

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

April 28, 2023

Company name: I S B CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 9702 URL <https://www.isb.co.jp/>
 Representative: President Kazufumi Wakao
 Director,
 Inquiries: Executive General Manager, Yoichi Takeda TEL 03-3490-1761
 Administrative Headquarters
 Scheduled date to file Quarterly Securities Report: May 15, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(1) Consolidated operating results (cumulative)

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	%
Three months ended March 31, 2023	8,366	18.6	1,030	48.0	1,042	49.5	579	30.3
Three months ended March 31, 2022	7,056	5.5	695	(15.8)	697	(17.5)	445	(16.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	50.93		–	
Three months ended March 31, 2022	39.18		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	16,467	10,817	65.7
As of December 31, 2022	16,458	10,682	64.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2022	–	–	–	40.00	40.00
Year ending December 31, 2023	–	–	–	–	–
Year ending December 31, 2023 (Forecast)	–	–	–	42.00	42.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

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, 2023	15,500	9.4	1,200	8.5	1,215	7.2	700	0.8	61.46
Full year	31,000	7.1	2,600	12.1	2,645	10.2	1,590	11.7	139.61

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of March 31, 2023	11,388,716 shares	As of December 31, 2022	11,388,716 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	112 shares	As of December 31, 2022	112 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	11,388,604 shares	Three months ended March 31, 2022	11,363,047 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	7,629,247	7,553,093
Notes and accounts receivable - trade, and contract assets	5,420,235	5,478,867
Prepaid expenses	149,276	170,609
Merchandise	726,140	621,220
Work in process	–	153
Supplies	1,675	1,675
Other	144,870	178,311
Allowance for doubtful accounts	(37,364)	(4,510)
Total current assets	14,034,081	13,999,422
Non-current assets		
Property, plant and equipment		
Buildings and structures	496,278	515,024
Accumulated depreciation and impairment	(301,898)	(306,131)
Buildings and structures, net	194,380	208,892
Land	600,550	600,550
Other	800,767	821,161
Accumulated depreciation and impairment	(591,319)	(605,536)
Other, net	209,447	215,625
Total property, plant and equipment	1,004,378	1,025,068
Intangible assets		
Goodwill	355,954	266,965
Other	38,950	36,199
Total intangible assets	394,904	303,164
Investments and other assets		
Investment securities	397,791	408,951
Long-term prepaid expenses	6,454	6,161
Guarantee deposits	319,054	328,528
Deferred tax assets	246,079	338,097
Other	55,937	57,889
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,025,317	1,139,628
Total non-current assets	2,424,600	2,467,862
Total assets	16,458,681	16,467,284

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,067,088	1,994,291
Contract liabilities	196,055	183,894
Short-term borrowings	120,000	120,000
Accounts payable - other	1,239,505	772,607
Accrued expenses	85,213	189,176
Income taxes payable	769,582	424,246
Accrued consumption taxes	375,858	485,294
Provision for bonuses	28,836	525,336
Provision for bonuses for directors (and other officers)	22,895	34,870
Provision for loss on orders received	3,088	70,736
Other	323,263	290,347
Total current liabilities	5,231,386	5,090,802
Non-current liabilities		
Retirement benefit liability	237,548	245,318
Provision for retirement benefits for directors (and other officers)	54,034	55,655
Asset retirement obligations	89,686	94,761
Other	163,211	163,143
Total non-current liabilities	544,481	558,878
Total liabilities	5,775,867	5,649,681
Net assets		
Shareholders' equity		
Share capital	2,361,512	2,361,512
Capital surplus	2,965,691	2,965,691
Retained earnings	5,218,072	5,342,522
Treasury shares	(92)	(92)
Total shareholders' equity	10,545,183	10,669,634
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	105,138	112,645
Foreign currency translation adjustment	32,491	35,322
Total accumulated other comprehensive income	137,630	147,968
Total net assets	10,682,814	10,817,603
Total liabilities and net assets	16,458,681	16,467,284

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	7,056,080	8,366,601
Cost of sales	5,273,572	6,160,847
Gross profit	1,782,507	2,205,753
Selling, general and administrative expenses	1,086,513	1,175,677
Operating profit	695,993	1,030,076
Non-operating income		
Interest income	3,175	3,895
Reversal of allowance for doubtful accounts	–	8,250
Other	1,709	3,095
Total non-operating income	4,885	15,240
Non-operating expenses		
Interest expenses	185	182
Loss on sale of notes receivable - trade	435	668
Foreign exchange losses	2,788	1,417
Other	32	165
Total non-operating expenses	3,441	2,434
Ordinary profit	697,437	1,042,883
Extraordinary losses		
Fraud related losses	–	107,858
Total extraordinary losses	–	107,858
Profit before income taxes	697,437	935,024
Income taxes - current	338,741	450,220
Income taxes - deferred	(86,545)	(95,191)
Total income taxes	252,195	355,029
Profit	445,241	579,995
Profit attributable to owners of parent	445,241	579,995

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	445,241	579,995
Other comprehensive income		
Valuation difference on available-for-sale securities	(20,450)	7,507
Foreign currency translation adjustment	20,118	2,830
Total other comprehensive income	(331)	10,338
Comprehensive income	444,909	590,333
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	444,909	590,333