

Financial Results Presentation

First Half of the Fiscal Year Ending December 31, 2025

ISB CORPORATION

Disclaimer: This material has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated material and the Japanese original, the original shall prevail.

Securities code: 9702

Part **1** Overview of the ISB Group

Part **2** Summary of Financial Results

Part **3** Progress on the Medium-Term
Business Plan 2026

Part **4** The ISB Group: Growing
Together with Society

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Company Overview

An Independent System Integrator

Engaged in the Information Services Business and Security Systems Business

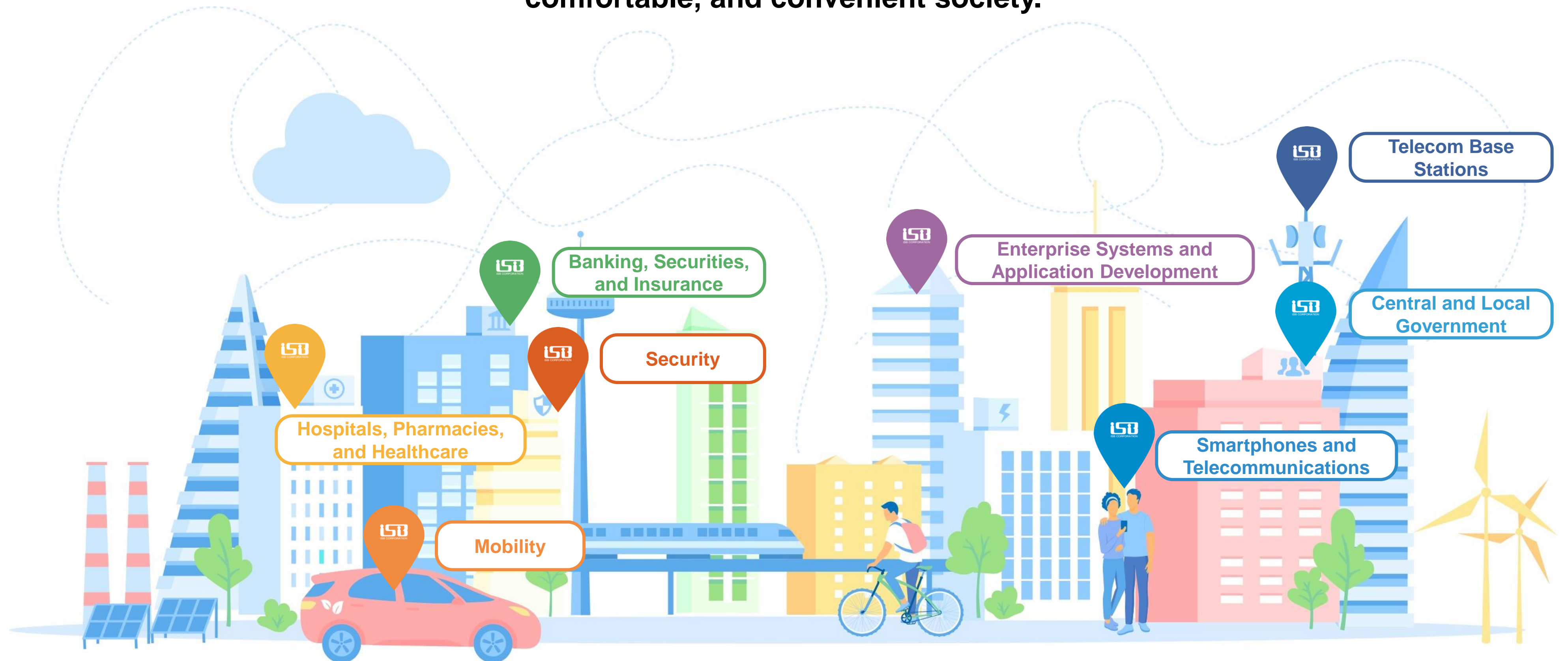


Kazufumi Wakao
Representative Director
and President

Company Name	ISB Corporation
Established	June 1970
Representative	Kazufumi Wakao Representative Director and President
Share Capital	¥2,410.24 million (as of April 28, 2025)
Stock Exchange Listing	Prime Market, Tokyo Stock Exchange (Securities code: 9702)
Business Description	<ul style="list-style-type: none">• Information Services Business (software development)• Security Systems Business (access control systems)
Employee Headcount (Consolidated)	2,620 (as of December 31, 2024)
Group Companies	Consolidated subsidiaries: 7 in Japan, 1 overseas

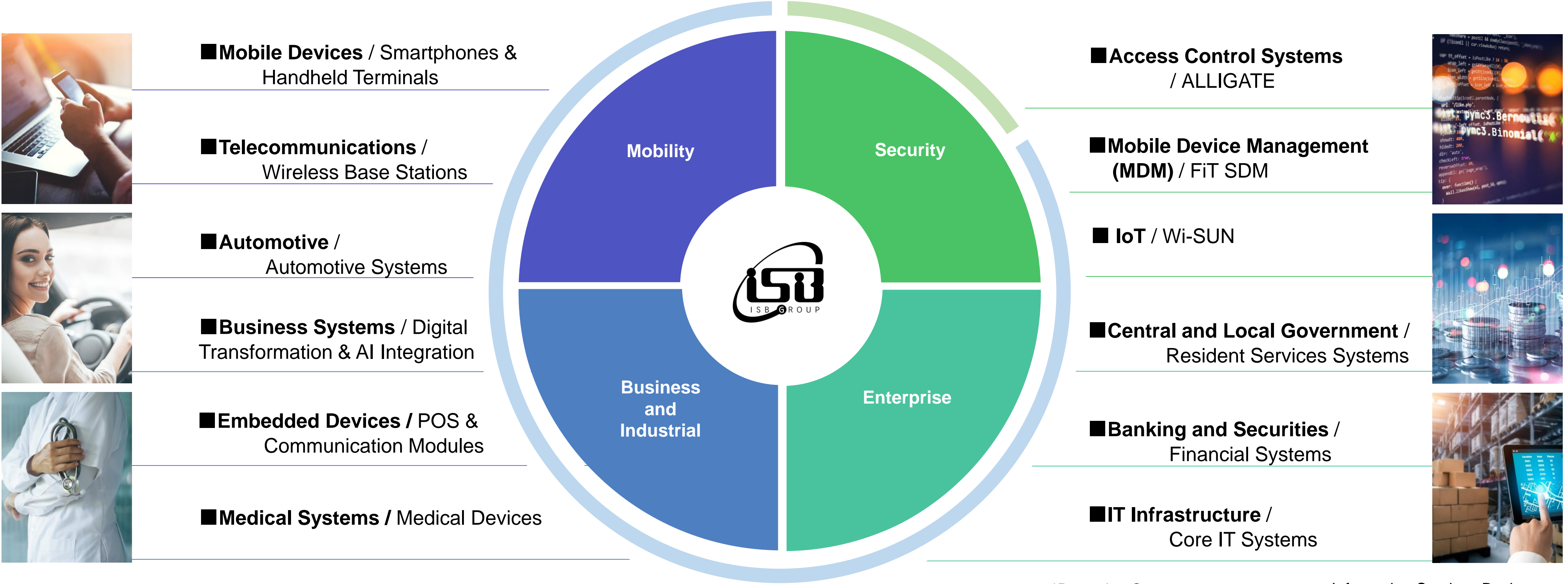
ISB Group's Business Areas

Software developed by ISB is integrated into a wide range of products, supporting a safe, comfortable, and convenient society.



ISB Group's Business Areas

Through our strong technological expertise and the fusion of ingenuity and IT—adapted to a changing world—we engage in a wide range of business areas.



*Reporting Segments: Information Services Business Security Systems Business

FINANCIAL
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Consolidated Statement of Profit and Loss

Results for the first half exceeded the plan, with YoY growth in net sales and profit.

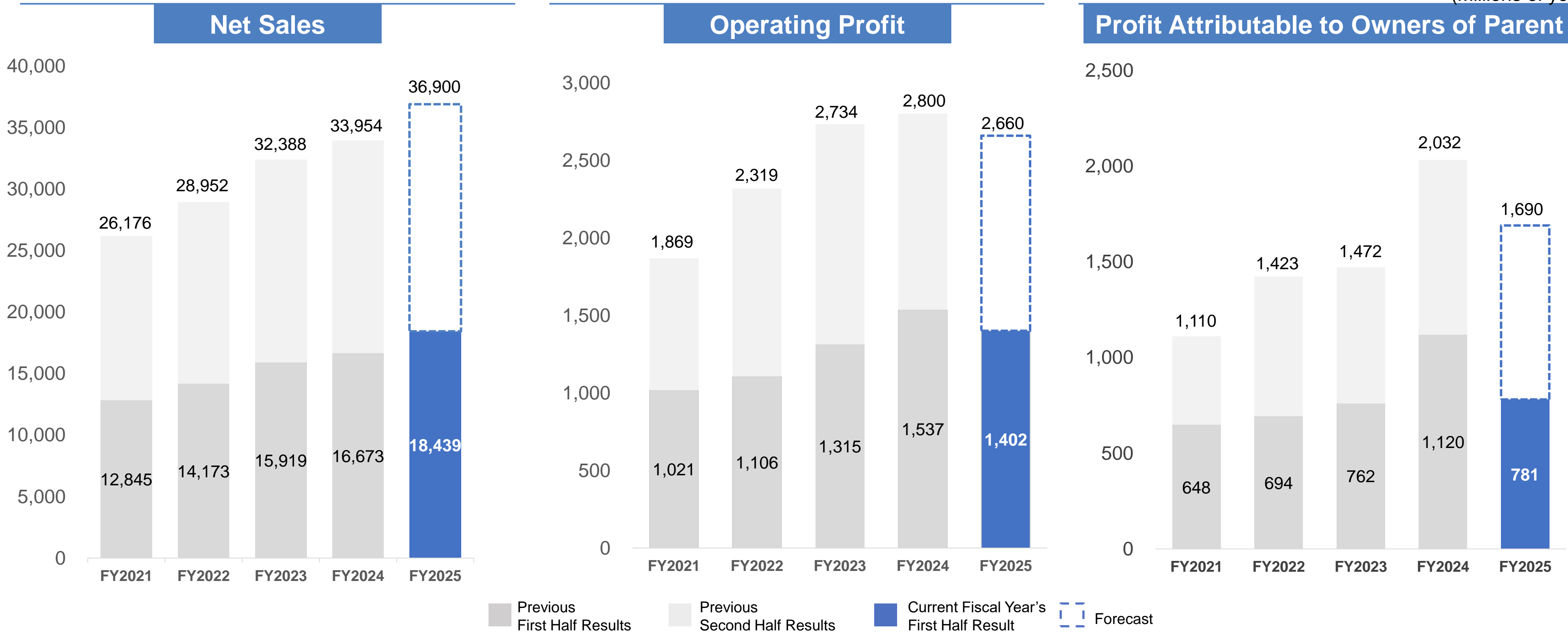
	FY2024 First Half Results	FY2025 First Half Results	YoY (Amount)	YoY (%)	FY2025 First Half Plan	(Millions of yen) % of Plan
» Net Sales	16,673	18,439	1,766	111%	17,700	104%
» Operating Profit	1,537	1,402	(135)	91%	950	148%
» Operating Profit Margin	9.2%	7.6%	(160 bps)	-	5.4%	+ 220 bps
» Ordinary Profit	1,569	1,420	(149)	91%	980	145%
» Profit Attributable to Owners of Parent	1,120	781	(339)	70%	670	117%
» Earnings Per Share (Yen)	98.04	68.29	(29.75)	70%	58.60	117%

*Fiscal years are from January 1 to December 31.

Consolidated P&L Trends

Steady execution of key strategies and investments for future growth, aiming for sustainable growth

(Millions of yen)



Q2 (Apr-Jun) Consolidated Statement of Profit and Loss

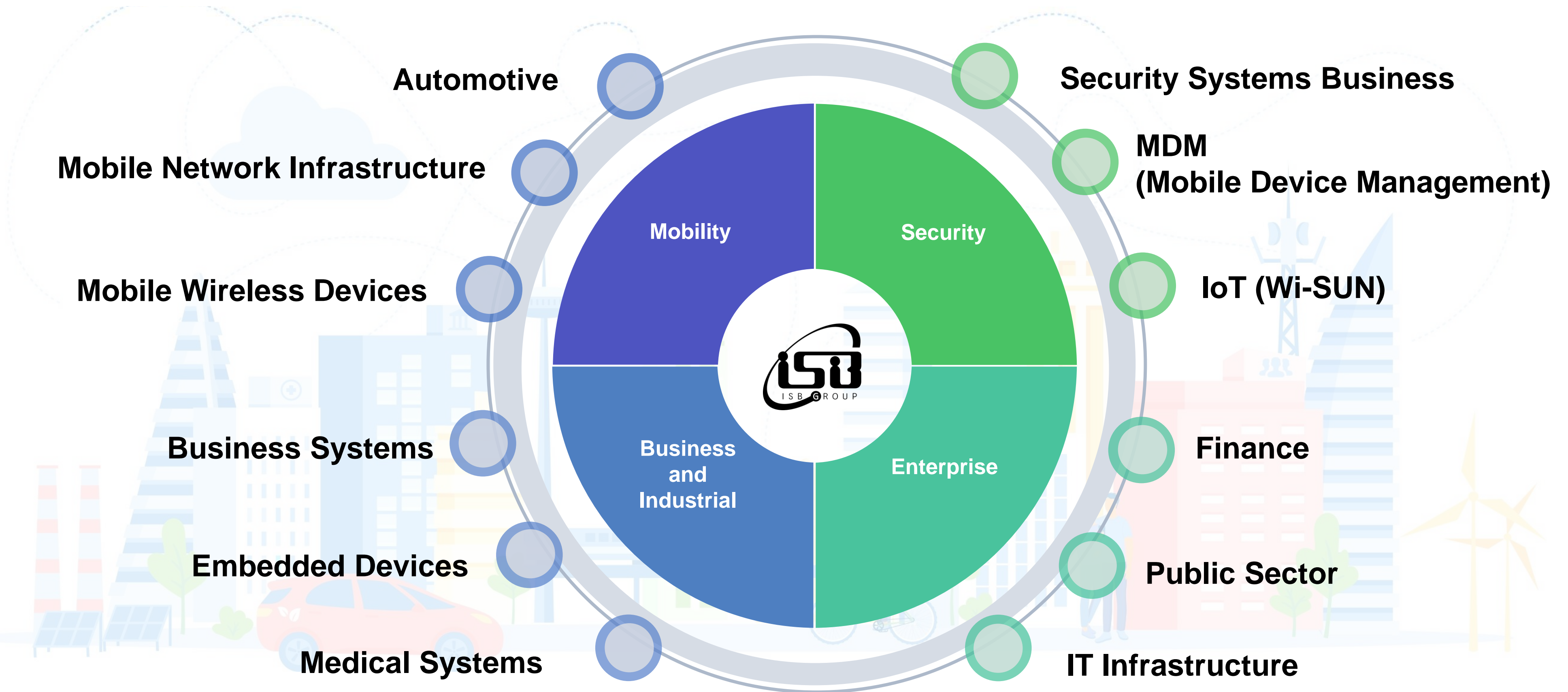
Net sales grew YoY, but profit declined due to ¥500 million in investments for future growth.

(Millions of yen)

	FY2024 Q2 Results	FY2025 Q2 Results	YoY (Amount)	YoY (%)
➤ Net Sales	8,142	8,727	585	107%
➤ Operating Profit	432	271	(161)	63%
➤ Operating Profit Margin	5.3%	3.1%	(220 bps)	-
➤ Ordinary Profit	437	281	(156)	64%

ISB Group's Business Areas

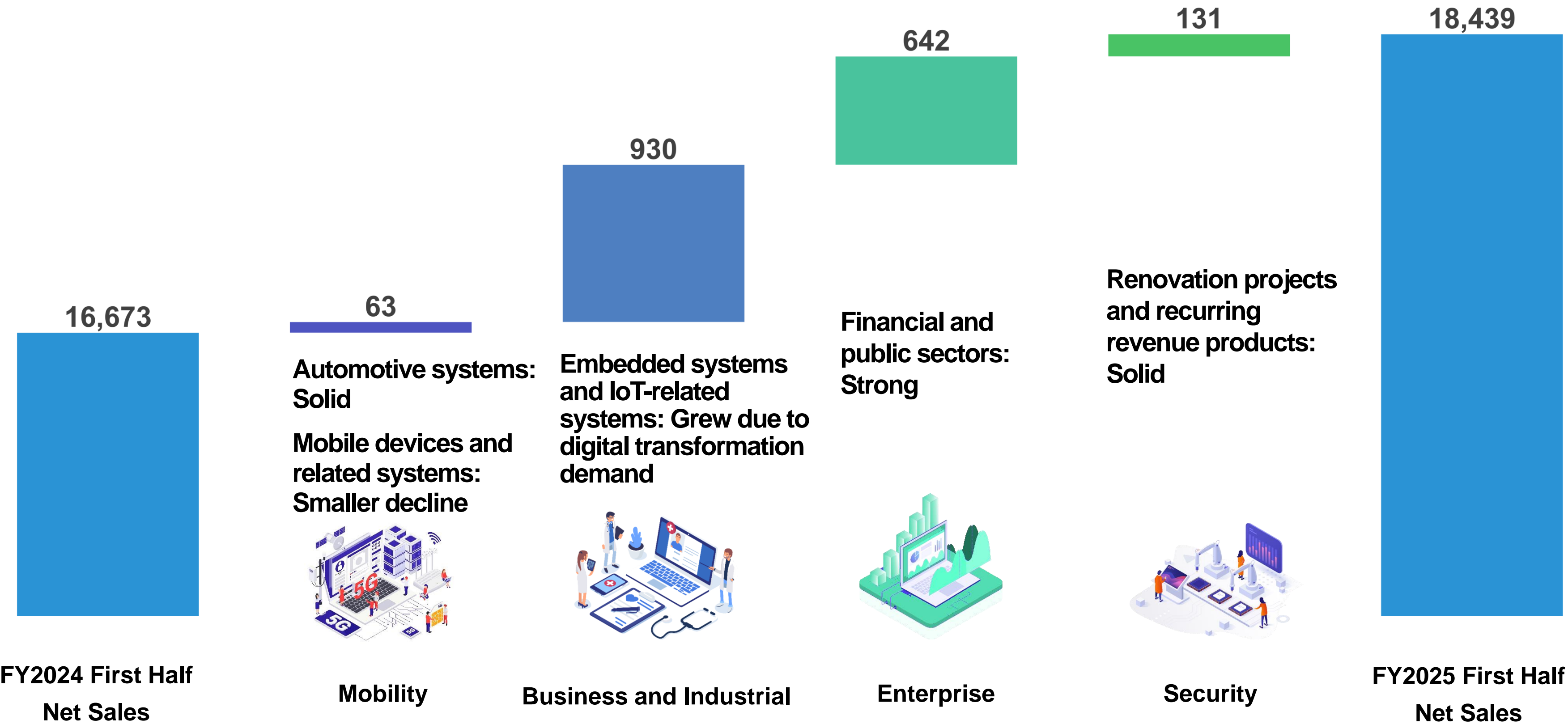
Our group's strength lies in its broad and diverse business areas, offering an extensive lineup of products and services through development across a wide range of industries and fields.



Breakdown of Consolidated Net Sales Growth

(Millions of yen)

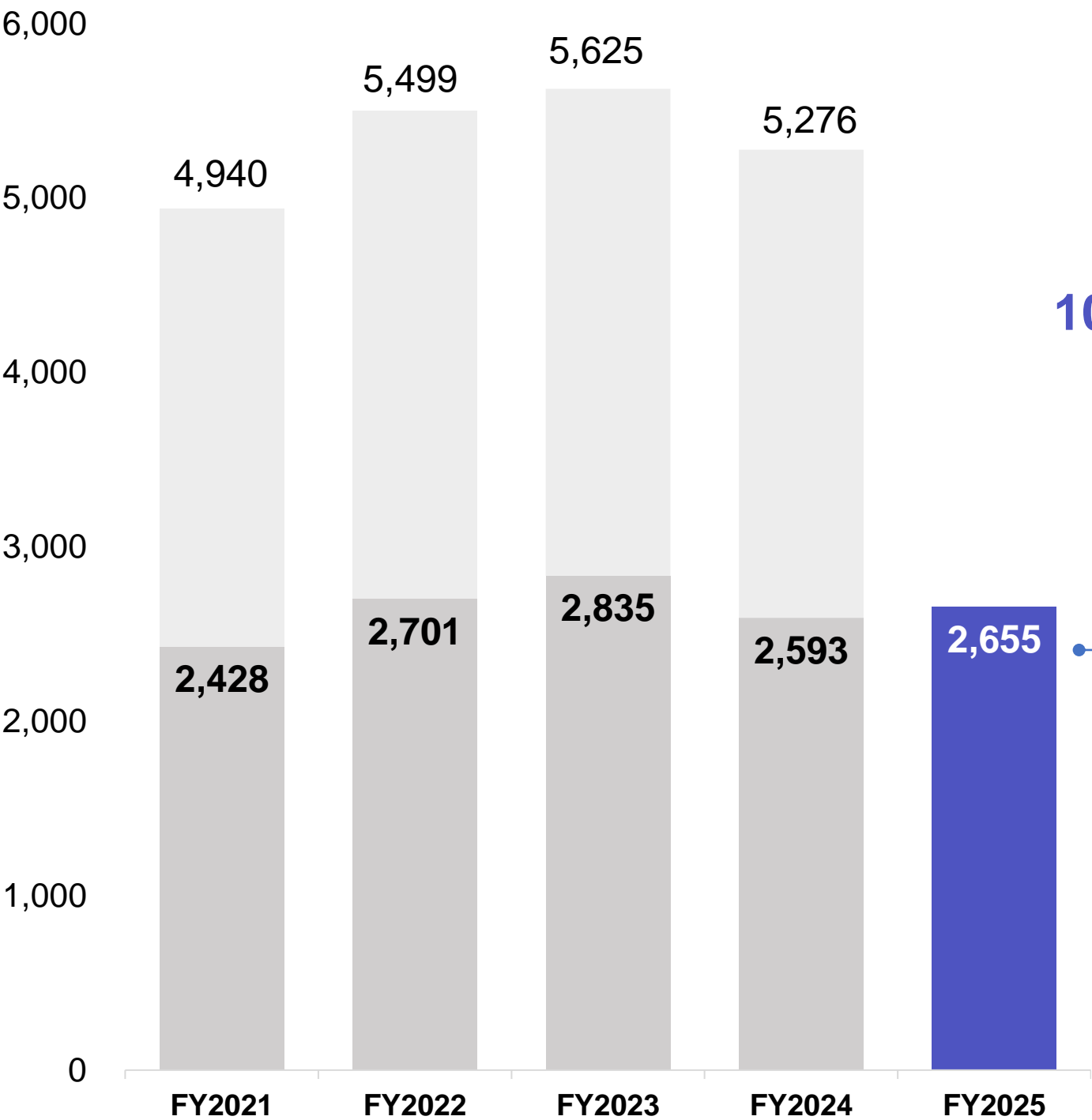
Growth driven by Business and Industrial due to digital transformation demand



Mobility: Net Sales Trend

Mobility

(Millions of yen)



102% YoY

Previous First Half Results Previous Second Half Results Current Fiscal Year's First Half Result

FY2025 First Half



Automotive

Solid

- Gradual increase in orders from existing clients, mainly in instrument cluster systems.



Mobile Network Infrastructure

Decline

- Smaller decline in 5G-related systems.
- Wi-SUN projects remain solid amid heightened demand.



Mobile Wireless Devices

Decline

- Declining trend halted in device development for existing clients.

FY2025 Second Half

Automotive

Solid

- Instrument cluster systems to remain solid; expansion into areas such as off-board systems planned.
- Focus on engineer recruitment and development.

Mobile Network Infrastructure

Flat

- Gradual decline in 5G-related systems but Wi-SUN to remain solid.
- Continued shift to automotive and other embedded systems.

Mobile Wireless Devices

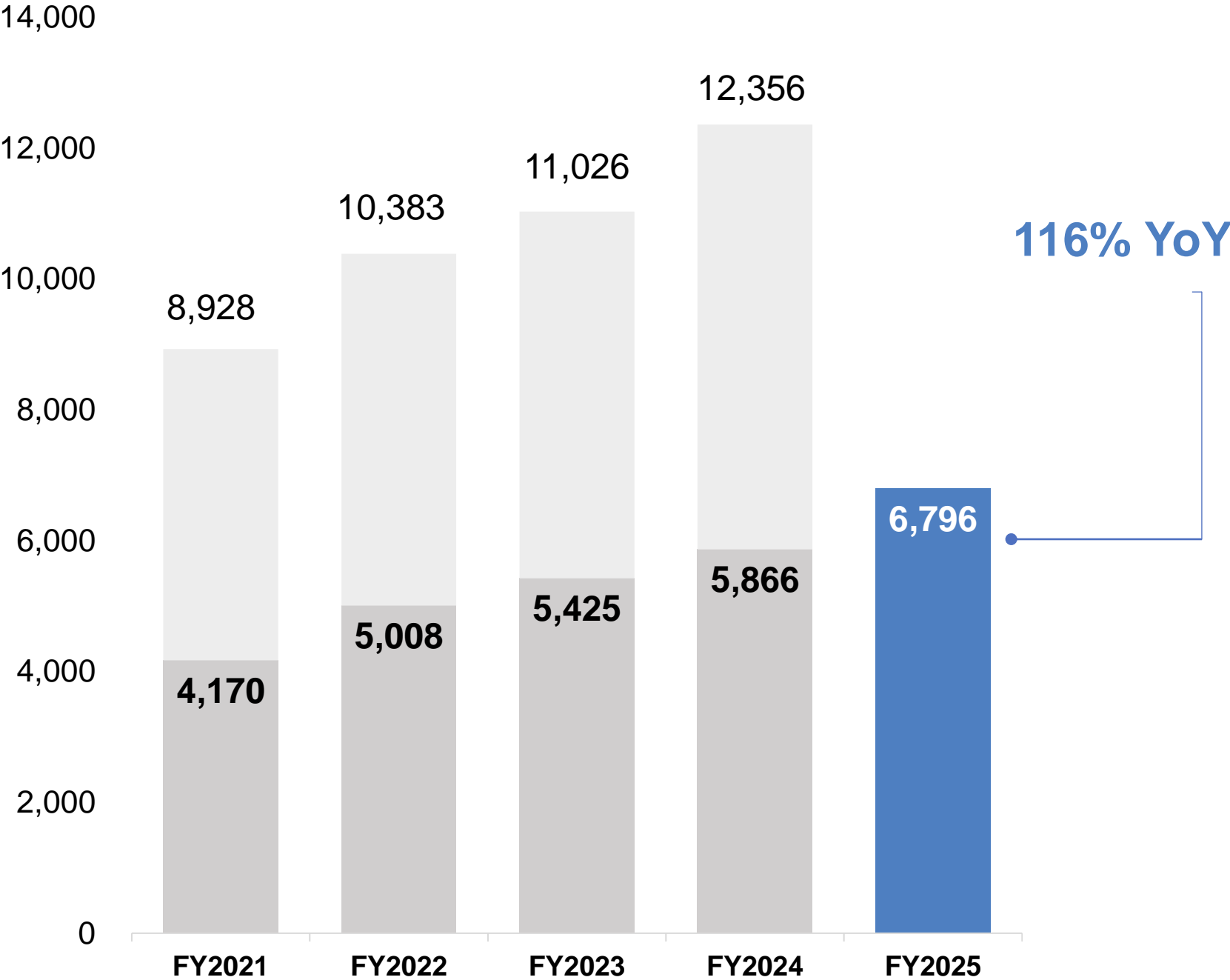
Decline

- Continued shift to automotive and other embedded systems.

Business and Industrial: Net Sales Trend

Business and Industrial

(Millions of yen)



FY2025 First Half

Business Systems

Strong

- Digital transformation demand remains strong.
- Solid performance driven by continued large-scale orders from existing clients.

Embedded Devices

Solid

- Security, medical, IoT-related, and other projects remain solid.
- Gradual growth due to Wi-SUN projects and Qt-based projects.

FY2025 Second Half

Business Systems

Strong

- Continued large-scale projects with existing clients.
- Aim for highly profitable business system development projects by building high-quality projects with high productivity.

Embedded Devices

Solid

- Focus on continued expansion of existing projects.
- Secure talent and strengthen project management.

Previous First Half Results Previous Second Half Results Current Fiscal Year's First Half Result

Qt enables efficient development of software that runs on multiple operating systems—such as Windows, macOS, Linux, Android, and iOS—using a common codebase.

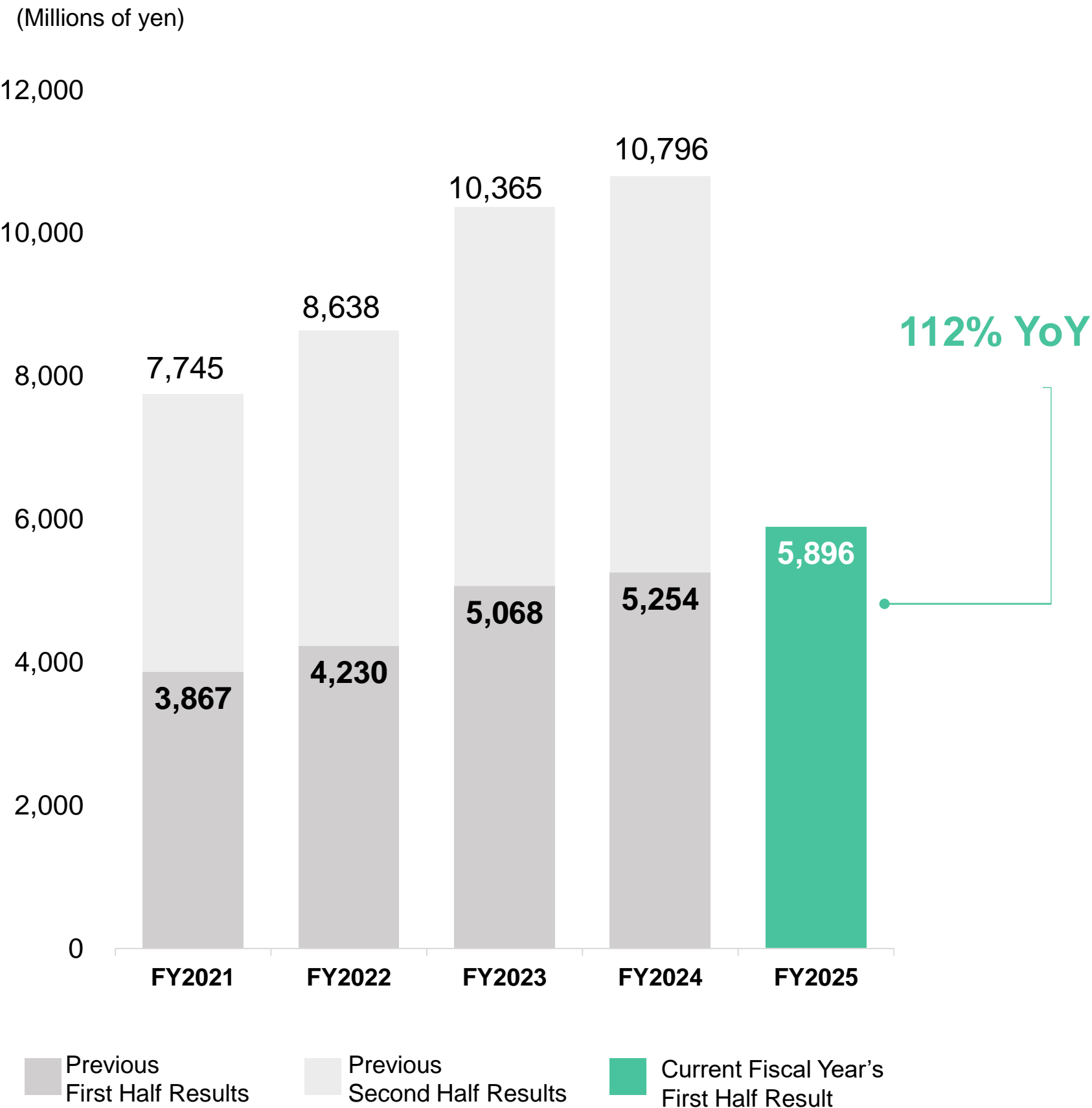
<https://www.isb.co.jp/solutions/qt/>

Enterprise: Net Sales Trend

Enterprise

FY2025 First Half

FY2025 Second Half



Finance

Strong

- Strong performance in projects with securities clients.

Finance

Strong

- Continue to secure engineers and expand orders amid ongoing strong demand.

Public Sector

Strong

- Standardization projects with local governments remain strong.

Public Sector

Strong

- Continue to drive growth in standardization projects with local governments.

IT Infrastructure

Solid

- Solid performance in office IT environment migration projects ahead of Windows 10 end-of-support.

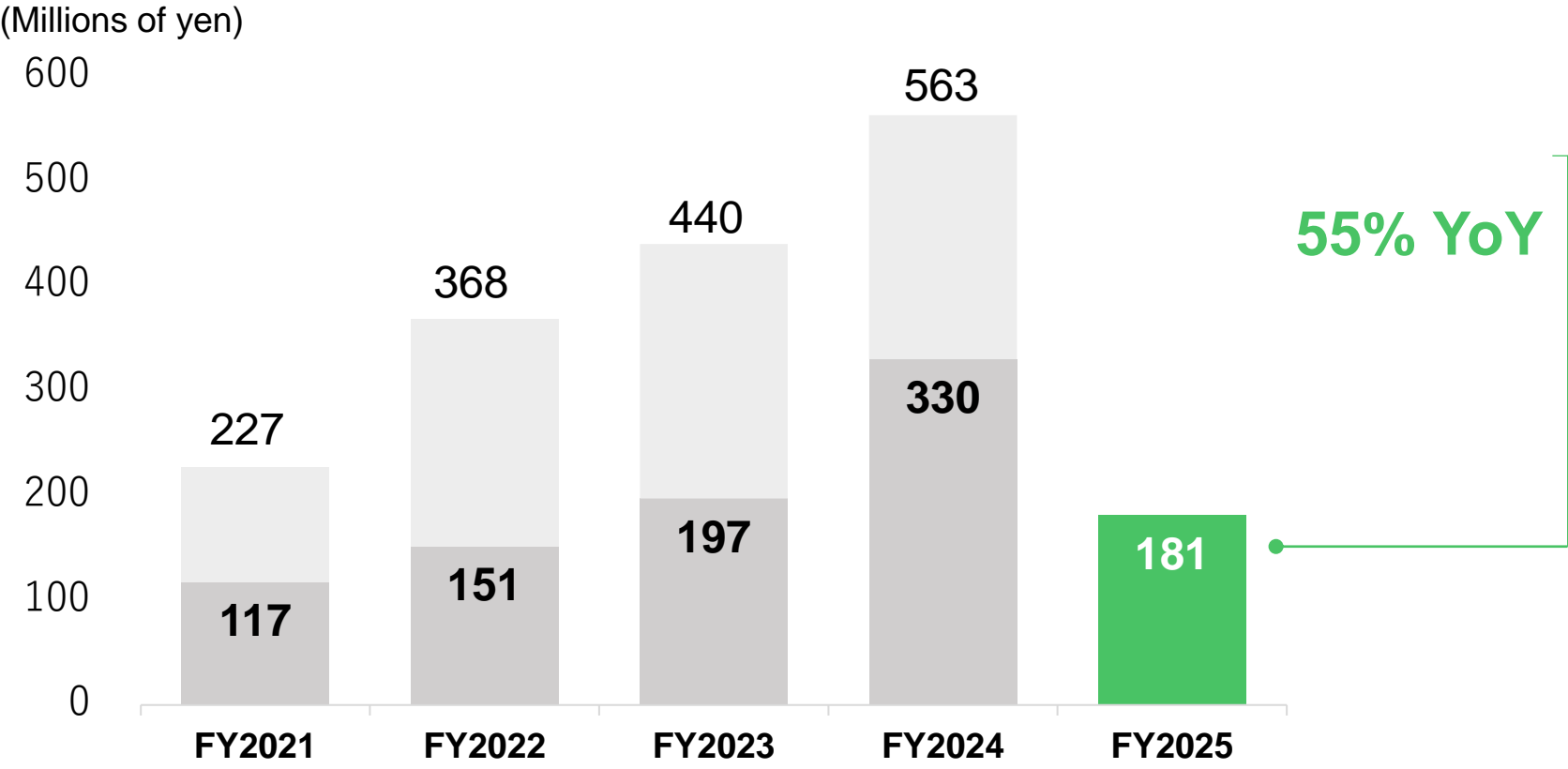
IT Infrastructure

Solid

- Orders expected to remain solid for cloud migration projects, driven by office IT environment updates.

Security: Net Sales Trend

Information Services Business (MDM/IoT)



Information Services Business (MDM/IoT)

Decline

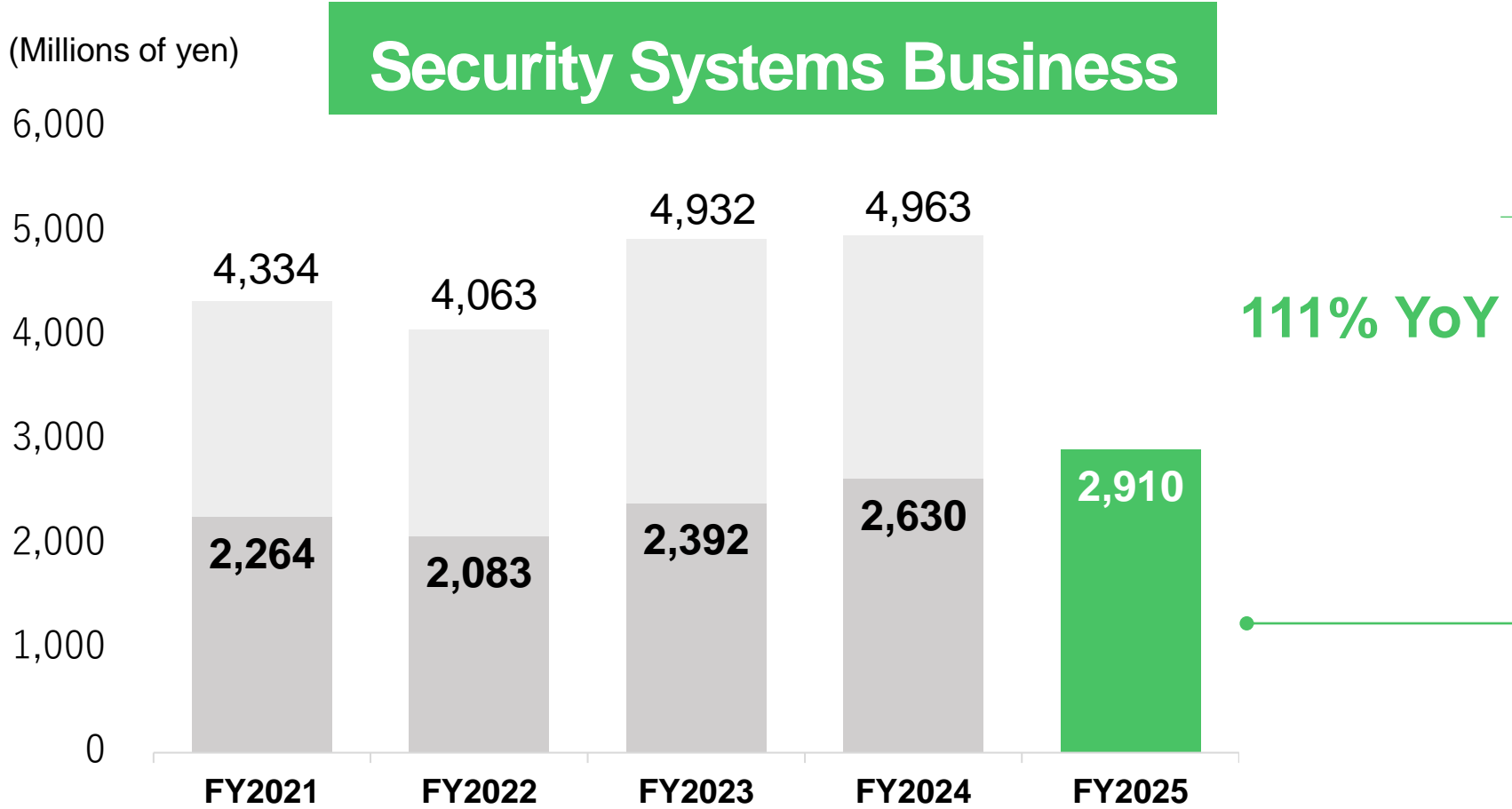
- Declined from last year's high level, which reflected large-scale sales of devices.
- FiT SDM/SIGNAGE products: New client acquisitions offset by some cancellations, resulting in a gradual decline.

FY2025 Second Half

Information Services Business (MDM/IoT)

Solid

- FiT SDM / FiT SIGNAGE as door openers to acquire new clients.
- Focus on solution proposals tailored to client issues.



Security Systems Business

Security Systems Business

Solid

- New devices (incl. facial recognition) helped increase renovation project acquisition.
- Recurring revenue: Strong YoY growth with steady contract gains, including large-scale projects.

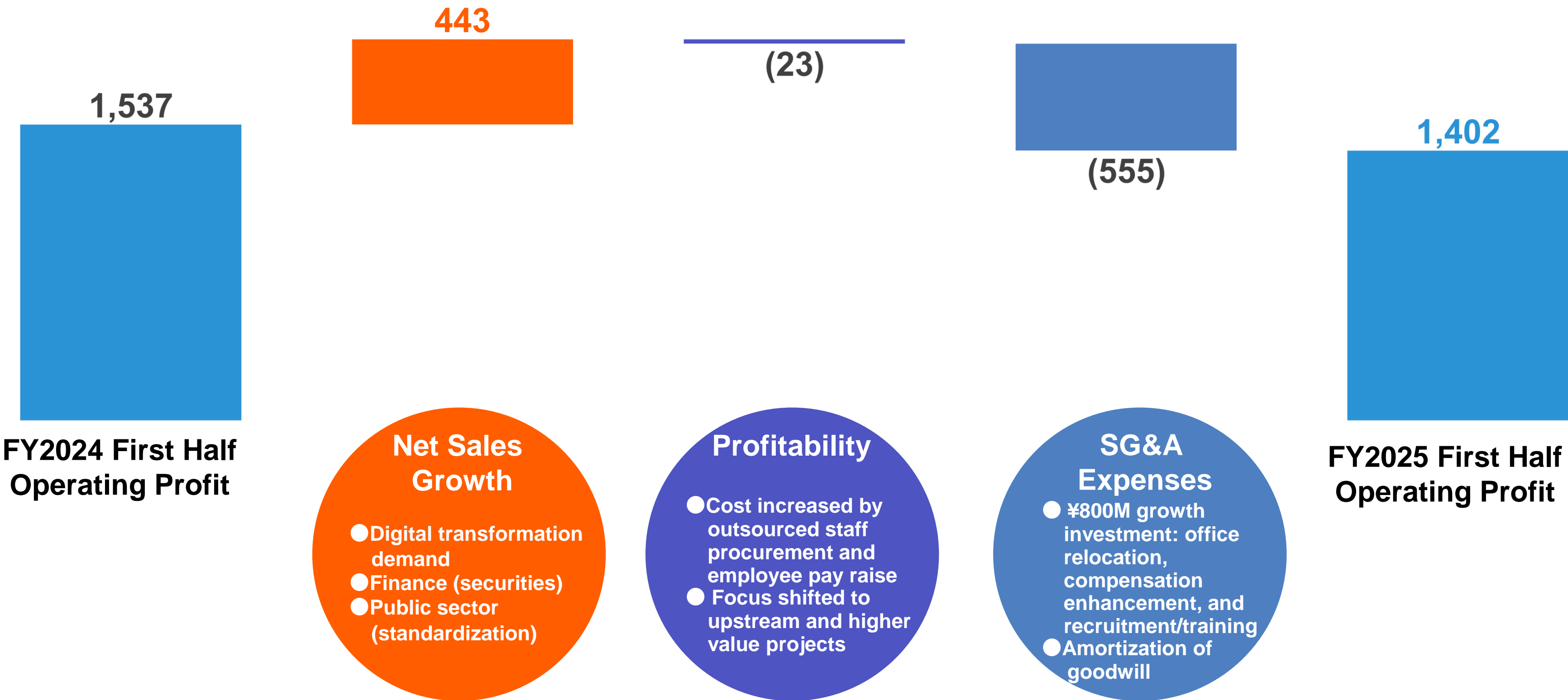
Security Systems Business

Solid

- Expected to remain solid due to continuation of first-half initiatives for both new construction and renovation.
- Solid growth expected for recurring revenue despite fewer large-scale opportunities.

Breakdown of Consolidated Operating Profit Growth

(Millions of yen)



Consolidated Balance Sheets

● Increase in Assets

Increased by approx. ¥700 million due to corporate headquarters relocation, core system development, and other factors

● Increase in Net Assets

Increased by ¥200 million due to accumulation of retained earnings in line with profit growth

● Equity Ratio

66.9%

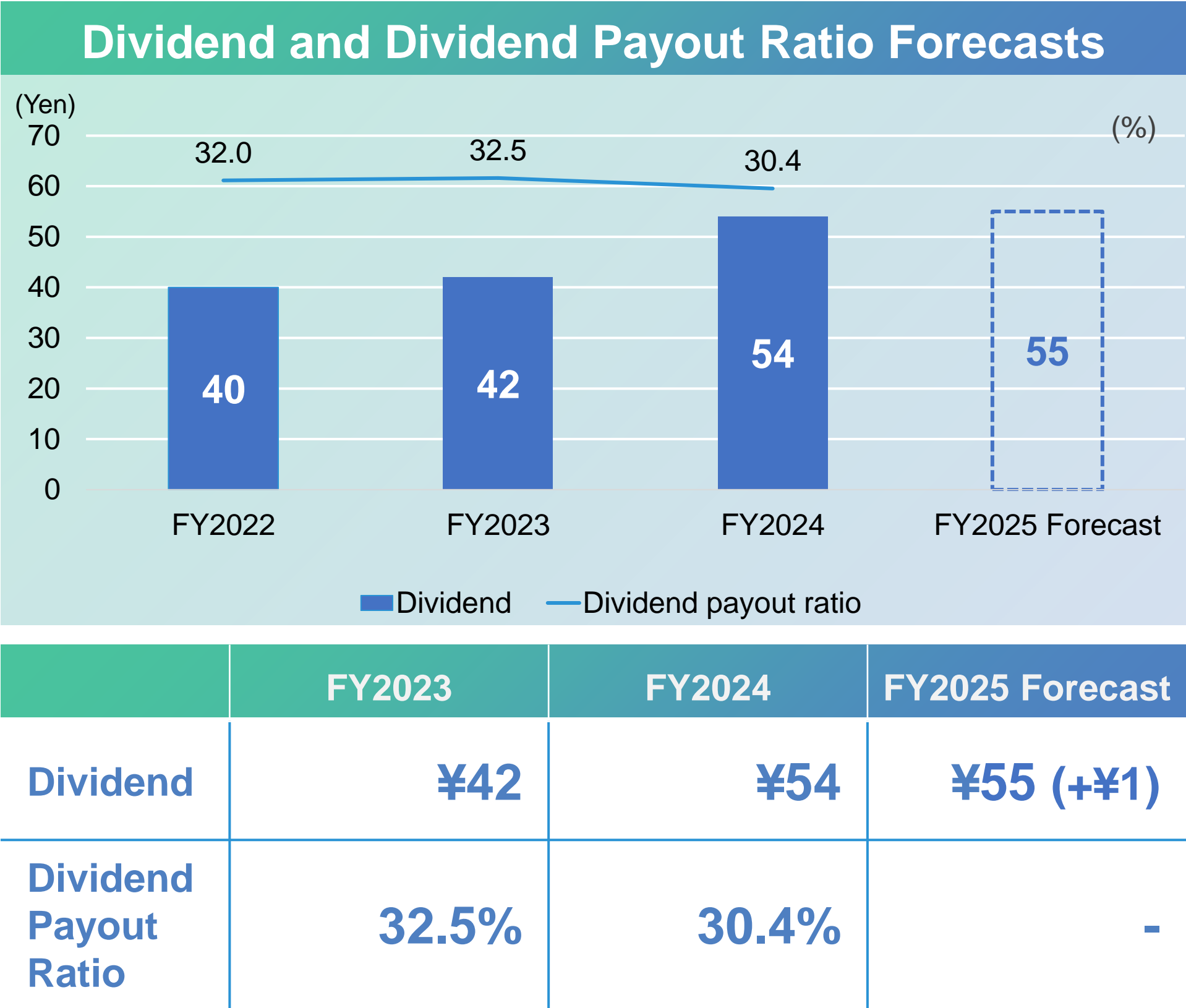
(Millions of yen)

Assets		
	As of December 31, 2024	As of June 30, 2025
Current assets	16,257	16,018
Non-current assets	3,543	4,455
Property, plant and equipment	1,033	1,979
Intangible assets	724	661
Investments and other assets	1,784	1,815
Total assets	19,800	20,474

Liabilities and Net Assets		
	As of December 31, 2024	As of June 30, 2025
Current liabilities	5,785	5,969
Non-current liabilities	510	799
Total liabilities	6,296	6,769
Shareholders' equity	13,176	13,376
Accumulated other comprehensive income	327	328
Total net assets	13,504	13,704
Total liabilities and net assets	19,800	20,474

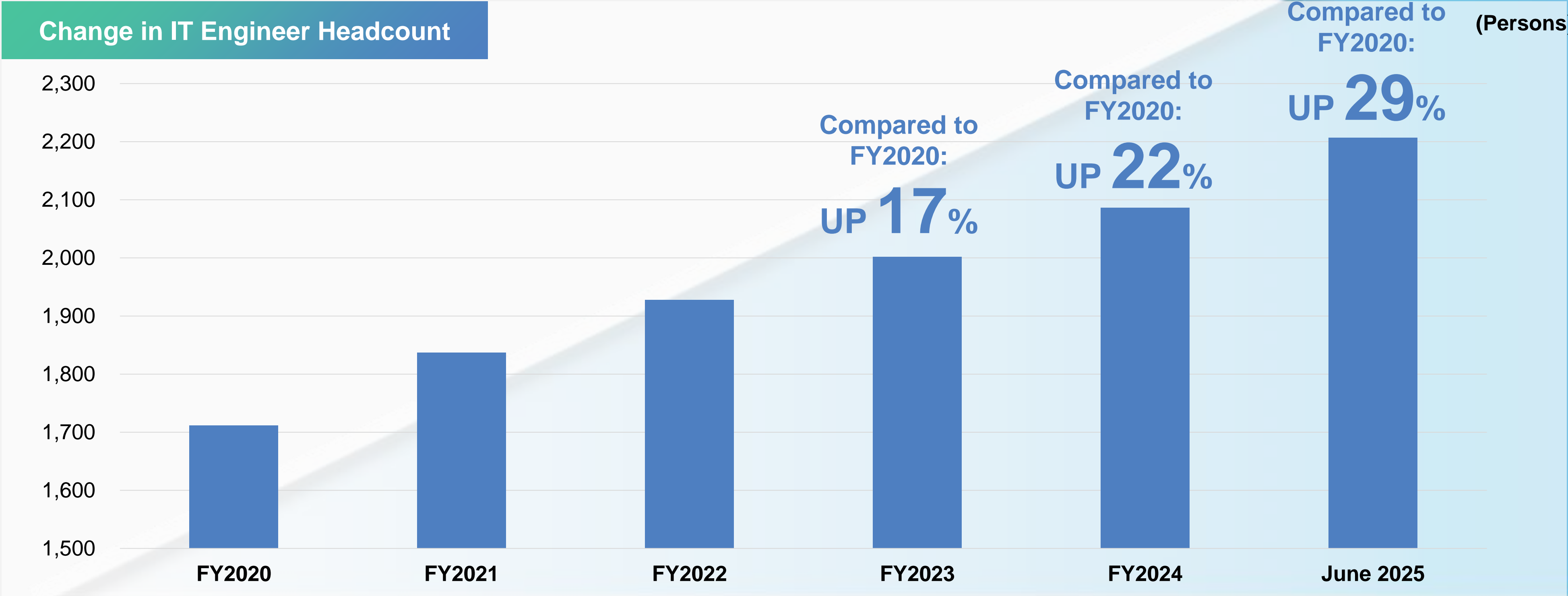
FY2025: Forecasts of Consolidated Financial Results and Dividends (Upward Revisions)

Financial Forecasts		(Change from Previous Forecast)
Net Sales	¥36.9B	(+¥0.80B)
Operating Profit	¥2.66B	(+¥0.46B)
Ordinary Profit	¥2.75B	(+¥0.45B)
Profit Attributable to Owners of Parent	¥1.69B	(+¥0.12B)



Change in Consolidated IT Engineer Headcount

Steady increase in consolidated IT engineer headcount, up 29% compared to FY2020—the year before the previous medium-term business plan.



Note: Includes fixed-term employees; excludes business partners

Net Sales from Recurring Revenue Products

Steady net sales growth driven by three products:
SDM, ALLIGATE, and Construction site card reader

(Millions of yen)



Mobile Device Management

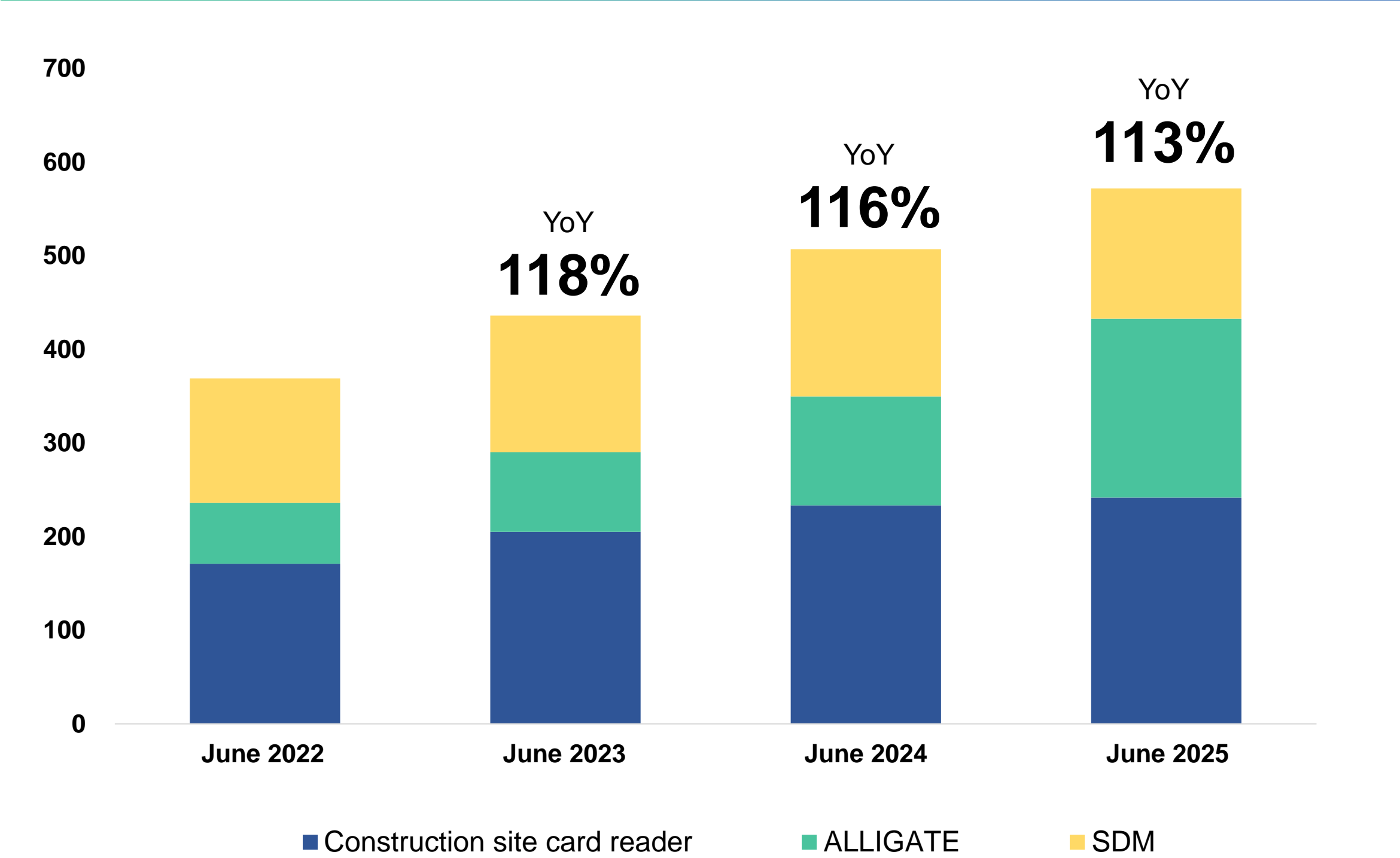


Access Control



Construction Site Card Reader

Net Sales Trend of Recurring Revenue Products



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Drive change to thrive

The ISB Group strives to be an ever-evolving company by investing in future growth, strengthening its business foundation, and harnessing the Group’s strengths: technical excellence and diverse talent.

FY2026 Group Targets

Net Sales

¥38B

Operating Profit

¥3B

Investment for
Future Growth
(Three-Year Total)

¥3.78B

Key Strategies

1

Human Resources Strategy

To promote work-life balance, we are advancing work style reforms. We are also working to improve employee compensation, enhance the work environment, and strengthen training programs, aiming to boost employee engagement by supporting skill development and fostering motivation.

2

Information Services Business Strategy

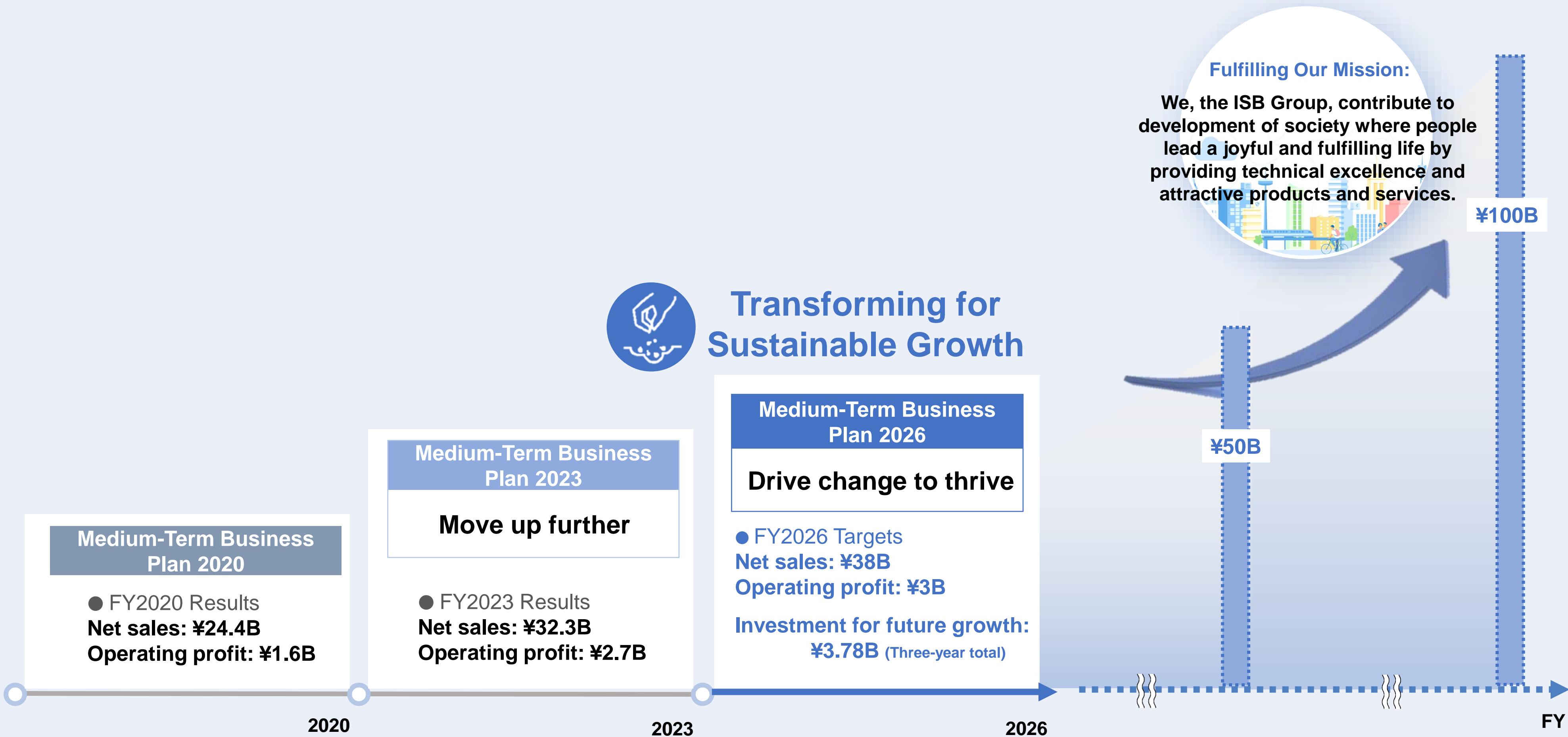
We are expanding our business foundation by leveraging group synergies built on our specialized domains and regional strengths. By developing products, cultivating end-user clients, and collaborating with partners, we aim to achieve high profitability and multi-business growth.

3

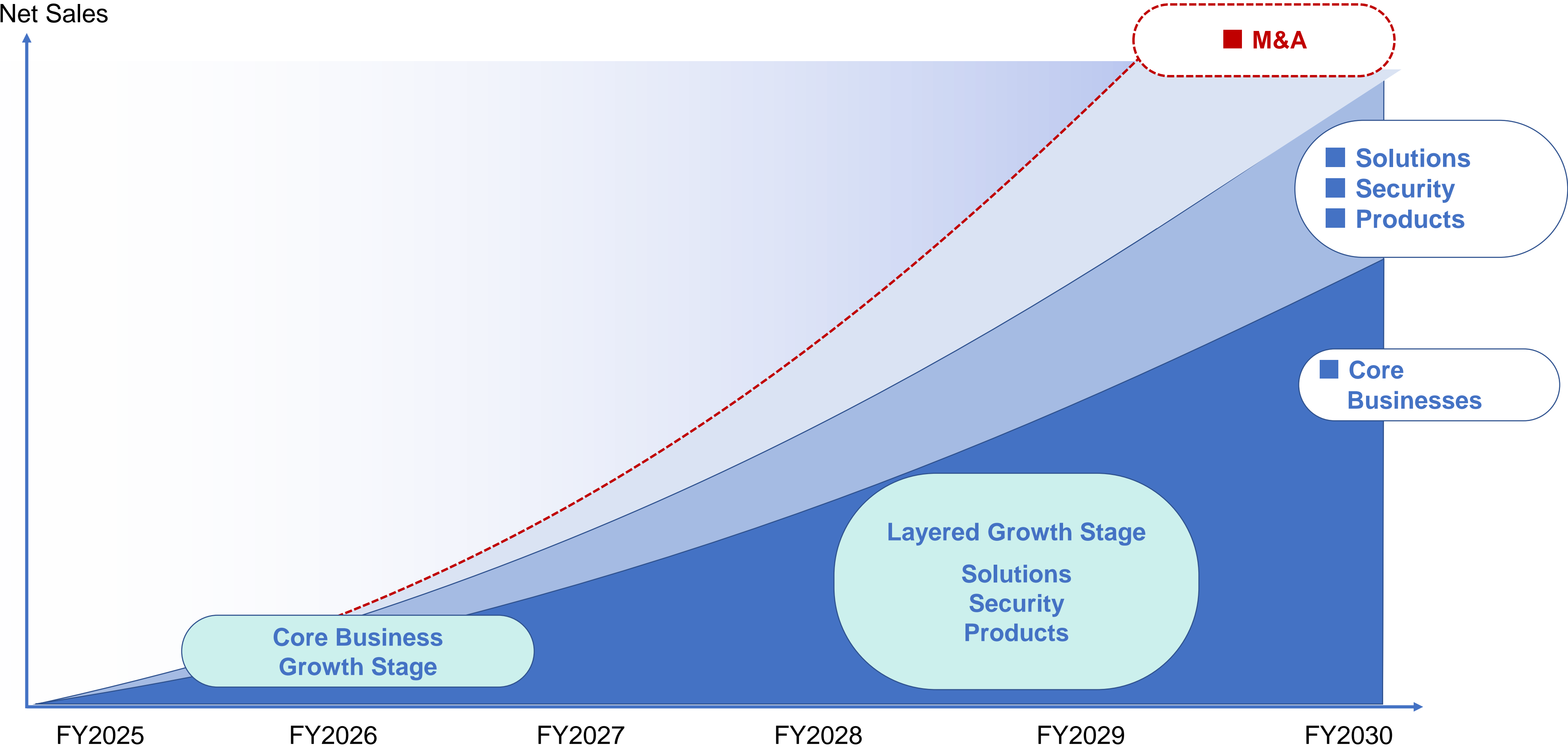
Security Systems Business Strategy

In the access control system business, we are enhancing profitability by strengthening sales efforts and advancing technological innovation. We are also advancing our branding strategy in the recurring revenue business, while developing new businesses to strengthen our business portfolio.

Positioning of the Medium-Term Business Plan 2026



Medium-Term Strategic Horizon (FY2025–FY2030)



Key Strategy 1: Initiatives Under the HR Strategy

FY2025 First Half Initiatives

1. Talent Acquisition

New Graduate Recruitment

- ✓ Increase in hiring headcount planned, with expansion of recruitment channels
- ✓ Group-wide collaboration in recruitment activities (sharing of know-how)
- ✓ Ranked 20th (out of 194) in the Top Employers of National KOSEN Graduates Entering in Spring 2024
- ✓ Ranked 33rd (out of 198) in the Most Popular IT Employers for 2026 New Graduates

Mid-Career Recruitment

- ✓ Expansion and strengthening of hiring
- ✓ Referral hiring
- ✓ Group-wide collaboration in recruitment activities

2. Talent Development

Improvement of the Working Environment

- ✓ Consolidation of three offices (ISB Gotanda, Shin-Yokohama, and Abiko) in May 2025, with relocations and/or floor space expansions at each group company as well
- ✓ Enhancement of employee benefits (including introduction of housing allowance)
- ✓ Compensation enhancements, including base salary increases and revisions to bonus policies

Development and Management

- ✓ Manager development and strengthened management through organizational restructuring
- ✓ Training accounts provided to all employees to promote proactive and continuous learning
- ✓ Designated in-office days for all members of each department to foster a sense of belonging through enhanced communication and information sharing
- ✓ Obtained AWS Partner certification in February 2025
- ✓ Established a Talent Development Section within the HR Department to promote talent development

3. Employee Engagement

Initiatives

- ✓ Conducted an engagement survey for ISB employees, followed by analysis, action planning, and execution through the PDCA cycle

Plan

- ✓ Planning for the second engagement survey (the first one was conducted in October 2024)

Key Strategy 2: Initiatives Under the Information Services Business Strategy

Information Services Business Strategy

➤ Partnered with Amnimo Inc. to Provide AI Solutions for Social Infrastructure

Delivering AI-Powered Video Analysis Technology to Enable Safety and Efficiency in Smart Cities

Amnimo (amnimo Inc.) is a Yokogawa Electric Group company that deploys cutting-edge IoT and AI technologies to deliver innovative services for industry and social infrastructure. As one of the AI Partners of amnimo, our company provides the following solutions:

1. Object passage counting solution
2. Crowd and traffic density measurement solution
3. Privacy-conscious video surveillance solution

Solutions are integrated with an AI-powered video analysis application jointly developed with amnimo.

By accurately tracking people flow in train stations and commercial facilities, as well as measuring the movement of objects and vehicles, we visualize congestion levels to support improved operational efficiency and optimal personnel allocation. Looking ahead, our AI-powered video analysis technology is expected to be applied across a wide range of fields—including smart cities, infrastructure, security, and logistics—to support future innovation.



Key Strategy 2: Initiatives Under the Information Services Business Strategy

Information Services Business Strategy

IoT: Wi-SUN Initiatives

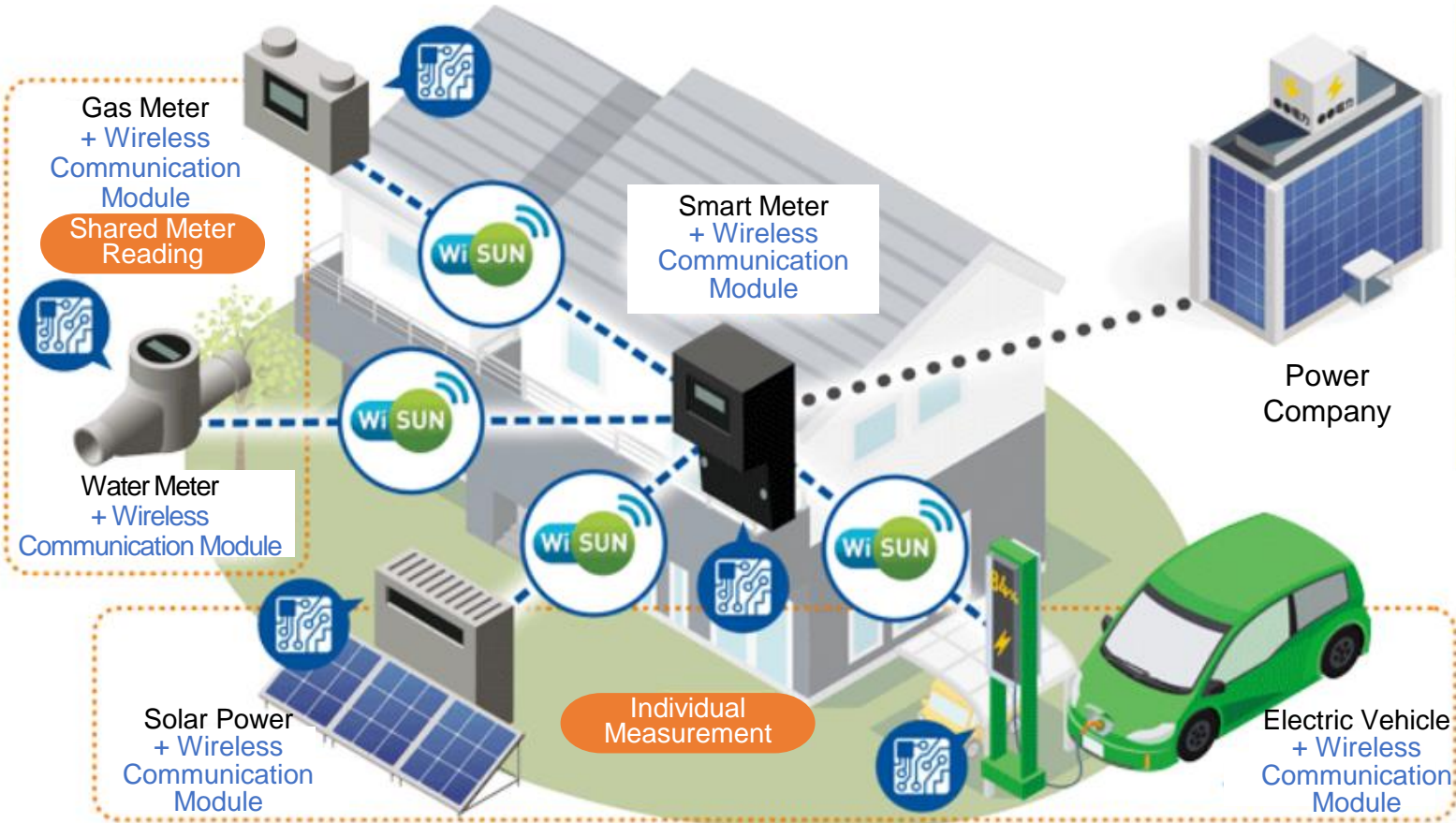
Awarded and Certified by the Wi-SUN Alliance for Contributions to the Standardization and Advancement of Smart Grids

The Wi-SUN Alliance is an industry association that promotes the global adoption and advancement of **Wi-SUN**, an international standard for wireless communication characterized by wide coverage, low power consumption, and high reliability—supporting applications including smart grids (next-generation power grids), smart cities, and industrial IoT. We have recently received the following awards and certifications from the Alliance.

- Awarded the **Recognition of Contribution** for contributing to the **development of Wi-SUN specifications**, including involvement in technical standards and interoperability requirements
- Certified as a **Certified Test Bed Unit**, having **met the required evaluation criteria as a certified reference device** used as a core component in interoperability testing during the certification process for other products

These recognitions reflect our role as a trusted contributor to the advancement of the Wi-SUN ecosystem, which is built on high international standards and strong market confidence.

With the shift to **next-generation smart meters** already underway, we are **contributing to the realization of sustainable social infrastructure** through advancements in energy infrastructure.



IoT Route: Conceptual Use Case

(The wireless communication modules in the diagram are equipped with Wi-SUN Enhanced HAN, enabling secure connection to the electric smart meter.)

URL: <https://m2m.isb.co.jp/wisun/>

Awarded for Specification Development



Certified as Reference Device



Key Strategy 2: Initiatives Under the Information Services Business Strategy

ISB GROUP

FY2025 First Half Initiatives

Information Services Business Strategy

- BookLive Co., Ltd.
- eBook Store App Development

Delivering a Seamless Reading Experience on BookLive Through Technology

BookLive is one of Japan's leading eBook services, offering over 1,000,000 titles ranging from shonen manga to business books. BookLive Co., Ltd., the company operating the service, has maintained a long-standing partnership with us since the platform's early days in 2011.

In developing the smartphone app, we enhanced UI usability and optimized the viewing environment, while also providing technical support to ensure stable performance.

We have built a comprehensive framework that supports the entire process—from planning and development to operations—enabling us to provide engineering support for the large-scale service used by over 15 million users per month.



Investment for Future Growth



The Key to Sustainable Growth:

- Human Capital Investment
- IT Investment

Sustainable Growth

Mission

We, the ISB Group, contribute to development of society where people lead a joyful and fulfilling life by providing technical excellence and attractive products and services.



Results & Impact

Enhancement of Employee Engagement

- Development of highly specialized skills
- Work-life balance

Strengthening of the Business Foundation

- Productivity improvement
- Group synergies

Creation of New Opportunities in the Solutions Business

- Collaboration with partners
- Product development

Building the Foundation for Sustainable Growth
Medium-Term Business Plan 2026

Investment for Future Growth

¥3.78B
(Three-year total)

Human Capital Investment



- Training programs
- System and policy reforms
- Enhancement of employee compensation

IT Investment



- IT investment
- Corporate branding

Challenges (Previous Plan)

Talent-Related Challenges

- Securing engineers
- Improving employee engagement

Management-Related Challenges

- Project management

Medium-Term
Business Plan 2026

Investment for
Future Growth

▶▶

Progress

Building the foundation for sustainable growth through investments for future growth—a roadmap toward net sales of ¥50 billion, and eventually ¥100 billion. These upfront investments for future growth are progressing as planned.

		FY2024 Actual	FY2025 Plan	FY2025 First Half Progress	FY2024–FY2026 Planned Total
Human Capital Investment	Total	¥900 million	¥1,650 million	¥780 million	¥3,780 million
	Recruitment and Training	¥70 million	¥280 million	¥100 million	¥530 million
	Employee Compensation Enhancement	¥450 million	¥400 million	¥230 million	¥1,390 million
	Workplace Environment	¥310 million	¥830 million	¥410 million	¥1,540 million
IT Investment	IT	¥30 million	¥90 million	¥20 million	¥200 million
	Others	¥40 million	¥50 million	¥20 million	¥120 million

* Growth investment amounts are recognized as expenses in accordance with accounting standards.

Toward Becoming a Company with ¥100 Billion in Net Sales

Drive Change to Thrive: Pioneering the Future by Creating New Value Through the Fusion of Ingenuity and IT

The most
trusted
partner for
our client
companies

Providing
essential,
behind-the-
scenes support
for our clients'
success

A company
widely
recognized by
the public

An open and
energetic
workplace
environment

A rewarding
workplace with
high employee
engagement

Driven by a
spirit of
challenge

Developing and
selling IoT-
related devices;
providing
platforms

Developing
next-generation
communication
systems and
security
products

Global
expansion and
partnerships
with
multinational
companies

Capital and
business
alliances,
including M&A

Addressing
social issues

Expanding
business with
clients in the
space sector

Enhancing
solutions
through
consulting
expertise

Developing and
integrating
cutting-edge
technologies
based on sales
strategies

Each
business
has its own
unique
strengths

Signature
products
and services
that define
ISB

Product
development
driven by R&D

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ISB Group's Growth Path

Expanded our business through a stable business foundation and growth driven by strategic M&A



*Acquired each company as a wholly owned subsidiary

ISB Group's Philosophy, Mission, Vision, and Value

ISB Group Corporate Philosophy

Envision a dream,
and strive for it.

Mission

We, the ISB Group, contribute to development of society where people lead a joyful and fulfilling life by providing technical excellence and attractive products and services.

Vision

We create a new value proposition that harnesses intellect and IT for the future as well as adapts to changing circumstances.

Value

Confidence
Sincerity & Integrity
Striving



This material is intended to provide information on our company's business performance for the first half of the fiscal year ending December 31, 2025, 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 June 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.