



Measures to Realize Management with Awareness of Cost of Capital and Stock Price

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Securities code: 3920

● Summary of current situation

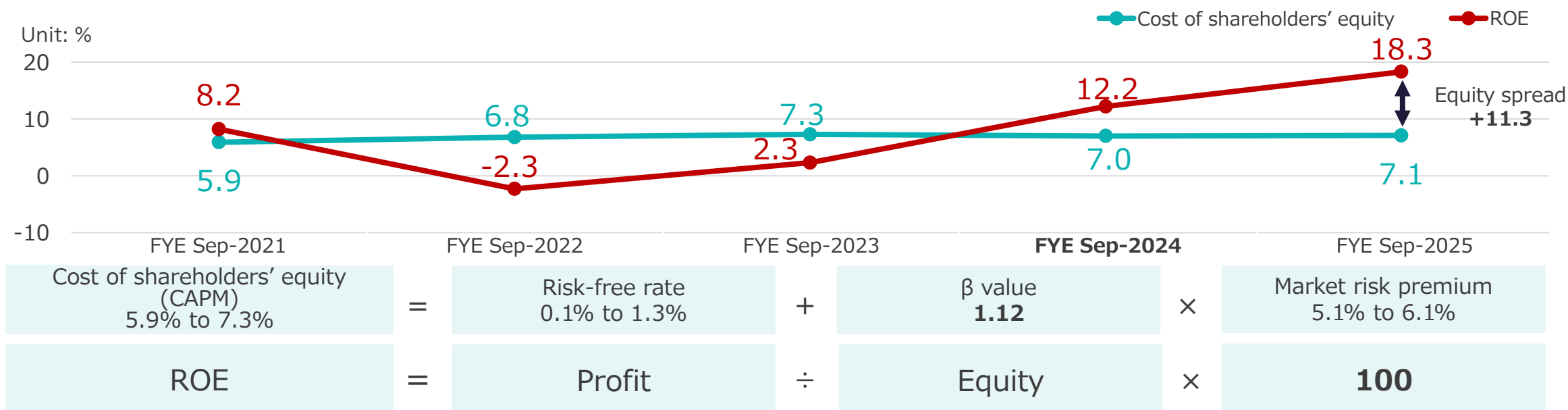
| Item | FYE Sep-2024 | FYE Sep-2025 | Overview |
|---|------------------------|------------------------|---|
| PBR | 1.65 times | 2.58 times | The PBR was 2.58 due to the rise in stock prices, up 0.93 percentage points year-on-year. |
| PER | 13.50 times | 14.09 times | The PER rose 0.59 points year-on-year as the share price rose in line with profit growth. |
| ROE | 12.2% | 18.3% | ROE has exceeded the cost of shareholders' equity for two consecutive years since the fiscal year ended September 30, 2024, and ROE has increased to a level far exceeding the ICT industry average of 10.68%. |
| Cost of shareholders' equity (CAPM) | 7.0% | 7.1% | |
| ROIC | 9.8% | 12.9% | Due to the significant increase in net profit, ROIC exceeded WACC for two consecutive fiscal years from the fiscal year ended September 30, 2024, and ROIC rose to a level exceeding the ICT industry average of 10.5%. |
| Weighted average cost of capital (WACC) | 4.9% | 5.4% | |
| Net sales | 2,091,026 thousand yen | 2,404,511 thousand yen | After the COVID-19 pandemic, business performance expanded steadily, and net sales reached a record high in the fiscal year ended September 30, 2025. |
| Year-end market capitalization | 3,107,915 thousand yen | 5,786,110 thousand yen | The stock price has almost doubled since the end of the fiscal year ended September 30, 2024, and the market capitalization growth rate is 86.1%. |

● Recognition and analysis of current situation 1



ROE and cost of shareholders' equity

- Cost of shareholders' equity is calculated to be 5.9% to 7.3% using the CAPM method.
- ROE has exceeded the cost of shareholders' equity for two consecutive fiscal years since the fiscal year ended September 30, 2024, and ROE has increased to a level far exceeding the ICT industry average of 10.68%*¹.



* Risk-free rate : The average 10-year Japanese government bond yield for the fiscal years ended September 30, 2021 to September 30, 2025 is set

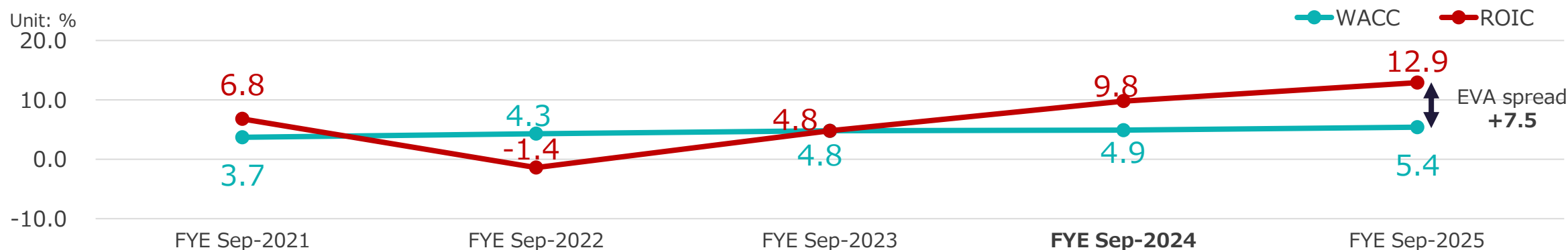
* β value : The covariance of the return (rate of return) of our stock and the return of TOPIX divided by the variance of the return of TOPIX
Returns are calculated on a monthly basis over the five-year period starting in October 2020 to September 2025 (= fiscal year ended September 30, 2021 to fiscal year ended September 30, 2025).

* Market risk premium : Pablo Fernandez, et al., IESE Business School, "Survey: Market Risk Premium and Risk-Free Rate," Year 2020 to 2025, IESE Working Papers.

● Recognition and analysis of current situation 2

ROIC and WACC (weighted average cost of capital)

- Cost of capital is calculated to be 3.7% to 5.4% using WACC.
- Due to the significant increase in net profit, ROIC exceeded WACC for two consecutive fiscal years from the fiscal year ended September 30, 2024, and ROIC rose to a level exceeding the ICT industry average of 10.5%.



| | | | | | | | | | | |
|----------------------|---|--|---|---|--|---------------------|---|-----------------------------------|---|---|
| WACC 3.7% to 5.4% | = | Cost of shareholders' equity | × | $\frac{\text{Shareholders' equity}}{\text{Interest-bearing liabilities} + \text{Shareholders' equity}}$ | + | Cost of liabilities | × | $(1 - \text{Effective tax rate})$ | × | $\frac{\text{Interest-bearing liabilities}}{\text{Interest-bearing liabilities} + \text{Shareholders' equity}}$ |
| ROIC | = | NOPAT (net operating profit after tax) | | ÷ | Invested capital (Shareholders' equity + Interest-bearing liabilities) | | × | 100 | | |

*Cost of shareholders' equity : Calculated to be 5.9% to 7.3% using CAPM

*Cost of liabilities : Interest expenses divided by interest-bearing liabilities

*Effective tax rate : Calculated using the following formula: $(\text{Corporate tax rate} \times (1 + \text{Resident tax rate} + \text{Local corporate tax rate}) + \text{Enterprise tax rate} + \text{Enterprise tax standard rate} \times \text{Special corporate enterprise tax rate}) \div (1 + \text{Enterprise tax rate} + \text{Enterprise tax standard rate} \times \text{Special corporate enterprise tax rate})$

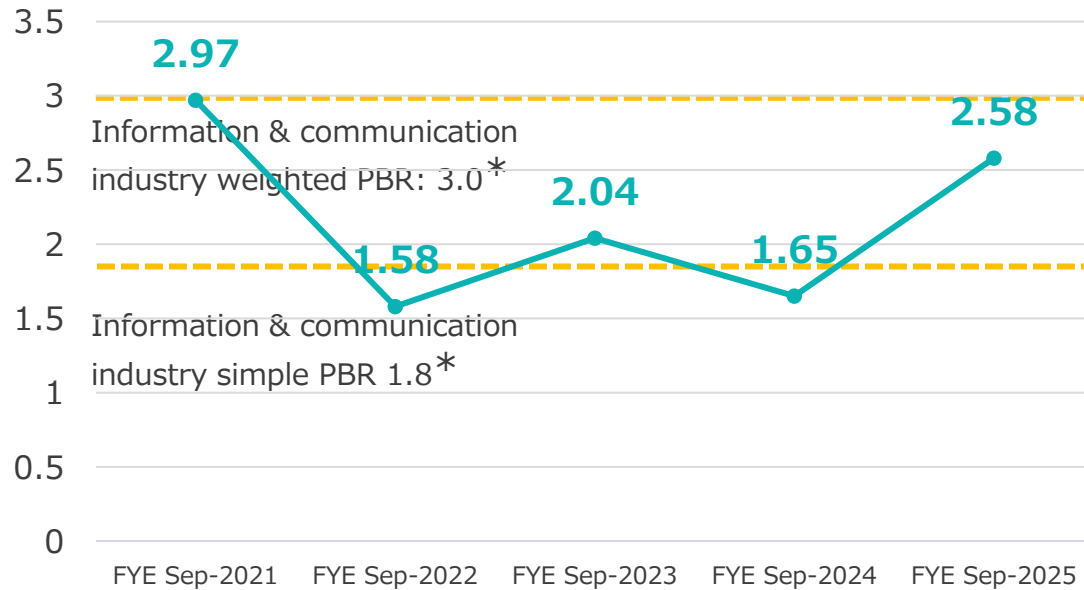
● Recognition and analysis of current situation 3



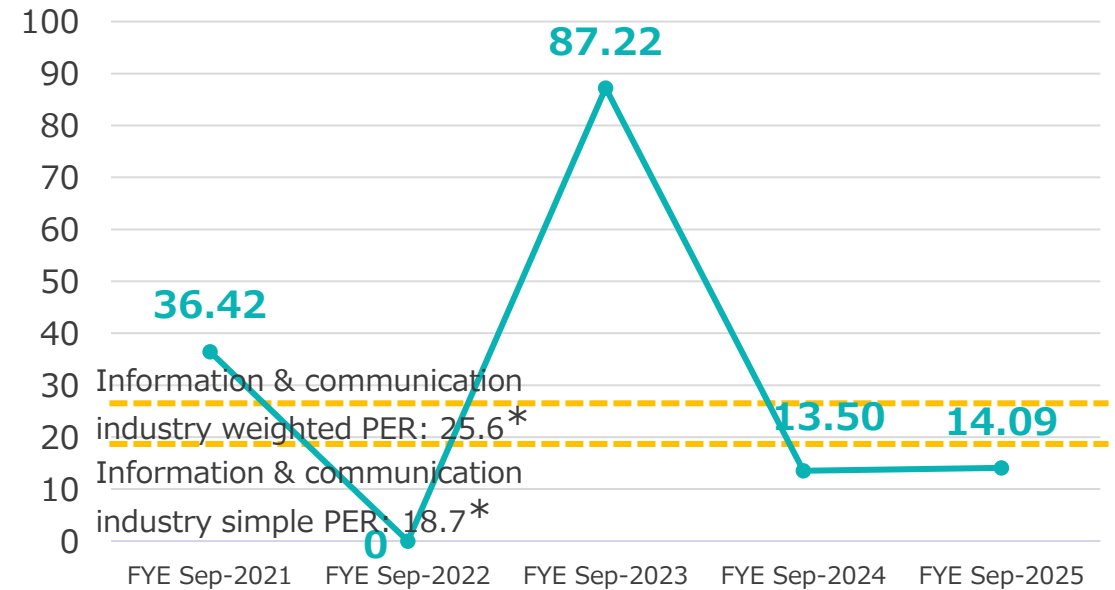
PBR and PER

- The PBR was 2.58 due to the rise in stock prices, up 0.93 percentage points year-on-year.
- The PER rose 0.59 points year-on-year as the share price rose in line with profit growth.

■ PBR trends



■ PER trends

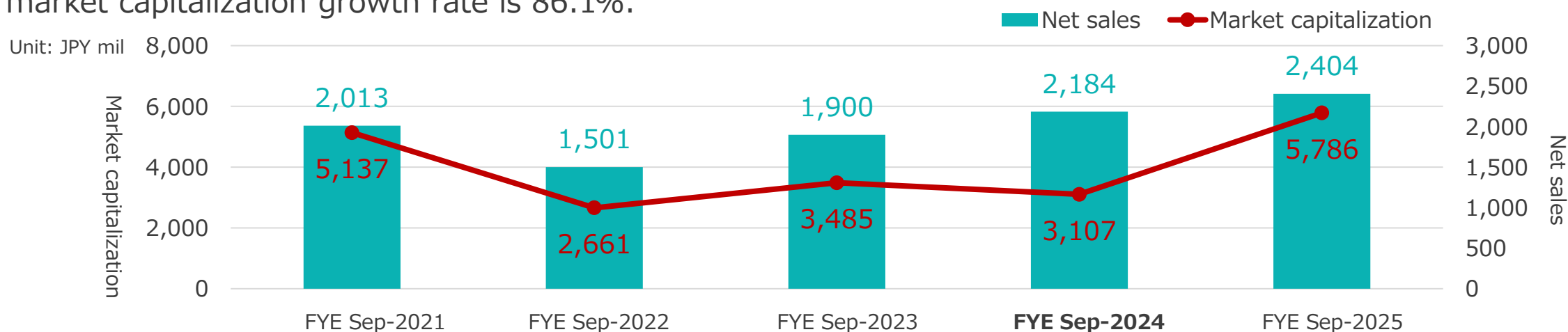


● Recognition and analysis of current situation 4



Market capitalization

- After the COVID-19 pandemic, business performance expanded steadily, and net sales reached a record high in the fiscal year ended September 30, 2025.
- The stock price has almost doubled since the end of the fiscal year ended September 30, 2024, and the market capitalization growth rate is 86.1%.



| Year-end market capitalization | 5,137,997 | 2,661,474 | 3,485,672 | 3,107,915 | 5,786,110 |
|---|-------------------|-------------------|------------------|-------------------|-------------------|
| Year-end closing share price | 898 yen | 465 yen | 609 yen | 543 yen | 1,006 yen |
| Outstanding number of shares at FYE | 5,721,600 | 5,723,600 | 5,723,600 | 5,723,600 | 5,751,600 |
| EPS | 24.65 | -6.85 | 6.98 | 40.21 | 71.41 |
| Net profit / number of outstanding shares | 141,093/5,721,600 | -39,248/5,723,600 | 39,966/5,723,600 | 230,171/5,723,600 | 410,714/5,751,600 |

● Issues to be addressed

Initiatives to improve return on capital and reduce cost of shareholders' equity

