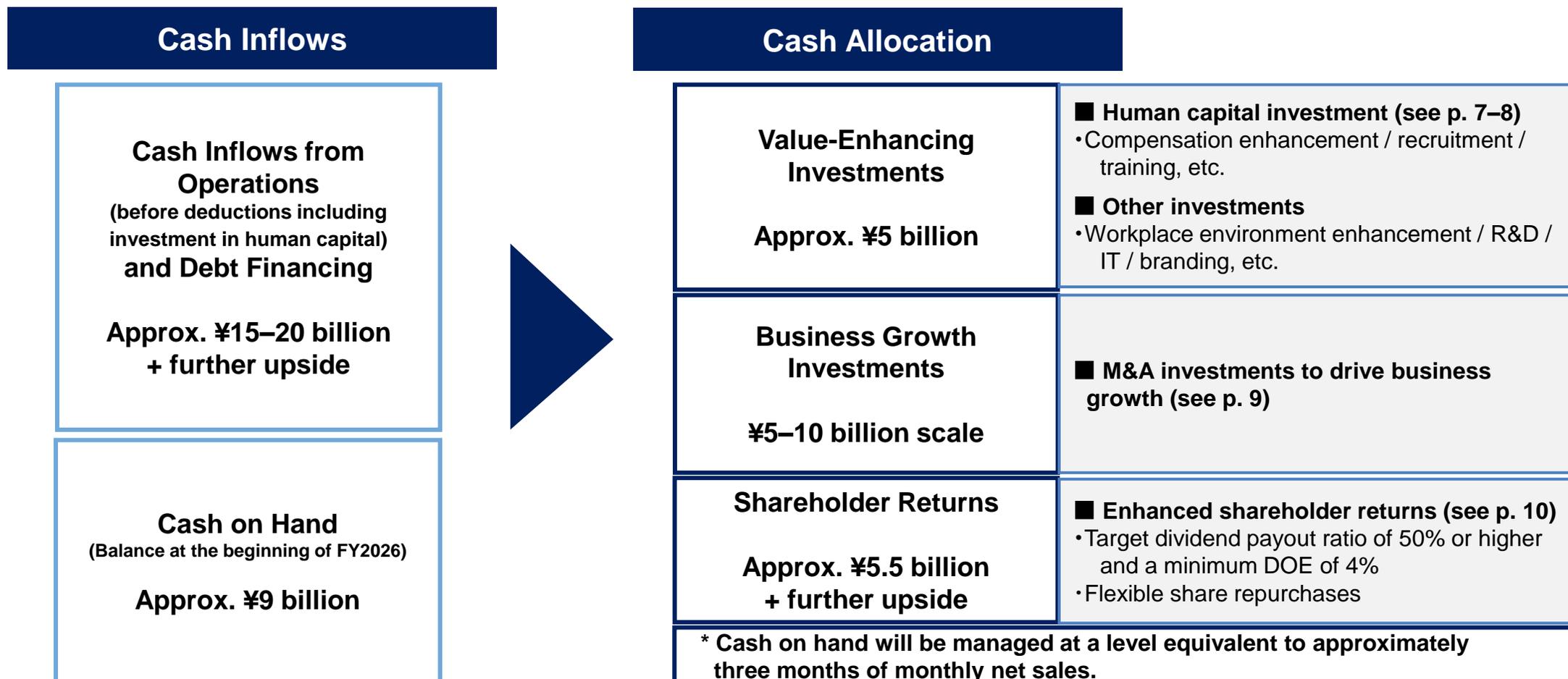
$$\begin{aligned}
 \text{P/B} &= \text{ROE} \times \text{P/E} \\
 &= \text{ROE} \times \frac{1}{\text{Cost of Equity} - \text{Profit Growth Rate}}
 \end{aligned}$$

\* For details of each strategy, please refer to the disclosure materials dated February 13, 2026, titled "ISB Group Medium- to Long-Term Business Plan 2030."

We aim to achieve our ROE target by strengthening profitability and optimizing our capital structure.



We plan to pursue business growth investments centered on human capital and M&A to enhance corporate value, while appropriately allocating cash toward further corporate growth and shareholder returns.



# Positioning the People Who Support ISB's Strengths as Our Most Important Management Capital

Material Issue

## Fostering a Rewarding and Fulfilling Corporate Culture in Which Every Employee Plays a Leading Role

By continuing proactive investment in people—our most important management capital—we aim to create greater value.

### 1. Fostering a Rewarding and Fulfilling Corporate Culture

- Respecting diverse values
- Embedding our corporate philosophy and enhancing communication
- Leveraging employee engagement surveys

### 2. Strengthening Recruitment

- Strengthening recruitment through group-wide collaboration
- Strengthening corporate appeal through branding and improvements to the workplace environment

### 3. Training and Development

- Providing an environment that supports continuous learning to foster employees' motivation to learn
- Strengthening leadership and management development, as well as support for career development

### Execution of the Human Capital Strategy

#### Investing in Key Initiatives to Enhance Added Value

Embedding the Corporate Philosophy	Job Satisfaction
Recruitment and Development of Specialized Talent	Recruitment and Empowerment of Diverse Talent
Diverse Work Styles	Training and Career Development

### Realizing Our Vision for the Organization and Our People

#### Enhancing Productivity and Profitability

## Material Issue: Fostering a Rewarding and Fulfilling Corporate Culture in Which Every Employee Plays a Leading Role

### 1. Advancing Diversity and Recruiting Diverse Talent

- Strengthening recruitment through group-wide collaboration  
Number of employees: 2,246 → 2,850+
- Percentage of women in management positions<sup>1, 2</sup>:  
5.7% → 7.0%
- Percentage of female new graduate hires<sup>1, 2</sup>:  
17% → 30%

### 3. Enhancing Corporate Value through Technological Innovation

- Increasing consulting and direct client orders
- Strengthening R&D and developing new products

FY2030 Targets	
<b>Net Sales per Employee</b>	
FY2025 Approx. ¥16.50 million	Approx. <b>¥17.60</b> million or higher
<b>Operating Profit per Employee</b>	
FY2025 Approx. ¥1.00 million	Approx. <b>¥1.60</b> million or higher



### 2. Enhancing Employee Engagement and Development

- Engagement Score (Job Satisfaction Index)<sup>1, 3</sup>:  
3.2 → 3.6+
- Enhancing the personnel evaluation and compensation system
- Fostering an environment that supports continuous learning

- Development of Specialized Talent
- Professional Certification Acquisition
- Management Development

<sup>1</sup> For each KPI, actual results for FY2025 and target values for FY2030 are presented.

<sup>2</sup> Figures relate to ISB Corporation (non-consolidated), the reporting company that conducts the principal businesses of the consolidated group.

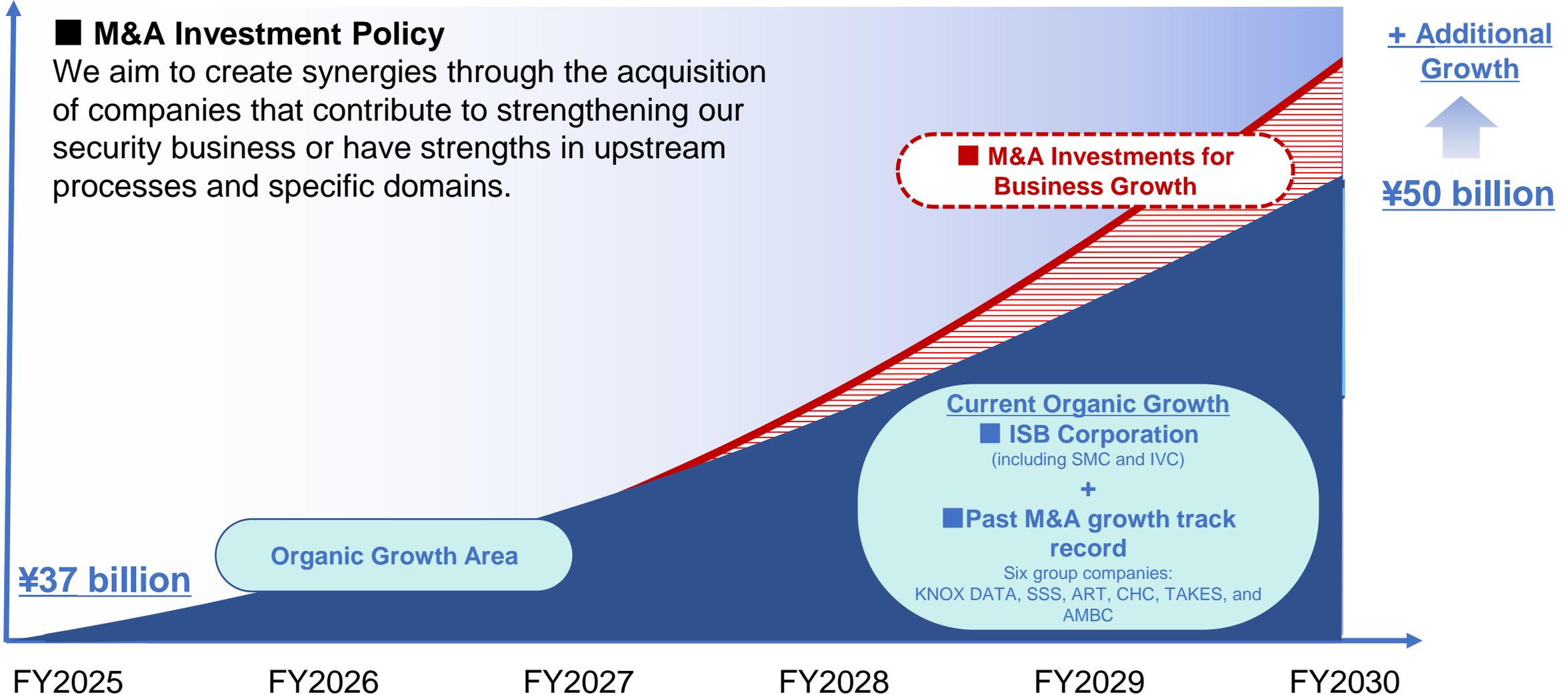
<sup>3</sup> The engagement score is calculated based on survey results for full-time employees of ISB Corporation (the reporting company), on a non-consolidated basis.

# M&A Investments for Business Growth (Illustrative Growth Curve)

Net Sales

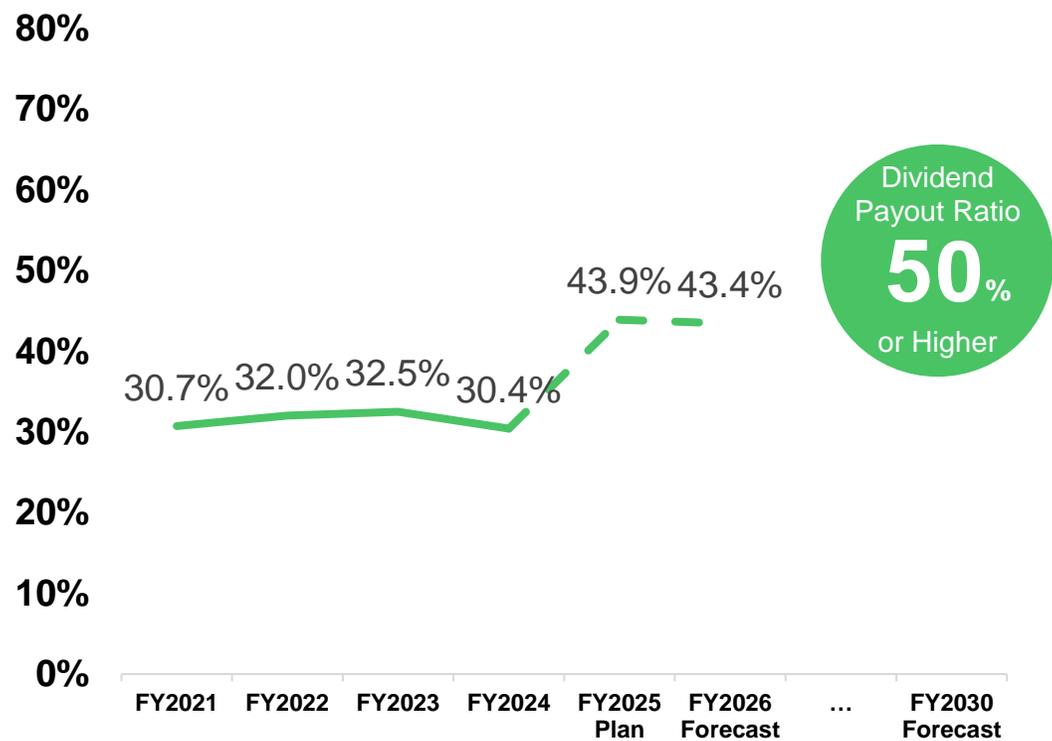
## M&A Investment Policy

We aim to create synergies through the acquisition of companies that contribute to strengthening our security business or have strengths in upstream processes and specific domains.

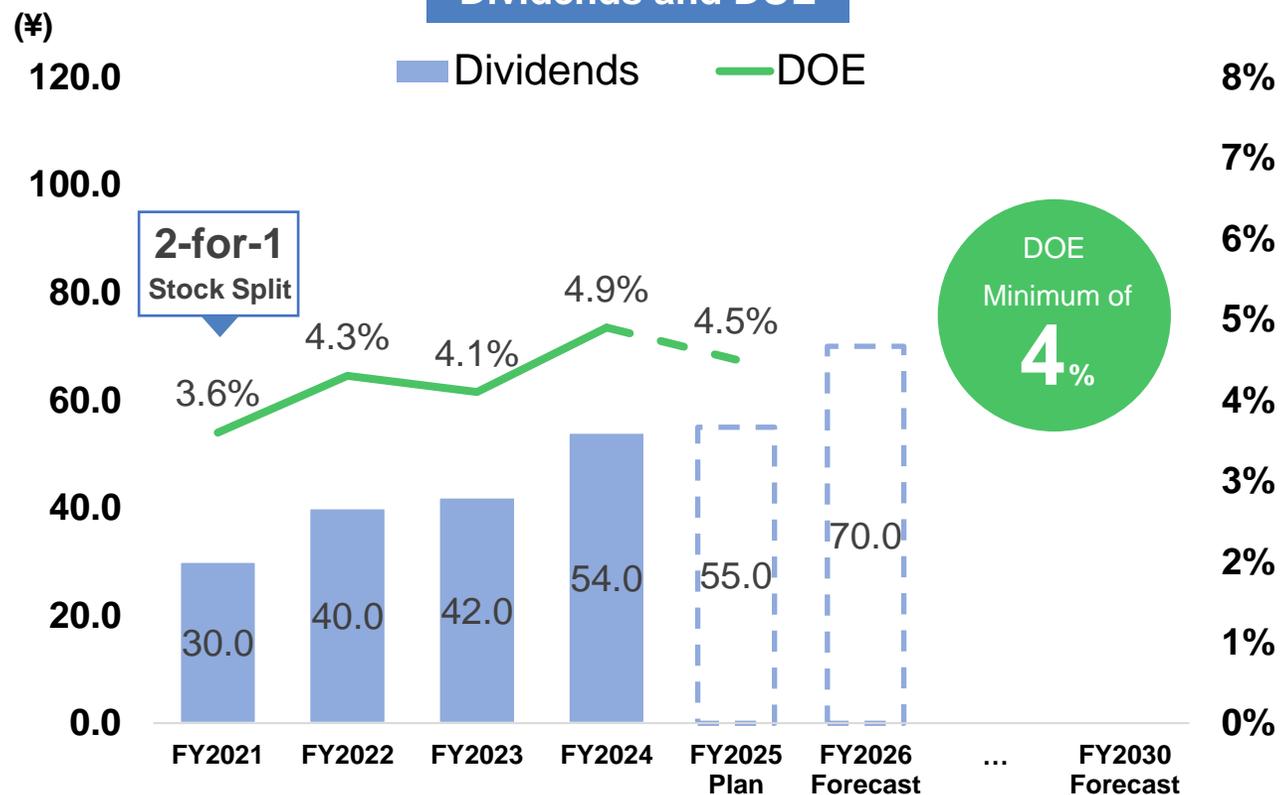


- By FY2030, we will raise the dividend payout ratio to 50% or higher.
- We will place emphasis on DOE (dividend on equity), maintaining a stable level of 4% or higher, while aiming for steady dividend growth.

**Dividend Payout Ratio**



**Dividends and DOE**



\* A 2-for-1 stock split of common shares was conducted effective January 1, 2021.

# I S B R O U P

- This material is intended to provide information on our company's initiatives to advance management with an awareness of capital cost and share price and to promote a deeper understanding of our company. It is not intended as a solicitation to invest in any securities issued by our company. This material has been prepared based on the situation as of the end of December 2025.
- The opinions, forecasts, and other statements contained in this material are based on our judgment at the time of the preparation of this material. We do not guarantee or promise the accuracy or completeness of the information, which is subject to change without prior notice.