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Summary of financial results for the third quarter of the fiscal year ending September 2025 [J-GAAP] (non-consolidated)

8 August 2025

Company name Internetworking and Broadband Consulting Co., Ltd. Listed TSE
 Code 3920 URL <https://www.ibr21.co.jp/>
 Representative (Title) Representative Director, (Name) Hiroyuki Kato
 President and CEO
 Person responsible for (Title) General Manager of (Name) Matsumoto,
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 inquiries
 Scheduled dividend payment date -
 Presence of supplementary explanatory materials for financial results: Yes
 Presence of financial results briefing session: No

(Rounded down to the nearest million yen)

1. Results for the third quarter of the fiscal year ending September 2025 (1 October 2024 - 30 June 2025)

(1) Statement of income (Cumulative)

(Percentages indicate year-on-year changes for the same quarter of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit	
	JPY mil	%	JPY mil	%	JPY mil	%	JPY mil	%
Q3 FYE Sep-2025	1,655	—	393	—	404	—	283	—
Q3 FYE Sep-2024	—	—	—	—	—	—	—	—

	Earnings per share	Diluted earnings per share
	JPY	JPY
Q3 FYE Sep-2025	51.17	—
Q3 FYE Sep-2024	—	—

(Reference) Equity in earnings of affiliates Q3 FYE Sep-2025 15JPY mil Q3 FYE Sep-2024 14JPY mil

(Note) Consolidated results were disclosed for the third quarter of the fiscal year ended September 2024. However, following the subsequent business transfer of consolidated subsidiary Sunday Arts Co., Ltd. in that fiscal year, the company became less significant. It is now excluded from the scope of consolidation, and our financial statements from the first quarter of the fiscal year ending in September 2025 are non-consolidated. Therefore, the operating results (cumulative) and year-on-year change rates for the third quarter of the fiscal year ended in September 2024 are not included.

(2) Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	JPY mil	JPY mil	%
Q3 FYE Sep-2025	3,387	2,143	63.3
FYE Sep-2024	3,240	1,905	58.8

(Reference) Equity Q3 FYE Sep-2025 2,143JPY mil FYE Sep-2024 1,905JPY mil

2. Dividend

	Dividend				
	Q1	Q2	Q3	Q4	Total
FYE Sep-2024	—	4.00	—	4.00	8.00
FYE Sep-2025	—	6.00	—	—	—
FYE Sep-2025 (Est.)	—	—	—	6.00	12.00

(Note) Revisions to the forecasts of cash dividends most recently announced: No

3. Financial Forecast (1 Oct 2024 - 30 Sep 2025)

(YoY%)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	JPY mil	%	JPY mil	%	JPY mil	%	JPY mil	%	JPY
Full year	2,410	15.3	540	40.4	550	39.1	390	69.4	70.33

(Note) Revisions to the earnings forecasts most recently announced: Yes

* Notes

(1) Application of special accounting treatments specific to the preparation of quarterly financial statements: Yes

(Note) For details, please refer to "2. Quarterly financial statements and main notes (3) Notes on quarterly financial statements (application of accounting procedures specific to the preparation of quarterly financial statements)" on page 6 of the attached documents.

(2) Changes in accounting policies, changes in accounting estimates, and restatements

- ① Changes in accounting policies due to amendments to accounting standards, etc.: No
- ② Changes in accounting policies other than those in ①: No
- ③ Changes in accounting estimates: No
- ④ Restatement: No

(3) Number of shares issued (common stock)

- ① Outstanding number of shares at FYE (incl. treasury shares)
- ② Number of treasury shares at FYE
- ③ Average number of shares

Q3 FYE Sep-2025	5,751,600	FYE Sep-2024	5,723,600
Q3 FYE Sep-2025	194,159	FYE Sep-2024	194,159
Q3 FYE Sep-2025	5,541,016	Q3 FYE Sep-2024	5,529,441

* Review of the attached quarterly financial statements by certified public accountants or audit firms: No

* Explanation regarding the appropriate use of earnings forecasts and other special notes

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly due to various factors. For the conditions underlying the earnings forecasts and precautions for using the earnings forecasts, please refer to page 3 of the attached materials, "1. Overview of Operating Results, etc. (3) Explanation regarding forward-looking information, such as earnings forecasts."

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1. Overview of business results, etc.

(1) Overview of business results for the quarter under review

During the first nine months of the fiscal year, the environment surrounding the Japanese economy saw capital investment continue to recover on the back of solid corporate earnings. The economy maintained a moderate recovery trend, supported by a recovery in inbound demand and improvements in the employment and income environment. On the other hand, the outlook remains uncertain due to factors such as soaring energy and raw material prices caused by exchange rate fluctuations, the prolonged situation in Russia and Ukraine, geopolitical risks in the Middle East, stagnation in China's real estate market, and U.S. trade policies.

In the corporate sector, the trend of digital transformation (DX) is accelerating, with rapid progress in digital technology and accompanying legal revisions, against the backdrop of a declining birthrate, aging population, declining working-age population, and diversifying working styles. In all industries, IT investment aimed at improving operational efficiency and strengthening competitiveness is expected to continue expanding.

Under these circumstances, as companies adapt to work styles that are not bound by location in order to improve work-life balance and productivity, the proportion of companies using cloud services continues to increase, and the operation and management of increasingly complex IT infrastructures has become a major challenge. We have developed a multi-cloud infrastructure configuration management tool, "ITOGUCHI" (scheduled for release around October 2025), which serves as a clue to solving these challenges. "ITOGUCHI" automatically detects complex infrastructure configurations in multi-cloud and multi-vendor environments, draws detailed diagrams of connection configurations to provide a comprehensive view of the entire infrastructure at a glance, and always maintains up-to-date information, enabling generation management of configuration information. Customers are freed from cumbersome manual configuration management and can create optimal operation plans for facility upgrades and investments based on the latest configuration information. Furthermore, by integrating with our flagship product "System Answer Series," a failure prevention monitoring solution, we believe that intelligent management that transforms the conventional concept of operations management can be realized. At Interop Tokyo2025, one of the largest Internet technology events in Japan held at Makuhari Messe in June 2025, we introduced "ITOGUCHI" for the first time. Visitors commented that it would enable more efficient operation and management in multi-cloud environments, and it was very well received. Additionally, "ITOGUCHI" can handle both multi-cloud and on-premises environments, and we have identified clear customer needs for this capability among those whose system operations require both. Therefore, we aim to make it a flagship product following the System Answer Series.

Segment information is omitted because our group operates only a single segment, the software and services business. Within the software and services business, the performance by sales category related to our IT system monitoring-related business is as follows:

In license sales and other product sales, in addition to the price increase for System Answer G3 implemented from December 2024, the steady acquisition of new clients through upselling, cross-selling, and switching from other companies progressed smoothly, resulting in increased sales. Although sales in service provision decreased compared to the same period last year, they remained at a level similar to previous years. As a result, net sales of licenses amounted to 911,831 thousand yen (a 24.6% increase year-on-year), net sales from service provision amounted to 442,328 thousand yen (a 5.0% decrease year-on-year), and net sales for other products amounted to 301,204 thousand yen (a 13.7% increase year-on-year).

As a result, for the first nine months of the fiscal year, net sales were 1,655,364 thousand yen, operating profit was 393,063 thousand yen, ordinary profit was 404,142 thousand yen, and quarterly net profit was 283,514 thousand yen, resulting in increased sales and profits. In addition, the full-year performance forecast has been revised to expect further profit growth due to the expansion of the high-margin license business.

The Company began paying dividends in the fiscal year ended September 2022 and has continued to increase dividends. To further clarify its policy of actively returning profits to shareholders, the Company has introduced a progressive dividend system. The Company regards the return of profits to shareholders as an important management issue. Taking into account future business performance, financial conditions, and internal reserves for future business development, the Company will continue to implement progressive dividends and actively return profits to shareholders.

(2) Overview of Financial Position for the Quarter

(Assets)

Total assets at the end of the third quarter were 3,387,965 thousand yen (3,240,080 thousand yen at the end of the previous fiscal year), an increase of 147,884 thousand yen. This was mainly due to an increase of 536,898 thousand yen in cash and deposits, while accounts receivable decreased by 441,551 thousand yen.

(Liabilities)

Total liabilities at the end of the third quarter were 1,244,700 thousand yen (1,334,807 thousand yen at the end of the previous fiscal year), a decrease of 90,106 thousand yen. This was mainly due to a decrease of 50,018 thousand yen in the current portion of long-term borrowings, a decrease of 59,948 thousand yen in accounts payable - trade, and a decrease of 72,471 thousand yen

in accounts payable - other, while income taxes payable increased by 72,470 thousand yen.

(Net Assets)

Total net assets at the end of the third quarter were 2,143,264 thousand yen (1,905,273 thousand yen at the end of the previous fiscal year), an increase of 237,991 thousand yen. This was mainly due to an increase of 228,076 thousand yen in retained earnings and an increase of 1,515 thousand yen in valuation difference on available-for-sale securities.

(3) Explanation regarding future forecast information, such as earnings forecasts

We hereby revise the full-year earnings forecast for the fiscal year ending September 2025, which was announced in the "Summary of Financial Results for the Second Quarter (Interim Period) of the Fiscal Year Ending September 2025" dated 13 May 2025, as follows.

Full-year earnings forecast for the fiscal year ending September 2025 (1 Oct 2024 - 30 Sep 2025)

	Net sales	Operating profit	Ordinary profit	Profit	Earnings per share
Previous forecast (A)	JPY mil 2,400	JPY mil 450	JPY mil 482	JPY mil 358	JPY 64.58
Revised forecast (B)	2,410	540	550	390	70.33
Difference in amount (B - A)	10	90	68	32	-
Difference in percentage (%)	+0.4%	+20.0%	+14.1%	+8.9%	-

(Differences from the earnings forecast and reasons for the revision)

The initial forecast for the full fiscal year ending September 2025 anticipated record-high sales and profits, but the outlook has now become even more favorable, with expectations exceeding those previous forecasts. Although the impact of U.S. trade policy and other factors remained uncertain, the effect on customers' IT investment was minimal. In each quarter of the current fiscal year, the renewal rate for our mainstay "System Answer Series" remained strong at over 95%, and we secured large-scale business deals. On the other hand, although sales from service provision will decrease, operating profit is expected to reach 540 million yen, 90 million yen higher than the previous forecast, due to growth in license sales mainly from the high-margin "System Answer Series." As for ordinary profit and profit, due to the increase in operating profit, ordinary profit is expected to reach 550 million yen, 68 million yen higher than the previous forecast, and profit is expected to reach 390 million yen, 32 million yen higher than the previous forecast.

2. Quarterly financial statements and main notes

(1) Quarterly Balance Sheet

(Unit: JPY thousand)

	Previous fiscal year (30 September 2024)	Up to end of Q3 (30 June 2025)
Assets		
Current assets		
Cash and deposits	1,926,216	2,463,114
Accounts receivable	660,181	218,630
Inventory	34,085	25,413
Prepaid expenses	24,826	22,977
Other	23,529	25,406
Total current assets	2,668,839	2,755,542
Fixed assets		
Property, plant and equipment	31,676	28,846
Intangible assets		
Software	24,349	37,014
Software suspense account	20,886	52,144
Total intangible assets	45,235	89,159
Investments and other assets		
Investment securities	169,866	172,050
Shares of affiliated companies	43,301	43,301
Insurance reserves	162,847	182,748
Deferred tax assets	35,208	34,539
Other	83,105	81,776
Total investments and other assets	494,328	514,416
Total fixed assets	571,240	632,422
Total assets	3,240,080	3,387,965
Liabilities		
Current liabilities		
Accounts payable	125,095	65,146
Short-term borrowings	800,000	800,000
Current portion of long-term borrowings	50,018	-
Accounts payable - other	146,204	73,733
Accrued expenses	39,111	24,004
Accrued corporate income taxes	34,026	106,497
Accrued consumption taxes	39,772	32,559
Contract liabilities	91,554	104,956
Lease obligations	928	936
Other	6,605	36,078
Total current liabilities	1,333,316	1,243,912
Non-current liabilities		
Lease liabilities	1,491	787
Total non-current liabilities	1,491	787
Total liabilities	1,334,807	1,244,700
Net assets		
Shareholders' equity		
Capital stock	443,230	447,430
Capital surplus	438,952	443,152
Retained earnings	1,221,447	1,449,523
Treasury stock	(221,114)	(221,114)
Total shareholders' equity	1,882,515	2,118,991
Valuation and translation differences, etc.		
Valuation difference on other securities	22,758	24,273
Total valuation and translation differences, etc.	22,758	24,273
Total net assets	1,905,273	2,143,264
Total liabilities and net assets	3,240,080	3,387,965

(2) Quarterly statement of income

(Unit: JPY thousand)

	Up to end of Q3 (From 1 October 2024 to 30 June 2025)
Net sales	1,655,364
Cost of sales	354,270
Gross profit	1,301,094
Selling, general and administrative expenses	908,031
Operating profit	393,063
Non-operating income	
Subsidy income	15,248
Commission income	505
Other	323
Total non-operating income	16,078
Non-operating expenses	
Interest expenses	4,999
Other	0
Total non-operating expenses	4,999
Ordinary profit	404,142
Extraordinary income	
Gain on liquidation of affiliated companies	2,788
Total extraordinary income	2,788
Quarterly net income before income taxes	406,930
Income taxes, etc.	123,416
Quarterly net income	283,514

(3) Notes to Quarterly Financial Statements

(Notes on the Assumption of Going Concern)

There are no applicable items.

(Notes in the event of significant changes in the amount of shareholders' equity)

There are no applicable items.

(Notes regarding quarterly cash flow statements)

No data is provided for the first nine months of the previous fiscal year (from 1 October 2023 to 30 June 2024) because consolidated results were disclosed for that period. In addition, we have not prepared a quarterly cash flow statement for the period up to the end of the third quarter of the fiscal year under review. Depreciation expenses (including amortization expenses for intangible assets) up to the end of the third quarter of the fiscal year under review are as follows:

	Up to end of Q3 (From 1 October 2024 to 30 June 2025)
Depreciation expenses	27,518 thousand yen

(Equity method profit and loss, etc.)

	Up to end of Q3 (From 1 October 2024 to 30 June 2025)
Amount of investment in affiliated companies	16,861 thousand yen
Amount of investment when applying the equity method	75,752 thousand yen
Amount of investment profit when applying the equity method	15,345 thousand yen

(Notes on segment information, etc.)

As we operate in a single segment involving only software and service-related businesses, segment information has been omitted.

(Application of specific accounting procedure for preparing quarterly financial statements)

(Calculation of tax expenses)

The effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year that includes the current (third) quarter is reasonably estimated, and the quarterly profit before income taxes is multiplied by this estimated effective tax rate for calculation. However, when calculating tax expenses using the estimated effective tax rate would result in a significantly unreasonable result, the calculation is made using the statutory effective tax rate.