

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2022 (Based on Japanese GAAP)

October 31, 2022

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, Administrative Yoichi Takeda TEL 03-3490-1761  
 Headquarters  
 Scheduled date to file Quarterly Securities Report: November 14, 2022  
 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 nine months ended September 30, 2022 (from January 1, 2022 to September 30, 2022)

(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	%
Nine months ended September 30, 2022	21,426	12.0	1,722	29.5	1,762	28.0	1,049	33.9
Nine months ended September 30, 2021	19,138	5.8	1,330	5.1	1,376	6.0	784	12.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2022	92.28		–	
Nine months ended September 30, 2021	69.09		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	15,222	10,352	68.0
As of December 31, 2021	14,361	9,557	66.6

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, 2021	–	0.00	–	30.00	30.00
Year ending December 31, 2022	–	0.00	–		
Year ending December 31, 2022 (Forecast)				37.00	37.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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
Full year	28,673	9.5	2,286	22.2	2,353	21.2	1,404	26.5	123.28

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2022  
(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: Yes
- 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 September 30, 2022	11,388,716 shares	As of December 31, 2021	11,363,159 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	112 shares	As of December 31, 2021	112 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2022	11,377,932 shares	Nine months ended September 30, 2021	11,353,251 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	6,074,660	6,833,724
Notes and accounts receivable - trade, and contract assets	4,962,481	5,135,218
Prepaid expenses	143,239	174,146
Merchandise	265,733	599,137
Work in process	81,042	1,017
Supplies	1,604	1,027
Other	119,739	95,190
Allowance for doubtful accounts	(35,345)	(41,332)
Total current assets	11,613,155	12,798,130
Non-current assets		
Property, plant and equipment		
Buildings and structures	490,913	489,509
Accumulated depreciation and impairment	(295,127)	(298,121)
Buildings and structures, net	195,785	191,388
Land	600,550	600,550
Other	667,618	780,684
Accumulated depreciation and impairment	(472,878)	(579,411)
Other, net	194,740	201,273
Total property, plant and equipment	991,076	993,211
Intangible assets		
Goodwill	711,908	444,942
Other	44,411	40,513
Total intangible assets	756,320	485,456
Investments and other assets		
Investment securities	468,342	394,034
Long-term prepaid expenses	6,601	6,822
Guarantee deposits	293,330	294,392
Deferred tax assets	150,775	226,943
Other	82,152	23,801
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,001,202	945,994
Total non-current assets	2,748,598	2,424,663
Total assets	14,361,754	15,222,793

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	1,635,335	1,760,876
Contract liabilities	–	38,268
Short-term borrowings	120,000	120,000
Accounts payable - other	1,063,210	614,398
Accrued expenses	102,563	136,486
Income taxes payable	448,664	453,689
Accrued consumption taxes	401,042	291,365
Provision for bonuses	28,076	503,250
Provision for bonuses for directors (and other officers)	17,395	42,803
Provision for loss on order received	16	–
Other	407,572	368,851
<b>Total current liabilities</b>	<b>4,223,878</b>	<b>4,329,989</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	236,485	240,128
Provision for retirement benefits for directors (and other officers)	53,430	51,163
Asset retirement obligations	82,361	85,249
Deferred tax liabilities	43,620	–
Other	164,163	163,352
<b>Total non-current liabilities</b>	<b>580,061</b>	<b>539,893</b>
<b>Total liabilities</b>	<b>4,803,939</b>	<b>4,869,882</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,346,932	2,361,512
Capital surplus	2,951,111	2,965,691
Retained earnings	4,117,861	4,851,710
Treasury shares	(92)	(92)
<b>Total shareholders' equity</b>	<b>9,415,812</b>	<b>10,178,821</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	156,646	103,467
Foreign currency translation adjustment	(14,644)	70,621
<b>Total accumulated other comprehensive income</b>	<b>142,002</b>	<b>174,089</b>
<b>Total net assets</b>	<b>9,557,814</b>	<b>10,352,910</b>
<b>Total liabilities and net assets</b>	<b>14,361,754</b>	<b>15,222,793</b>

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Net sales	19,138,269	21,426,195
Cost of sales	14,496,439	16,261,481
Gross profit	4,641,830	5,164,713
Selling, general and administrative expenses	3,311,000	3,441,920
Operating profit	1,330,829	1,722,793
Non-operating income		
Interest income	7,199	10,605
Dividend income	35,196	8,803
Gain on sale of securities	–	17,488
Surrender value of insurance policies	–	14,403
Other	9,015	7,341
Total non-operating income	51,411	58,643
Non-operating expenses		
Interest expenses	803	562
Share issuance costs	475	476
Loss on sale of notes receivable - trade	1,753	1,439
Foreign exchange losses	2,778	14,611
Other	178	2,195
Total non-operating expenses	5,989	19,285
Ordinary profit	1,376,252	1,762,151
Profit before income taxes	1,376,252	1,762,151
Income taxes - current	683,752	818,171
Income taxes - deferred	(91,883)	(105,952)
Total income taxes	591,868	712,218
Profit	784,383	1,049,932
Profit attributable to owners of parent	784,383	1,049,932

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Profit	784,383	1,049,932
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,697)	(53,179)
Foreign currency translation adjustment	17,176	85,266
Total other comprehensive income	12,478	32,086
Comprehensive income	796,862	1,082,019
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	796,862	1,082,019