

ISB Group Financial Results

**First Quarter of the Fiscal Year
Ending December 31, 2026**

ISB Corporation

Securities code: 9702

May 8, 2026

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.

Summary

- Progress is largely on track against the full-year plan.
- Strengthening order acquisition efforts to secure projects from Q2 onward, while monitoring the impact of changes in the global environment and market conditions.

Net Sales

¥10,128 million YoY: 104.3%
Progress: 26.3%

Overall performance remains resilient; solid order growth drove net sales to a record-high Q1, led by the Security Systems business.

Operating Profit

¥1,129 million YoY: 99.6%
Progress: 37.6%

Operating income saw a slight YoY decline, as profit gains from higher sales were offset by a combination of factors. These include temporary costs to resolve unprofitable projects originating in the previous year, as well as ongoing growth investments such as enhanced sales activities and improved compensation, among other expenses.

Q1 FY2026 Overview of Consolidated Financial Results

(Millions of yen)

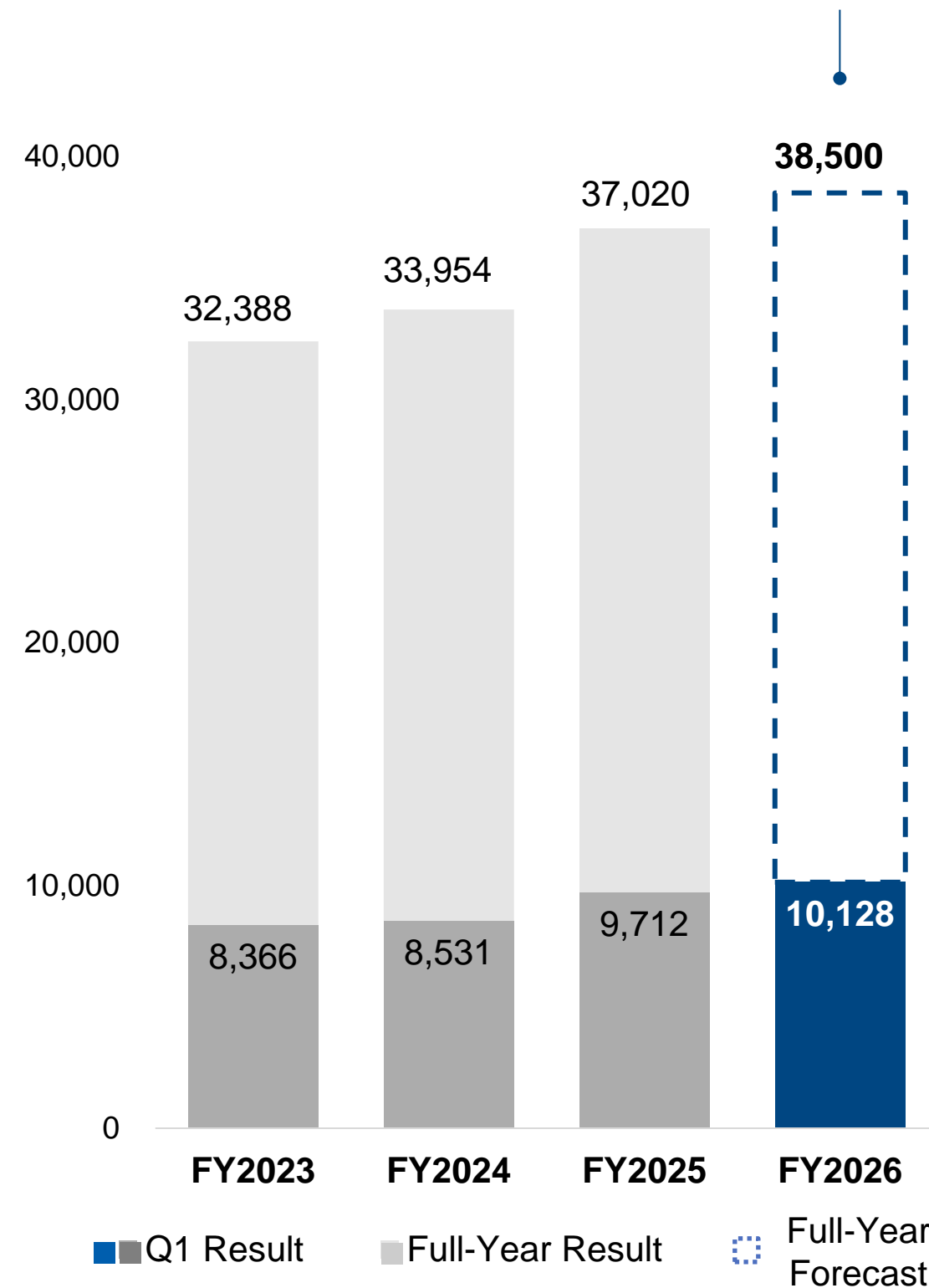
	Q1 FY2025	Q1 FY2026	YoY Change	YoY (%)	Full-Year Forecast	Progress Toward Full-Year Forecast
Net Sales	9,712	10,128	416	104.3%	38,500	26.3%
Operating Profit	1,134	1,129	(5)	99.6%	3,000	37.6%
Operating Profit Margin	11.7%	11.1%	(60 bps)	-	7.8%	-
Ordinary Profit	1,143	1,141	(2)	99.8%	3,050	37.4%
Profit Attributable to Owners of Parent	732	726	(6)	99.2%	1,850	39.2%

*Fiscal years are from January 1 to December 31.
 "Q1" stands for the first three months of each fiscal year.

(Millions of yen)

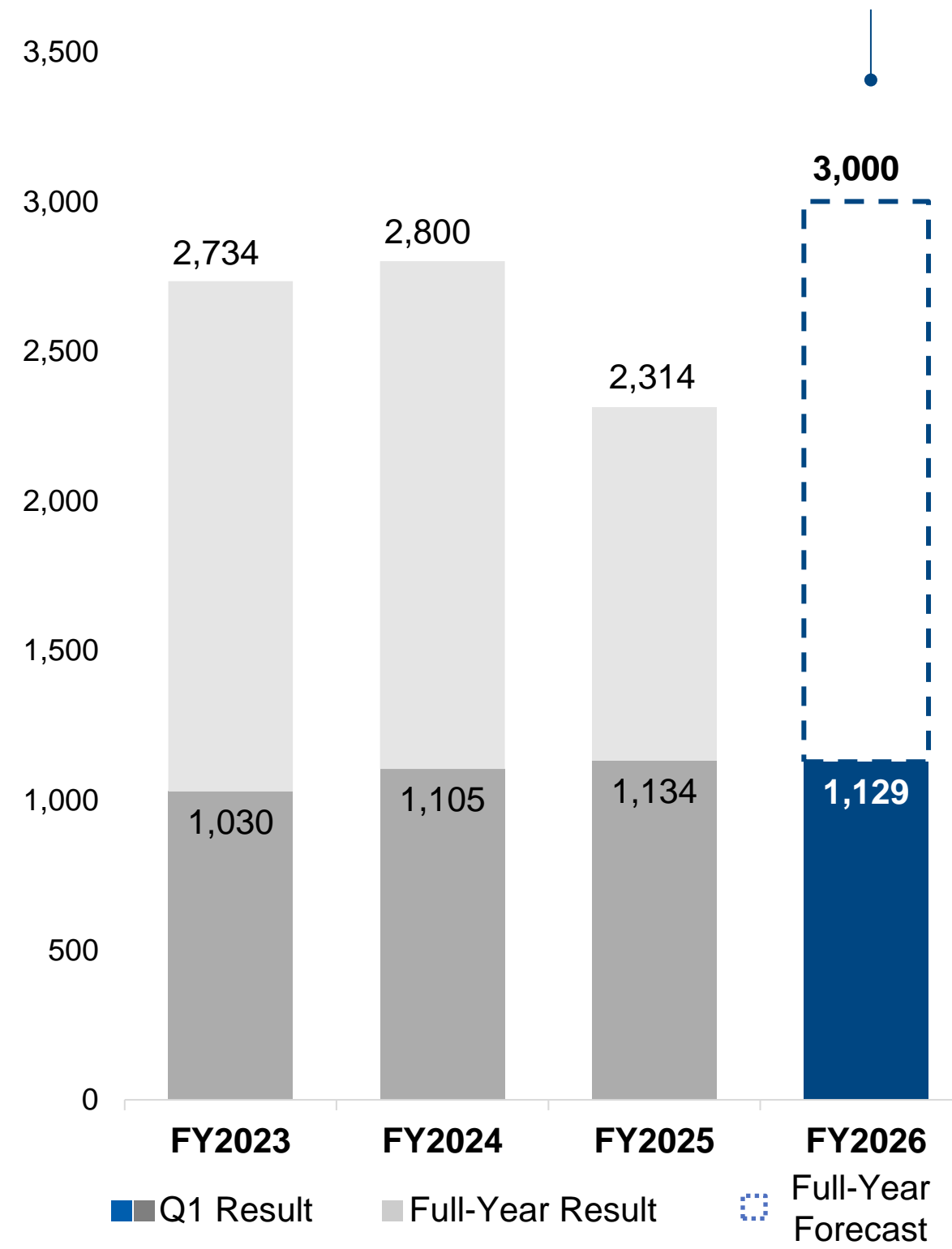
Net Sales

26.3% Progress



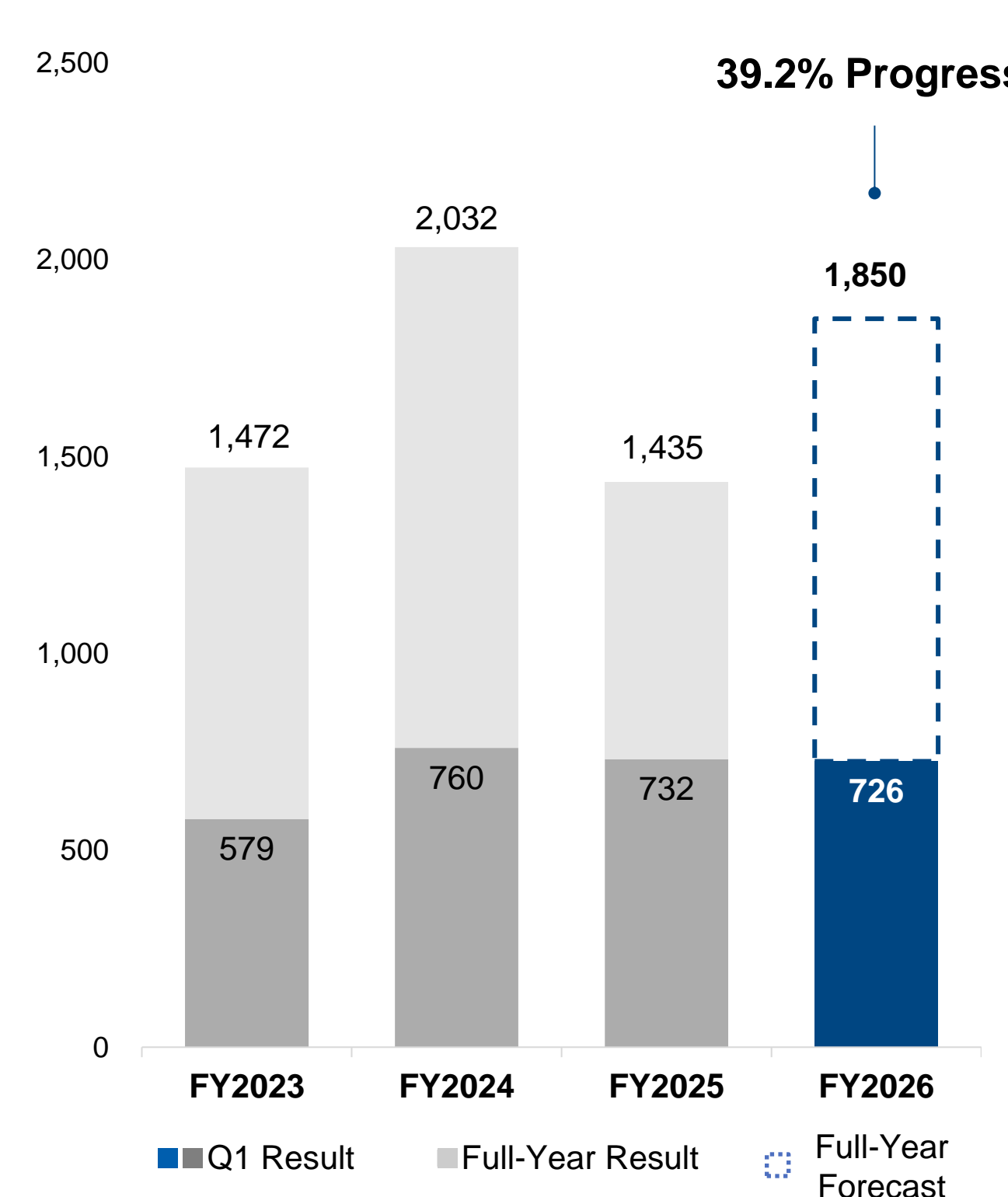
Operating Profit

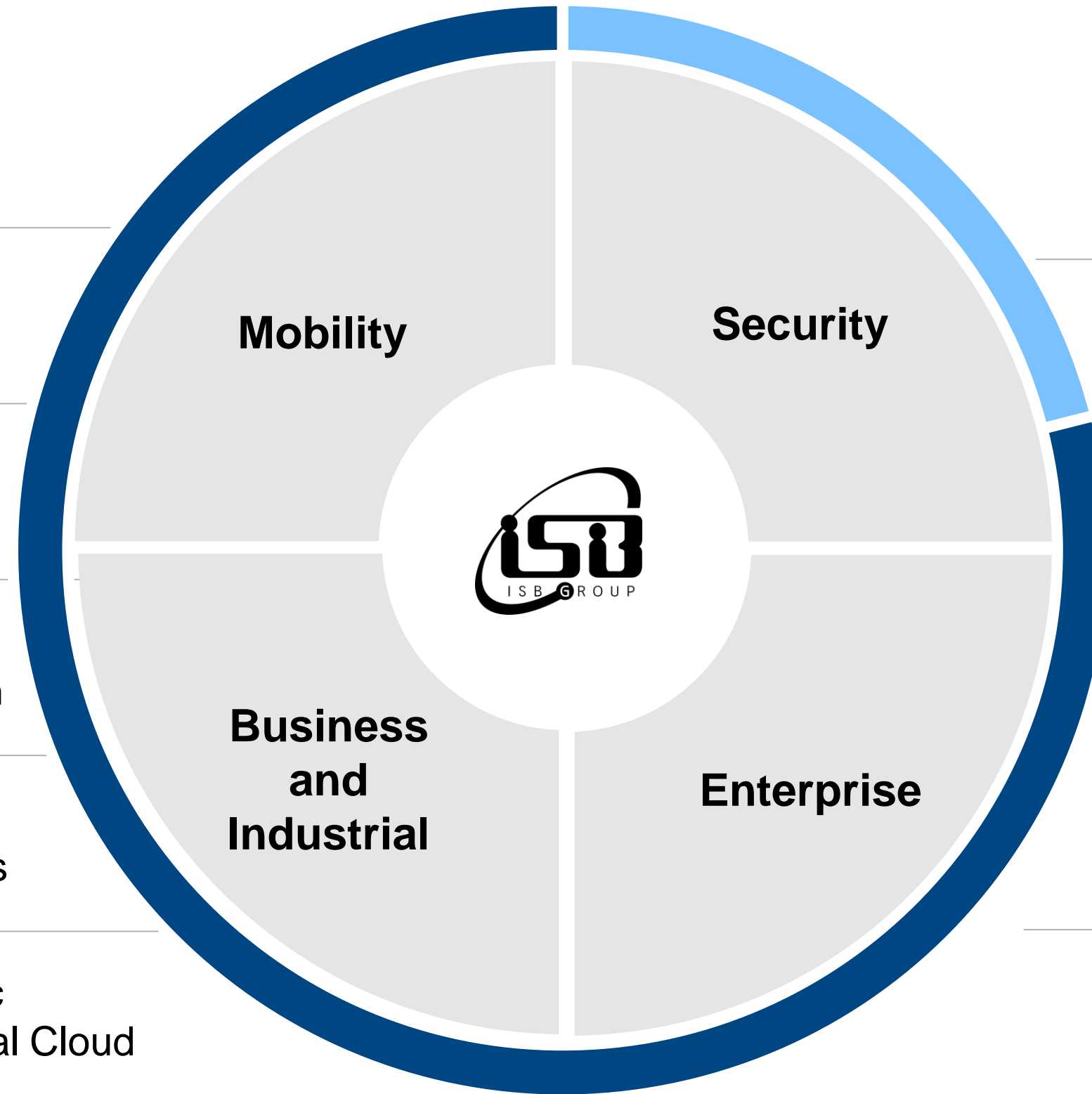
37.6% Progress



Profit Attributable to Owners of Parent

39.2% Progress





■ **Mobile Devices / Smartphones**

■ **Telecommunications / Wireless Base Stations**

■ **Automotive / Automotive Systems**

■ **Business Systems / Digital Transformation & AI Integration**

■ **Embedded Devices / POS & Communication Modules**

■ **Medical Systems / Diagnostic Equipment Systems & Medical Cloud**

■ **Access Control Systems / ALLIGATE**

■ **Mobile Device Management (MDM)**


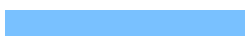
■ **IoT / Wi-SUN**

■ **Public Services / Resident Services Systems**

■ **Banking and Securities / Financial Systems**

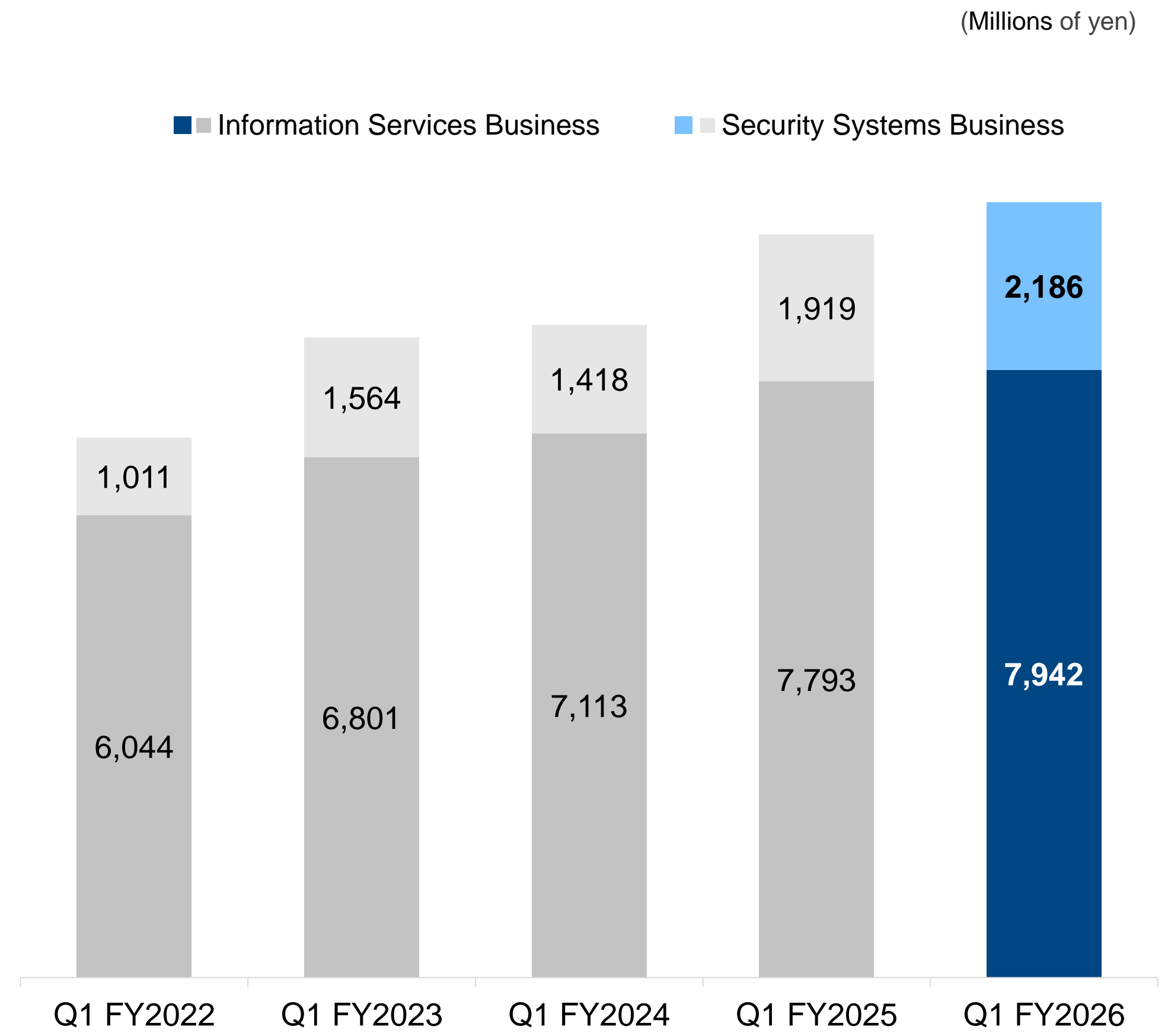
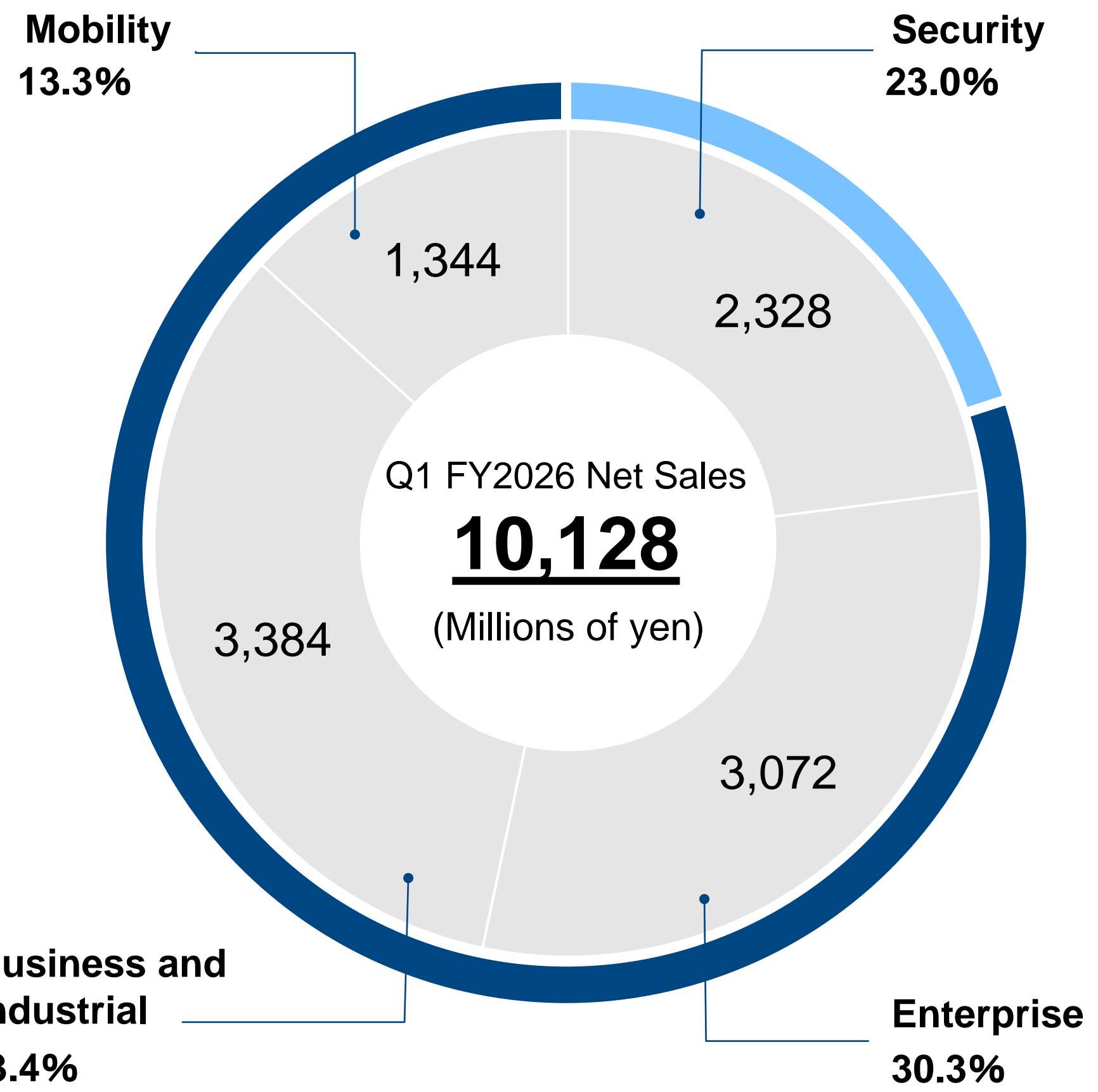
■ **IT Infrastructure / Core IT Systems**



*Reporting Segments:

-  Information Services Business
-  Security Systems Business



Net Sales by Business Category and Segment



*Reporting Segments:  Information Services Business
 Security Systems Business

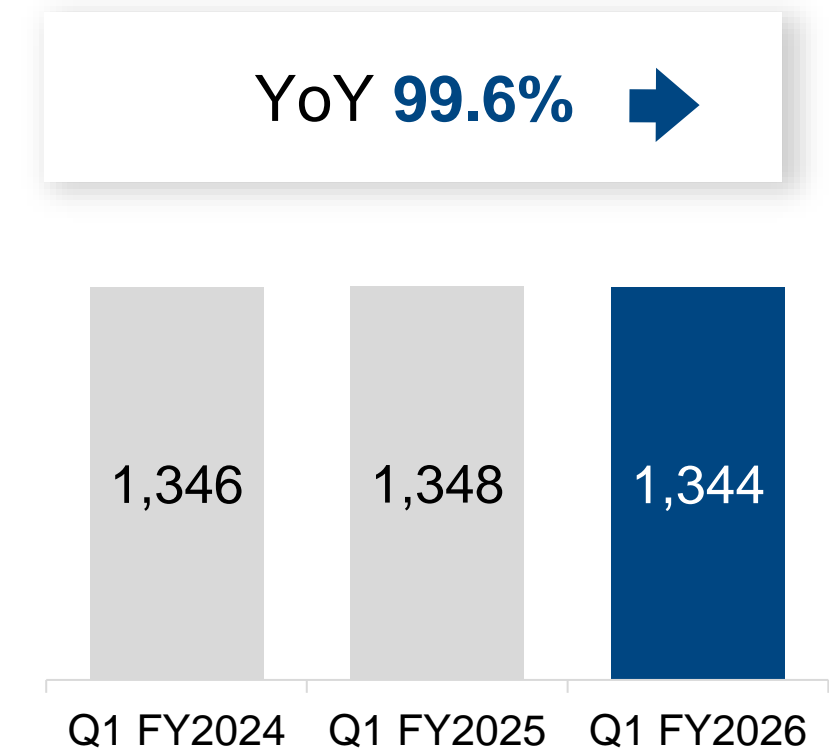
(Millions of yen)

Mobility

Includes:

- Automotive
- Mobile Network Infrastructure
- Mobile Wireless Devices

- Mobile wireless devices tracked in line with the plan despite ongoing market contraction, while mobile infrastructure-including Wi-SUN projects-maintained steady progress.
- Automotive remained solid, supported by orders from existing clients for instrument cluster systems and steady client base expansion.
- Aiming for steady growth while monitoring the impact of changes in the global environment and market conditions.

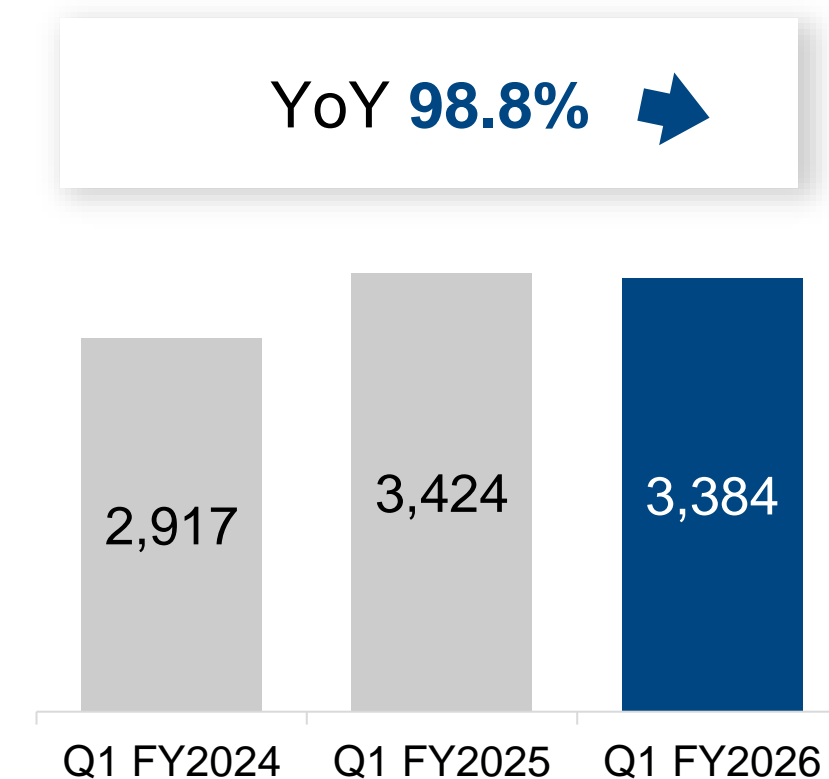


Business and Industrial

Includes:

- Business Systems
- Embedded Devices

- Solid growth across business systems, embedded systems, and AI/IoT, while overall sales declined only slightly due to temporary impacts from resolving unprofitable projects originating in the previous year.
- Focusing on securing orders from robust inquiries and capturing embedded system projects from the second half onward, while continuously strengthening the delivery structure.



Net Sales by Business Category (Enterprise / Security)

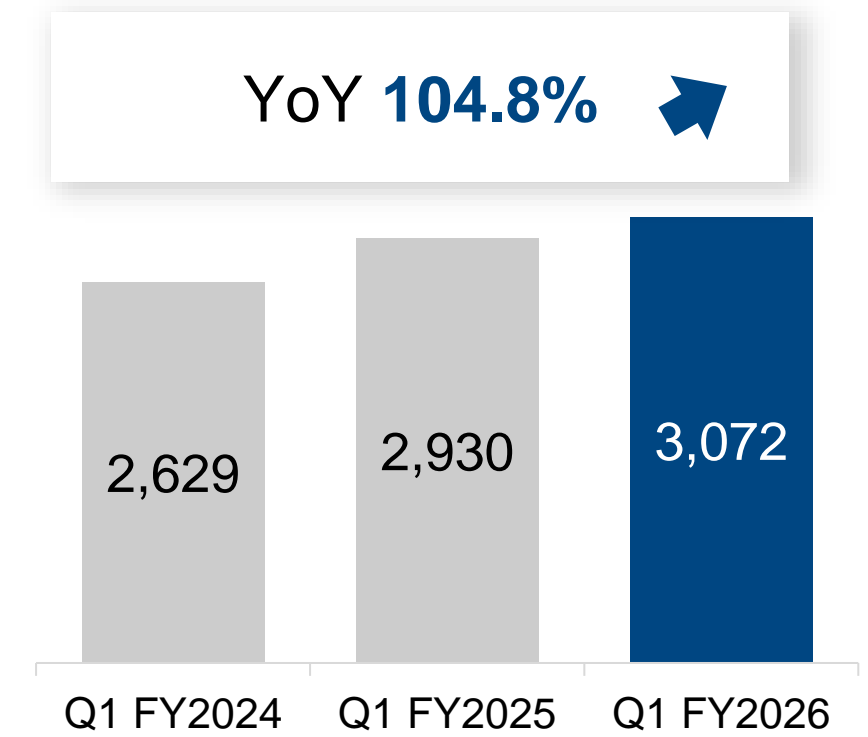
(Millions of yen)

Enterprise

Includes:

- Finance
- Public Sector
- IT Infrastructure

- Orders in finance remained solid, mainly from major clients, with steady expansion in the securities and banking sectors.
- Public sector remained strong, driven by local government projects, continuing from the previous fiscal year.
- Orders in IT infrastructure declined, mainly due to the postponement of a large-scale renewal project amid component shortages caused by memory production being prioritized for increasing AI demand.
- Will strengthen delivery capacity and secure new projects through the strategic upskilling of specialized engineers.



Security

Includes:

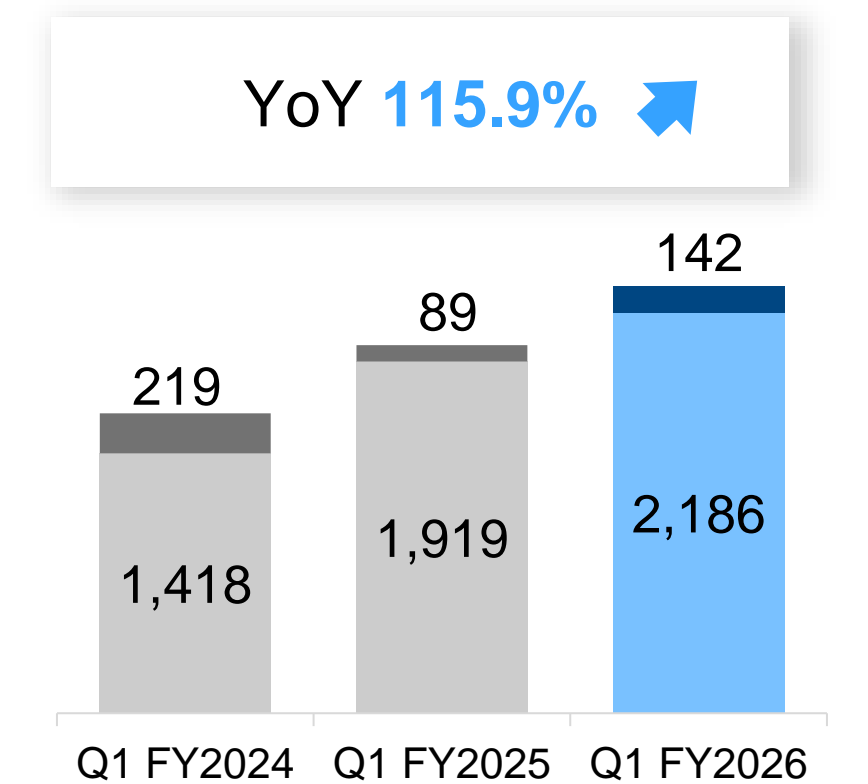
- Information Services Business (MDM/IoT)
- Security Systems Business

Information Services Business (MDM/IoT)

- Revenue remained solid due to the acquisition of a large-scale contract.
- Progress remains steady; continuing efforts to secure contracts for the next fiscal year.

Security Systems Business

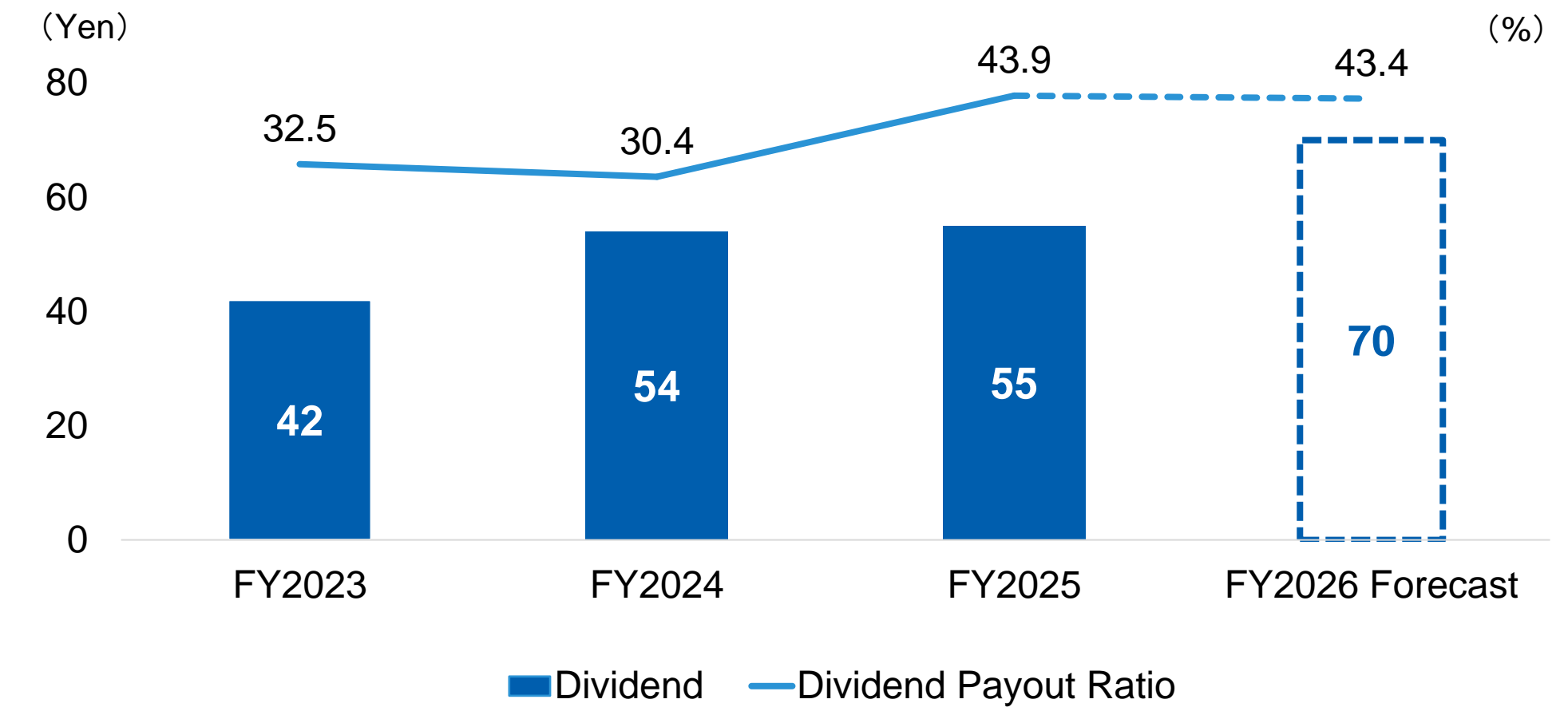
- Facial recognition and other devices stimulated renovation demand, driving steady sales expansion.
- Recurring revenue from ALLIGATE and other services also remained solid. Aiming to generate inquiries across a wide range of applications by expanding the lineup of authentication devices.



FY2026: Forecasts of Consolidated Financial Results and Dividends

Financial Forecasts (Change from 2025 Results)	
Net Sales	¥38.5B (+¥1.5B)
Operating Profit	¥3.0B (+¥0.7B)
Ordinary Profit	¥3.0B (+¥0.7B)
Profit Attributable to Owners of Parent	¥1.8B (+¥0.4B)

Dividend and Dividend Payout Ratio Trend



	FY2024	FY2025	FY2026 Forecast
Dividend	¥54	¥55	¥70
Dividend Payout Ratio	30.4%	43.9%	43.4%

*Figures as of the announcement on February 13, 2026

I S B R O U P

- This material is intended to provide information on our company's business performance for the first quarter of the fiscal year ending December 31, 2026, 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 March 2026. 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.