ISB GROUP

ISB Group Financial Results

First Nine Months of the Fiscal Year Ending December 31, 2026

ISB Corporation | **Securities code: 9702**

November 10, 2026

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FY2026 First Nine Months: Financial Results Highlights

ISB GROUP

Summary

- For the first nine months, net sales and profits increased year-on-year, with progress toward the full-year forecast broadly in line with the prior year (approximately 74%).
- Meanwhile, automotive customers have revised their development plans and cut development spending, and securing embedded systems projects has taken longer than expected. In response, we are accelerating the redeployment of engineers to other high-demand fields ahead of Q4 to minimize the impact and restore performance.

Net Sales

¥28,562 million

YoY: 103.0%
Progress: 74.2%

- Net sales for the first nine months reached a record high, driven by the Security Systems Business, as well as the public sector and finance fields.
- July–September net sales were broadly flat year-on-year overall, despite declines in some fields.

Operating Profit

¥2,206 million

YoY: 127.5%
Progress: 73.5%

- Operating profit increased, supported by higher net sales in the Security Systems Business and a leveling-off of growth investment costs following last fiscal year's peak.
- In July–September, steady progress across projects supported year-on-year profit growth, despite delays in expanding development capacity, including through external partners.

*YoY figures represent percentages of the corresponding prior-year results.

FY2026 First Nine Months: Overview of Consolidated Financial Results

(Millions of yen)

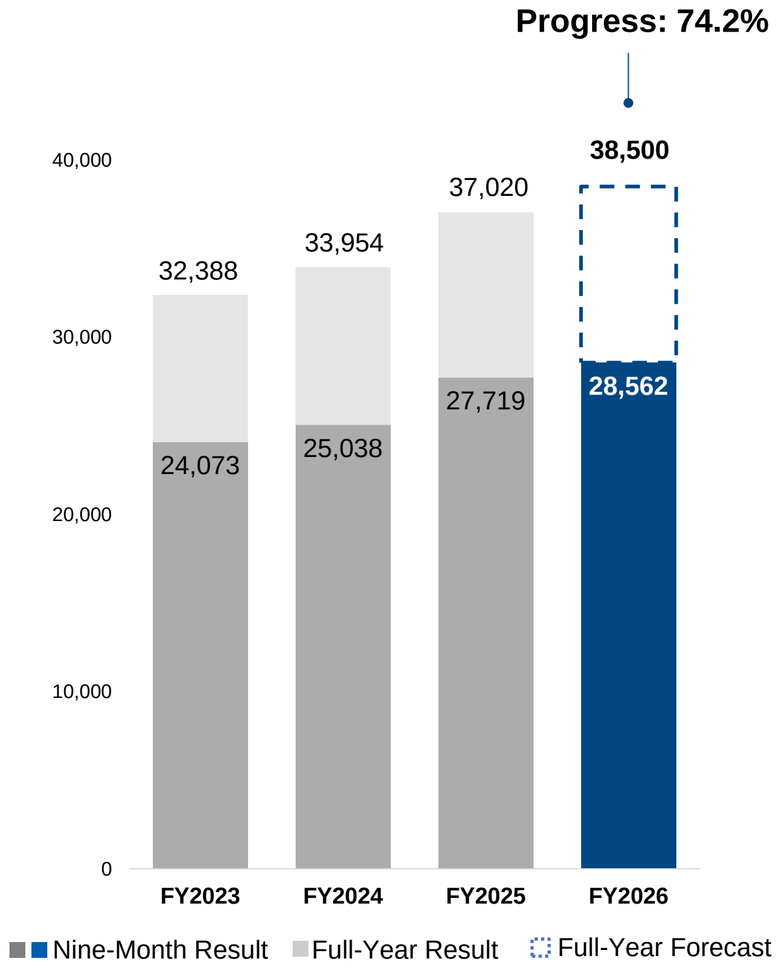
	FY2025 First Nine Months	FY2026 First Nine Months	YoY Change	YoY (%)	FY2026 Full-Year Forecast	Progress Toward Full-Year Forecast
Net Sales	27,719	**28,562**	843	103.0%	**38,500**	74.2%
Operating Profit	1,729	**2,206**	477	127.5%	**3,000**	73.5%
Operating Profit Margin	6.2%	**7.7%**	+150 bps	-	**7.8%**	-
Ordinary Profit	1,752	**2,281**	529	130.2%	**3,050**	74.8%
Profit Attributable to Owners of Parent	967	**1,534**	567	158.7%	**1,850**	82.9%

*Fiscal years are from January 1 to December 31.
*The first nine months represent cumulative figures for January through September.
*YoY (%) figures represent percentages of the corresponding prior-year results.

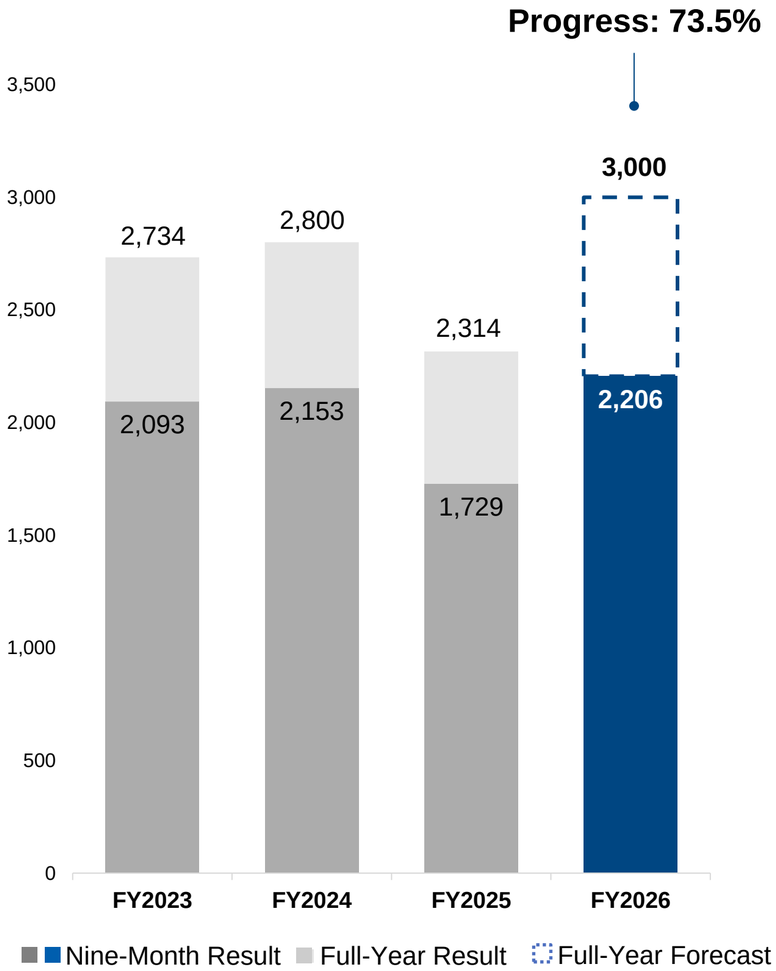
Consolidated Financial Performance Trends

(Millions of yen)

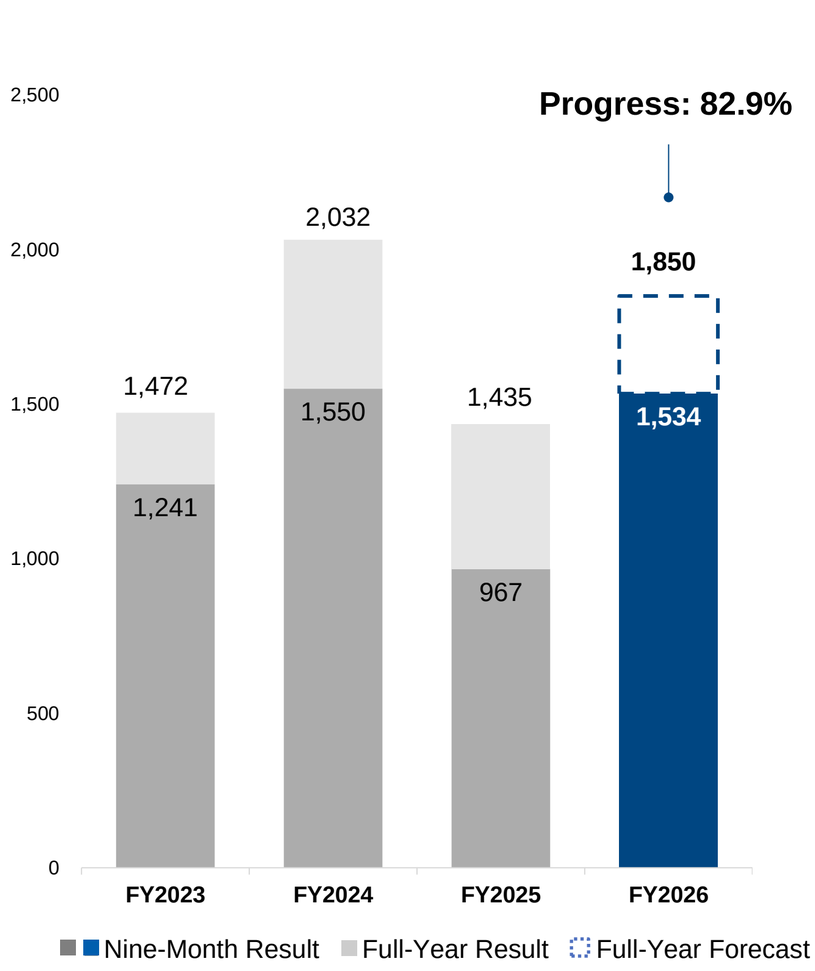
Net Sales



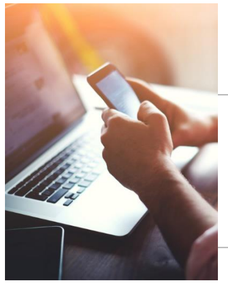
Operating Profit



Profit Attributable to Owners of Parent

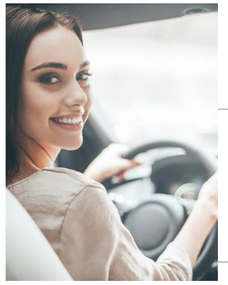


Business Areas of the ISB Group



■**Mobile Devices** / Smartphones

■**Telecommunications** /
Wireless Base Stations



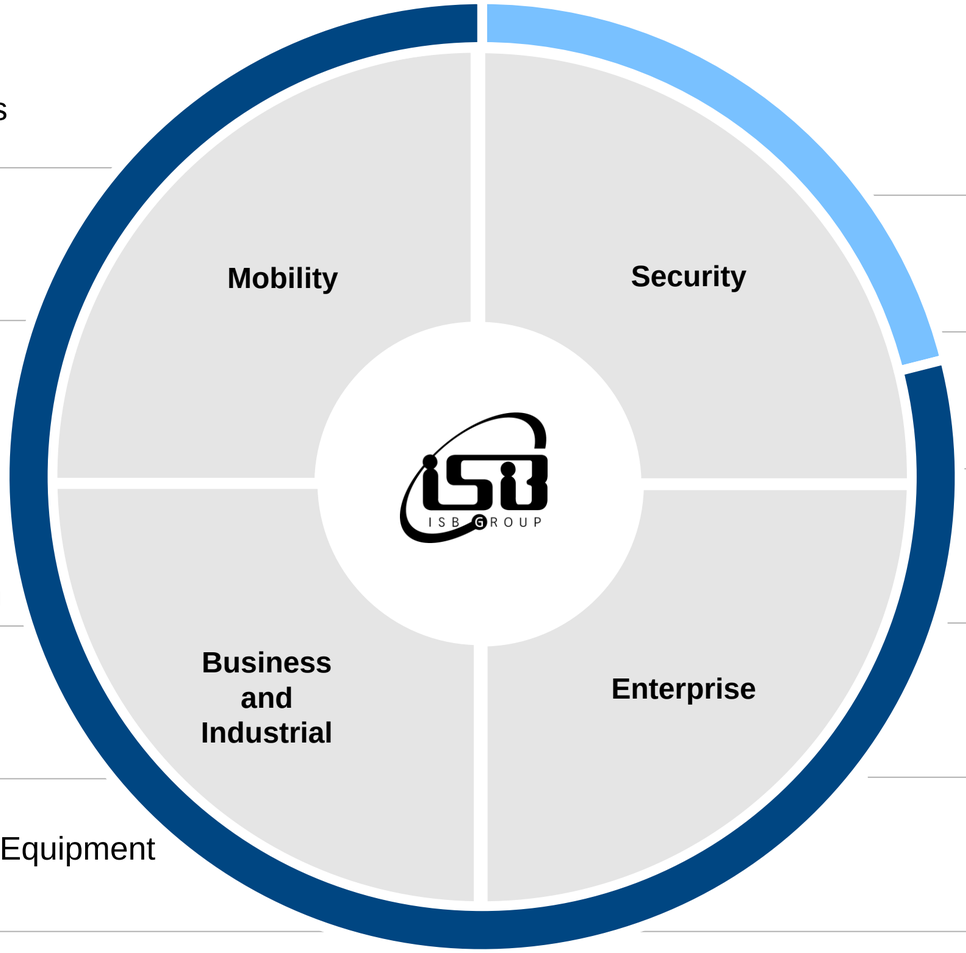
■**Automotive** /
Automotive Systems

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



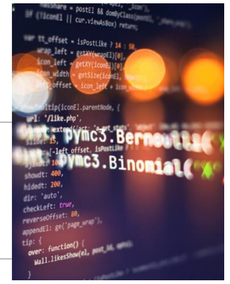
■**Embedded Devices** / POS & Communication Modules

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



■**Access Control Systems** /
ALLIGATE

■**Mobile Device Management (MDM)**



■ **IoT** / Wi-SUN

■**Public Services** /
Resident Services Systems



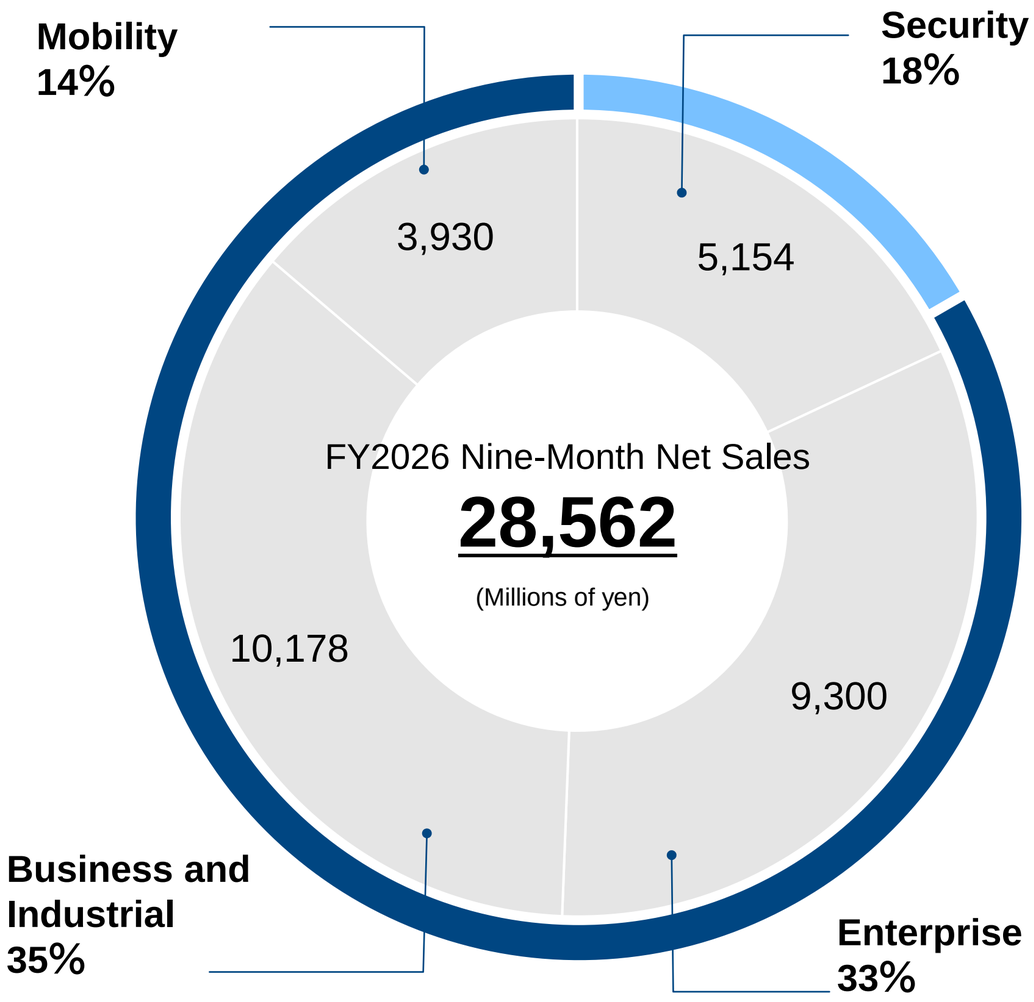
■**Banking and Securities** /
Financial Systems

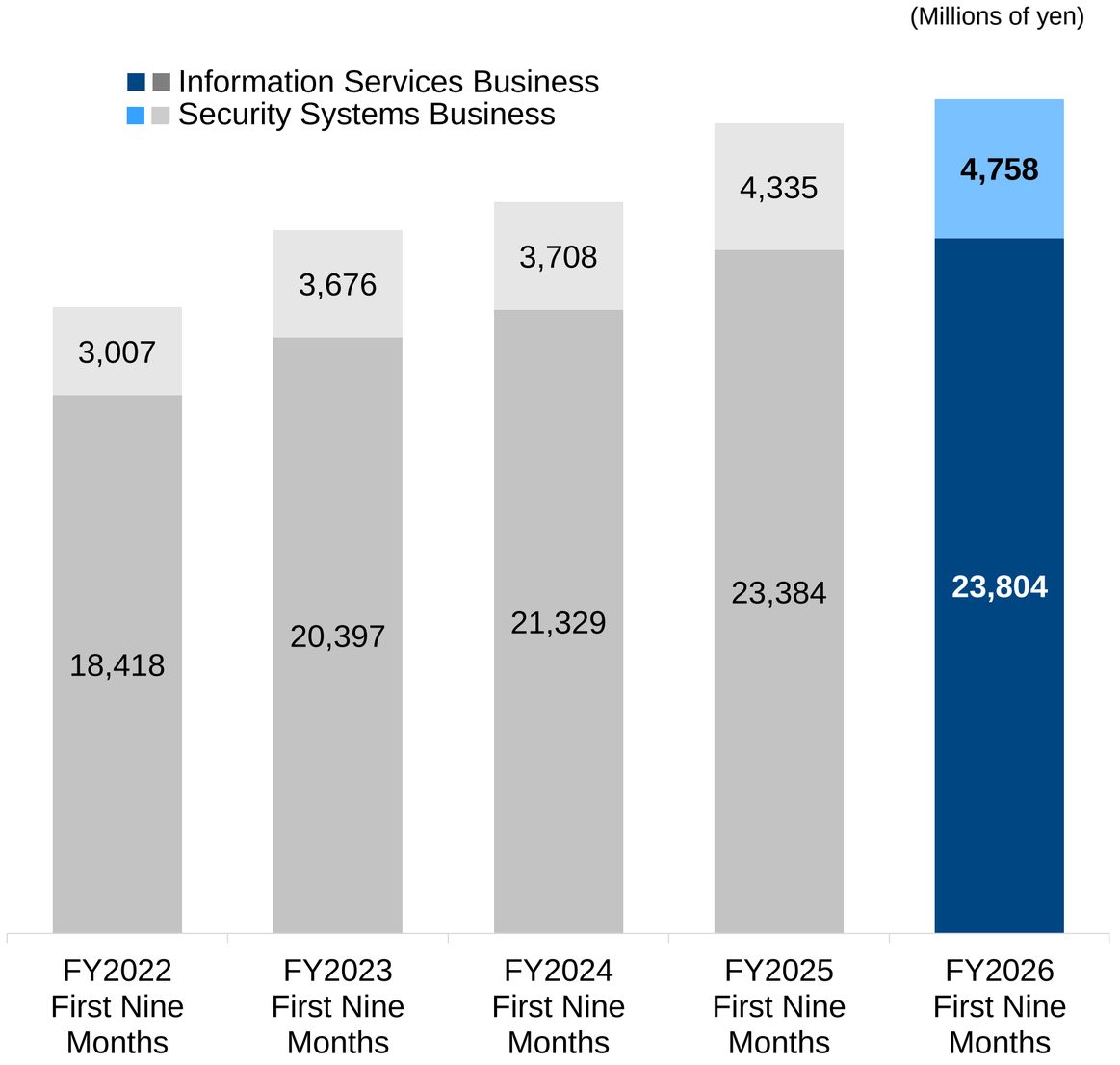
■**IT Infrastructure** /
Mission-Critical Systems



*Reporting Segments:
Information Services Business
Security Systems Business

Net Sales by Business Category and Segment





*Reporting Segments: Information Services Business
Security Systems Business

Net Sales by Business Category: Mobility / Business and Industrial

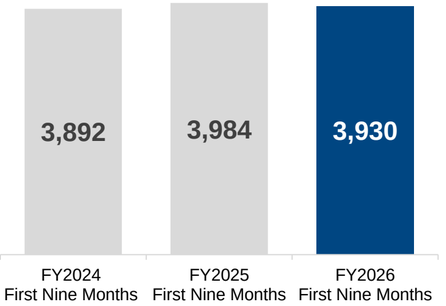
(Millions of yen)

Mobility

Includes:
- Automotive
- Mobile Devices
- Wireless Infrastructure

- In mobile devices, net sales increased year-on-year as we steadily captured demand for related development work, despite the continued structural market contraction.
- In automotive, net sales edged down year-on-year as customers revised development plans and postponed or scaled back projects.
- Shifting engineers to non-automotive embedded systems fields, including factory automation, defense, and space, to improve employee utilization and boost sales in Q4.

YoY: **98.6%**

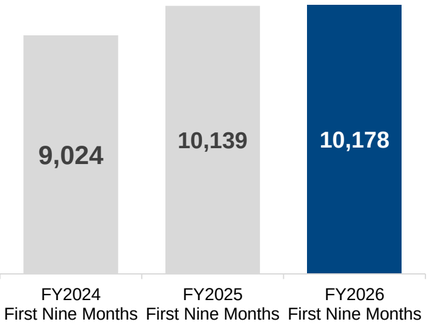


Business and Industrial

Includes:
- Business Systems
- Embedded Devices

- Medical and AI/IoT sectors remained solid, but in embedded systems, project expansion and new wins were limited, partly due to customers revising development plans and pushing back project timelines, and net sales were broadly flat year-on-year.
- Drive net sales growth by securing more projects and strengthening development capacity in the medical and digital transformation (DX) fields, while continuing to improve development efficiency through AI.

YoY: **100.4%**



*YoY figures represent percentages of the corresponding prior-year results.

Net Sales by Business Category: Enterprise / Security

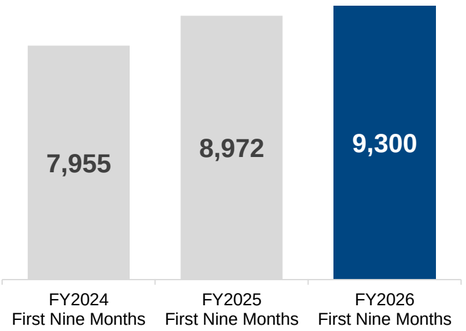
(Millions of yen)

Enterprise

Includes:
- Finance
- Public Sector
- IT Infrastructure

- Public sector drove overall performance in Enterprise, supported by steady regional expansion and progress in securing local government projects.
- Finance remained solid, as orders from major clients expanded beyond our core securities business into insurance, banking, and generative AI.
- Focus on expanding into higher-value business areas through continued strategic upskilling of engineers to handle upstream processes.

YoY: **103.7%**



Security

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

Information Services Business (including MDM)

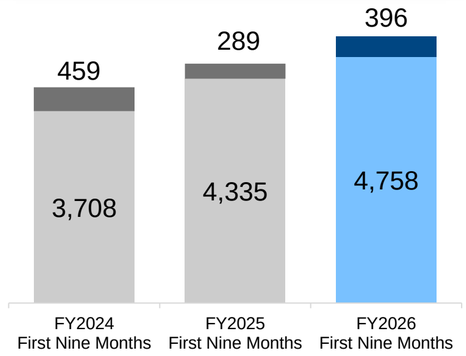
- MDM net sales increased as its end-to-end service framework, from device kitting through maintenance, continued to generate inquiries from current clients.

Security Systems Business (including access control systems)

- The one-time business* grew by capturing renovation demand, driving overall performance.
- The recurring revenue business, including ALLIGATE, also contributed to net sales growth through steady order acquisition.

*One-time business: Development, sale, and installation of access control systems under a one-time product sales model.

YoY: **111.5%**

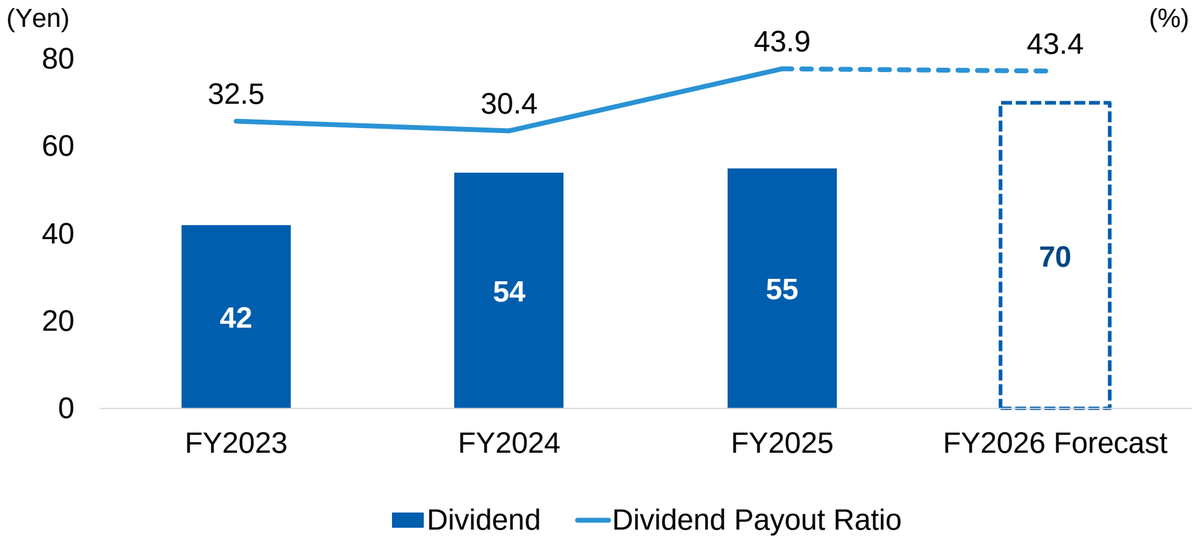


*YoY figures represent percentages of the corresponding prior-year results.

FY2026: Forecasts of Consolidated Financial Results and Dividends

Financial Forecasts	(Change from 2025 Results)	
Net Sales	**¥38.5B**	(+¥1.48B)
Operating Profit	**¥3.00B**	(+¥0.68B)
Ordinary Profit	**¥3.05B**	(+¥0.66B)
Profit Attributable to Owners of Parent	**¥1.85B**	(+¥0.41B)

Dividend and Dividend Payout Ratio Trend



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

*FY2026 forecasts as announced on February 13, 2026

ISB GROUP

- This material is intended to provide information on our company's business performance for the first nine months 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 September 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.