IBC

Fiscal Year Ended September 2025

Full-Year Financial Results Presentation Materials

13 November 2025

Internetworking & Broadband Consulting Co., Ltd.

Securities code: 3920

Business Overview

What is IBC?

Specialized in the professional field of "network visualization"
The only company in Japan offering "failure prevention monitoring solutions"
to achieve stable system operation

Field

A high-growth market driven by digitalization and DX

Operation management market
Domestic information security market

Business

Achieving stable operation of social infrastructure IT systems

Provision of proprietary performance monitoring tools
IT operations based on 20 years of monitoring and operational expertise
Provision of information security products

Features

The only company in Japan that centrally monitors IT equipment from 133 companies

Automating monitoring configuration and analysis
Visualizing the operational status of IT systems
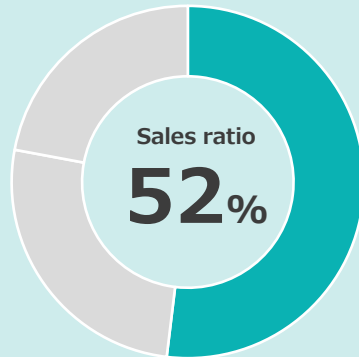**Visualizing signs of potential future failures**

Mission and Business Overview

IBC

Single segment
Software and services-related business

* **Full-year results for the fiscal year ended September 2025**

License sales

Sales ratio
52%

| Business Contents	Development and sales of software for centralized monitoring of IT systems and prevention of IT failures
Issues to be solved	Prevent IT system failures before they occur and avoid major losses caused by system downtime and similar issues.

Service provision

Sales ratio
26%
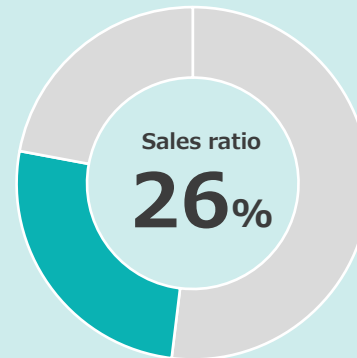
Business Contents	IT operation outsourcing, network, security, and cloud construction
Issues to be solved	By having our company design, operate, and propose improvements, the information systems department can focus on its core tasks, and previously person-dependent operations become visible.

Other merchandise

Sales ratio
22%
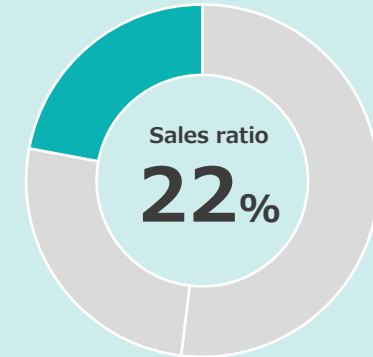
Business Contents	Provision of network, security, and server products
Issues to be solved	By implementing IT systems and security measures optimized for customer environments, security can be enhanced, operational efficiency improved, and costs reduced.

Business Starting Point

IBC

Background of the company's founding

- Around 2000, the IT industry was dominated by major vendors who monopolized the market and supported the network infrastructure.
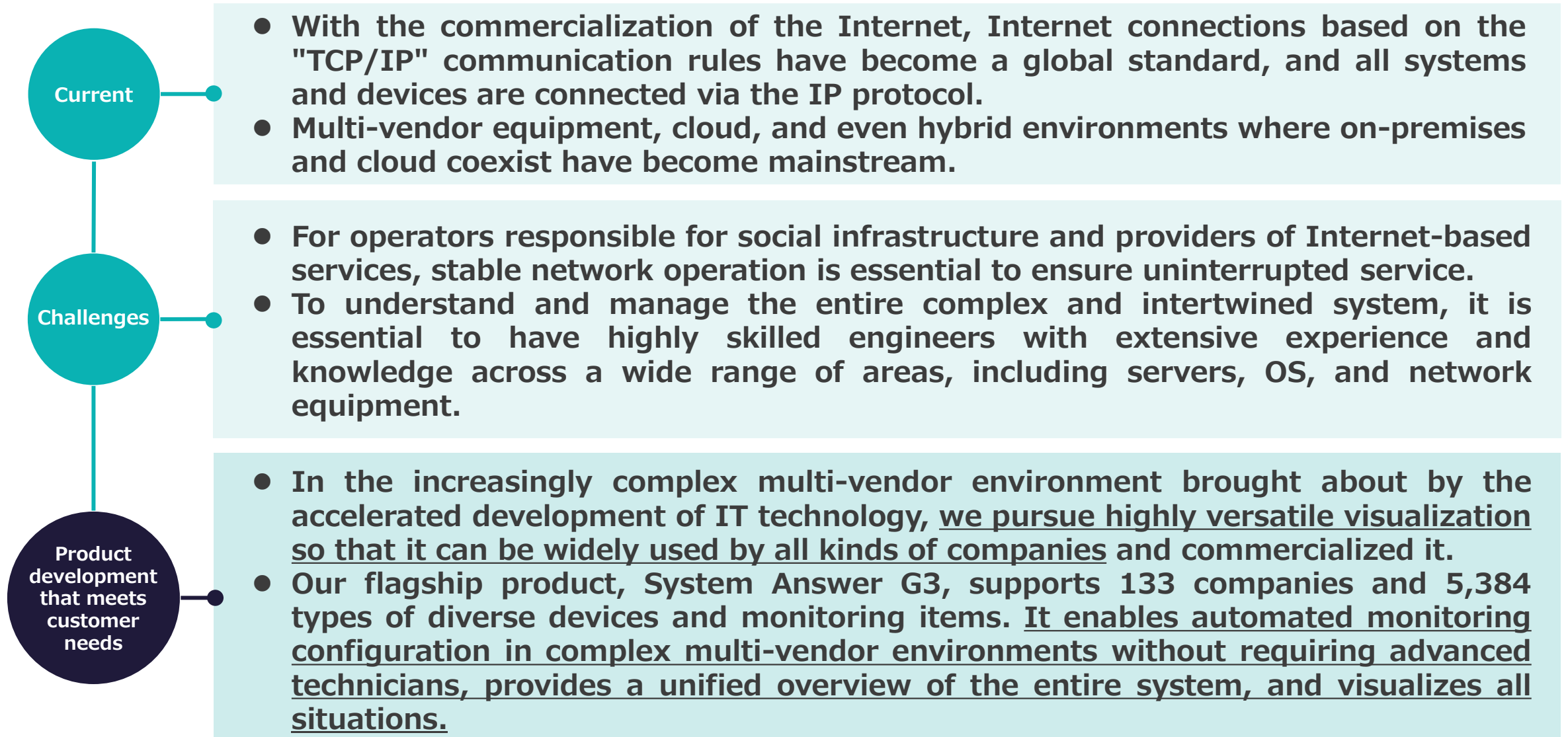- Each vendor developed and used its own communication rules (protocols) optimized for its own ecosystem.

Challenges

- Because each vendor has its own communication rules, there are significant technical hurdles to building a network environment.
- In a multi-vendor environment where equipment from multiple vendors is mixed, it is difficult to identify failures and problems.
- Few people can accurately understand what is happening inside the network and where the problems are.

Business Starting Point

- It is an extremely valuable initiative to *visualize* what is happening inside the network to accurately understand it.
- The visualized information is beneficial not only for end users, but also for SIers and resellers, and we are confident that it will always be useful for business improvement and cost reduction.
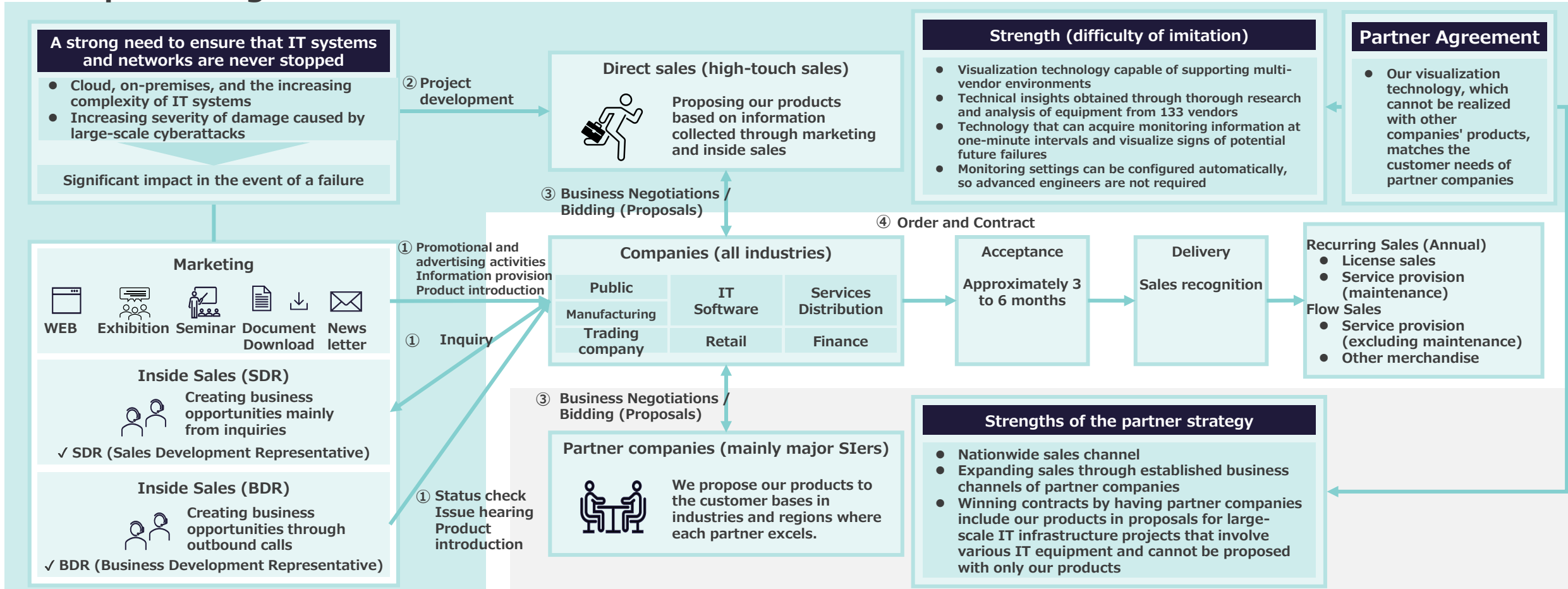
Product development that meets customer needs

Current

- With the commercialization of the Internet, Internet connections based on the "TCP/IP" communication rules have become a global standard, and all systems and devices are connected via the IP protocol.
- Multi-vendor equipment, cloud, and even hybrid environments where on-premises and cloud coexist have become mainstream.

Challenges

- For operators responsible for social infrastructure and providers of Internet-based services, stable network operation is essential to ensure uninterrupted service.
- To understand and manage the entire complex and intertwined system, it is essential to have highly skilled engineers with extensive experience and knowledge across a wide range of areas, including servers, OS, and network equipment.

Product development that meets customer needs

- In the increasingly complex multi-vendor environment brought about by the accelerated development of IT technology, we pursue highly versatile visualization so that it can be widely used by all kinds of companies and commercialized it.
- Our flagship product, System Answer G3, supports 133 companies and 5,384 types of diverse devices and monitoring items. It enables automated monitoring configuration in complex multi-vendor environments without requiring advanced technicians, provides a unified overview of the entire system, and visualizes all situations.

Business Model

- **With strong customer demand, sales have expanded through a sales strategy involving both direct sales and partner companies (sales agents).**
- **License sales (System Answer), our key business driver, generate recurring revenue, producing a stable cash flow.**

A strong need to ensure that IT systems and networks are never stopped

- Cloud, on-premises, and the increasing complexity of IT systems
- Increasing severity of damage caused by large-scale cyberattacks

Significant impact in the event of a failure

② Project development

Direct sales (high-touch sales)

Proposing our products based on information collected through marketing and inside sales

Strength (difficulty of imitation)

- Visualization technology capable of supporting multi-vendor environments
- Technical insights obtained through thorough research and analysis of equipment from 133 vendors
- Technology that can acquire monitoring information at one-minute intervals and visualize signs of potential future failures
- Monitoring settings can be configured automatically, so advanced engineers are not required

Partner Agreement

- Our visualization technology, which cannot be realized with other companies' products, matches the customer needs of partner companies

③ Business Negotiations / Bidding (Proposals)

④ Order and Contract

Marketing

WEB · Exhibition · Seminar · Document Download · News letter

① Promotional and advertising activities Information provision Product introduction

① Inquiry

Companies (all industries)

Public	IT Software	Services Distribution
Manufacturing		
Trading company	Retail	Finance

Acceptance

Approximately 3 to 6 months

Delivery

Sales recognition

Recurring Sales (Annual)
- License sales
- Service provision (maintenance)

Flow Sales
- Service provision (excluding maintenance)
- Other merchandise

Inside Sales (SDR)

Creating business opportunities mainly from inquiries

✓ SDR (Sales Development Representative)

Inside Sales (BDR)

Creating business opportunities through outbound calls

✓ BDR (Business Development Representative)

① Status check Issue hearing Product introduction

③ Business Negotiations / Bidding (Proposals)

Partner companies (mainly major SIers)

We propose our products to the customer bases in industries and regions where each partner excels.

Strengths of the partner strategy

- Nationwide sales channel
- Expanding sales through established business channels of partner companies
- Winning contracts by having partner companies include our products in proposals for large-scale IT infrastructure projects that involve various IT equipment and cannot be proposed with only our products

History

2002 **2010** **2020**

October 2002
IBC Co., Ltd. established

June 2003
Network monitoring appliance "BTmonitor" released

June 2005
"BTmonitor" becomes an NEC UNIVERGE CERTIFIED product

May 2007
Network monitoring appliance "BTmonitor V2" released

December 2008
Network monitoring appliance "System Answer" released

July 2011
Network monitoring software "System Answer G2" released

September 2015
Listed on the Tokyo Stock Exchange Mothers market

November 2016
Listed on the First Section of the Tokyo Stock Exchange

July 2017
System information management software "System Answer G3" released

August 2017
Launch of Next-gen MSP services "SAMS (Speedy Action Management Services)"

October 2017
Started demonstration experiment of security electronic certification infrastructure service "kusabi"

May 2018
Obtained a patent for new PKI technology that is an electronic certification system using the "kusabi" blockchain

September 2020
Launch of multi-tenant compatible product "System Answer G3-XC"

September 2021
Obtained a U.S. patent for an electronic certification system, a new PKI technology utilizing the "kusabi" blockchain

September 2021
Launch of "System Answer G3 Future Prediction Option" to predict the future of your system

November 2021
IIJ Global Solutions begins offering IoT trust services using "kusabi" technology

April 2022
Transitioned to the Tokyo Stock Exchange Standard Market

May 2022
US patent acquired for device provisioning system that realizes OTA by software to eliminate passwords from "Kusabi" IoT devices

June 2023
"System Answer G3 CX Monitoring Option" received the Interop Tokyo 2023 Best of Show Award Jury Special Prize

May 2024
Launched "System Answer G3" performance evaluation service

October 2025
Started providing the multi-cloud and infrastructure configuration management tool, "ITOGUCHI"

ITOGUCHI

Full-year results for the fiscal year ended September 2025

Highlights

- Net sales increased by 10% compared to the same period last year, achieving record-high sales for the second consecutive full year.
- Operating profit increased by 48% year-on-year, and net income increased by 63% year-on-year, building a stable revenue base.
- SG&A expenses increased slightly by 7% year-on-year, but progress was in line with the plan. (SG&A ratio decreased YoY)
- Recurring net sales increased by 23% year-on-year, maintaining high growth.
- We achieved the target of 95% of the System Answer renewal rate for our in-house developed products and maintained a high level.

*Year-on-year comparisons are calculated on a consolidated basis

Sales	Operating Income	Net profit
2,404 million yen Up 10% YoY	**565** million yen Up 48% YoY	**410** million yen Up 63% YoY

SG&A expenses	Recurring net sales	System Answer renewal rate
1,284 million yen Up 7% YoY	**1,540** million yen Up 23% YoY	**96**% Up 1 percentage points YoY

*Numbers are rounded down to the nearest whole number, and percentages are rounded up or down (the same applies below).

Earnings Trends

- **The company has continued to grow steadily since its founding.**
- **Net sales for the fiscal year ended in September 2024 reached all-time high for the second consecutive year.**

Fiscal year ended September 2025 2,404 million yen

Fiscal year ended September 2024 2,184 million yen

July 2017
System Answer G3
Cloud/Manufacturer/Service provider/Computer system

July 2011
System Answer G2
Large-scale users

Q3 of FYE Sep-2025 1,655 million yen

2008/12
System Answer
Medium-sized users

May 2007
BTmonitor V2
Small-to-medium-scale users

2nd Quarter of the Fiscal Year Ending September 2025 1,073 million yen

June 2003
BTmonitor
Small-scale users

Q1 of FYE Sep-2025 419 million yen

FY2003 FY2004 FY2005 FY2006 FY2007 FY2008 FY2009 FY2010 FY2011 FY2012 FY2013 FY2014 FY2015 FY2016 FY2017 FY2018 FY2019 FY2020 FY2021 FY2022 FY2023 FY2024 FY2025

Full-Year Results

(Unit: JPY mil)

	FYE Sep-2024 Full-year results (consolidated)	FYE Sep-2025 Full-year results	FYE Sep-2025 Full-year Earnings Forecast *Upward revision of earnings forecast on August 8, 2025	Progress
Net sales	2,184	2,404 Up 10% YoY	2,410 10% increase from previous period	100%
Operating profit	382	565 Up 48% YoY	550 44% increase from previous period	103%
Net profit	251	410 Up 63% YoY	390 70% increase from previous period	105%

Net Sales (Non-Consolidated)

- **License sales increased by 21% year-on-year due to continued steady acquisition of new projects through switching to other companies.**
- **Other merchandise sales increased by 35% year-on-year due to an increase in inquiries for security products such as traffic analysis, anomaly detection, and vulnerability management.**
- **Service provision sales decreased by 6% year-on-year due to the cancellation of one large contract, despite an increase in the acquisition of new contracts.**

Legend: License sales business / Service provision business / Other merchandise sales business (Unit: JPY mil)

Net sales
+313 (+15%)
License sales net sales
+213 (+21%)
Other merchandise net sales
+138 (+35%)

Net sales	352	805	1,237	1,750	368	919	1,462	2,091	419	1,073	1,655	2,404
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	FYE Sep-2023				FYE Sep-2024				FYE Sep-2025			

Bar data values:
- FYE Sep-2023: Q1 (62 / 132 / 157), Q2 (128 / 319 / 356), Q3 (190 / 444 / 602), Q4 (284 / 621 / 844)
- FYE Sep-2024: Q1 (79 / 126 / 161), Q2 (191 / 337 / 390), Q3 (264 / 465 / 731), Q4 (392 / 663 / 1,035)
- FYE Sep-2025: Q1 (78 / 142 / 198), Q2 (166 / 307 / 598), Q3 (301 / 422 / 911), Q4 (530 / 625 / 1,248)

Sales Format

- **About 40% of sales are direct, and about 60% are through partner companies.**
- **It has been adopted by over 1,000 companies.**
- **Partner companies are mainly major vendors. There are many examples of large companies and local governments adopting this system.**
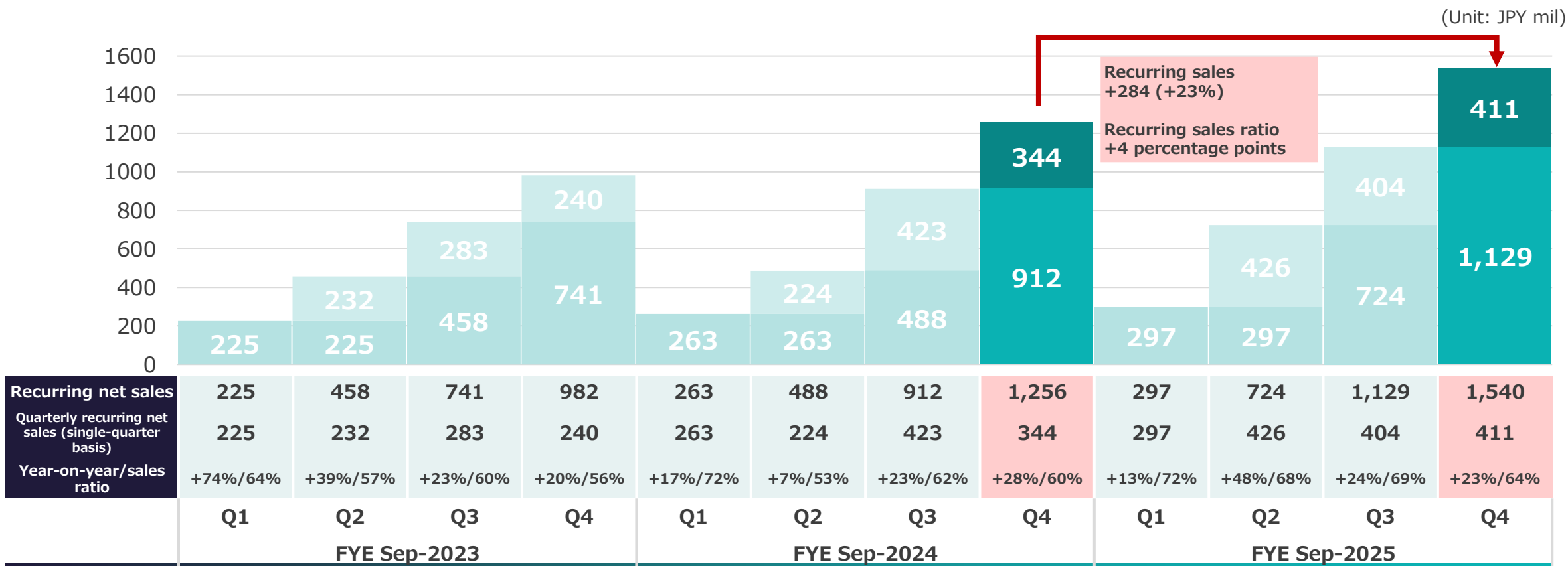
Recurring Net Sales (Non-Consolidated)

- Recurring sales increased by 23% compared to the same period last year.
- The recurring sales ratio increased by 4 percentage points compared to the same period last year, maintaining a stable revenue structure.
  *The main component of recurring sales is the one-year license renewal.

(Unit: JPY mil)

Recurring sales +284 (+23%)

Recurring sales ratio +4 percentage points

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Recurring net sales	225	458	741	982	263	488	912	1,256	297	724	1,129	1,540
Quarterly recurring net sales (single-quarter basis)	225	232	283	240	263	224	423	344	297	426	404	411
Year-on-year/sales ratio	+74%/64%	+39%/57%	+23%/60%	+20%/56%	+17%/72%	+7%/53%	+23%/62%	+28%/60%	+13%/72%	+48%/68%	+24%/69%	+23%/64%
	FYE Sep-2023				FYE Sep-2024				FYE Sep-2025			

System Answer Renewal Rate

- We achieved the target renewal rate* of 95% for our internally developed System Answer, maintaining a high renewal rate.
- The renewal rate for the full year was 96%, also maintaining the target of 95% or more.
- The main reasons for cancellation of renewal projects are unsuccessful bids in tender projects and the consolidation of products into the one adopted by the controlling companies due to business integration, etc.

System Answer renewal rate 95% (down 5 percentage points)

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Renewal rate	97%	96%	96%	97%	98%	95%	95%	100%	98%	95%	97%	95%
Annual renewal rate	96%				97%				96%			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	FYE Sep-2023				FYE Sep-2024				FYE Sep-2025			

*System Answer contracts are renewed annually except for those concluded through bidding

● Operating profit

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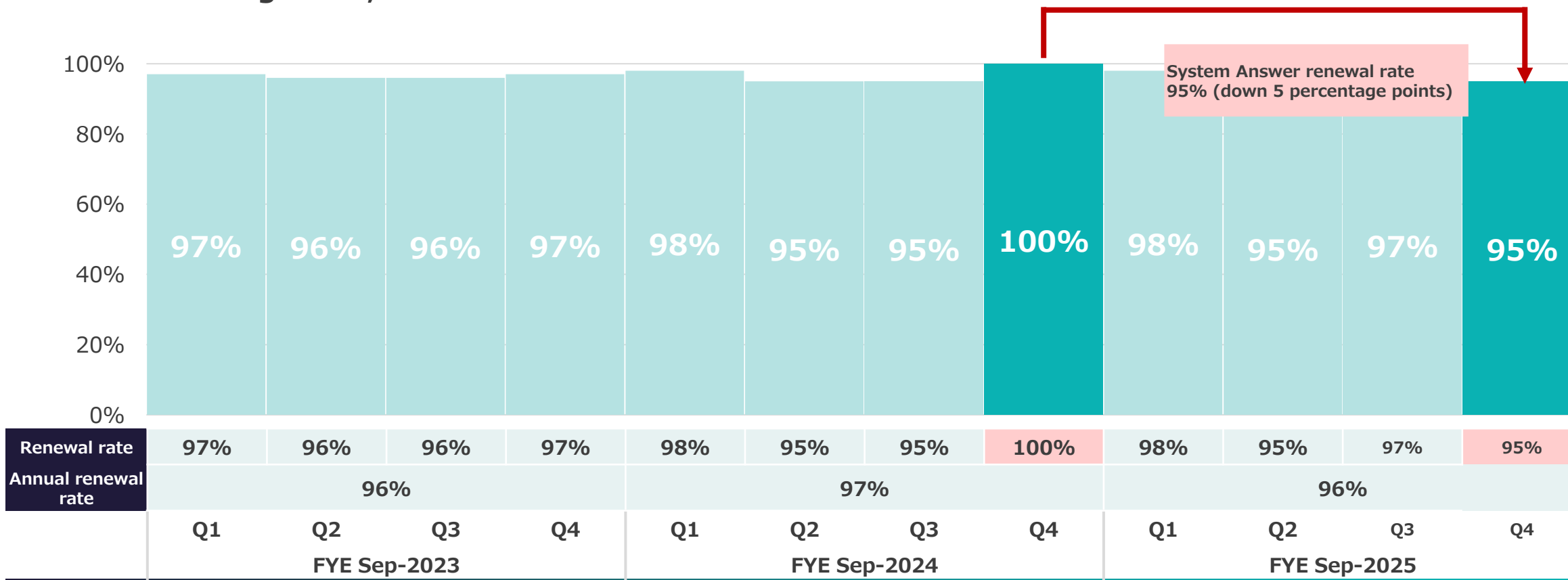
- ● Gross profit margin increased by 4 percentage points year-on-year due to the effect of price increases and an increase in the sales ratio of System Answer.
- ● The SG&A ratio decreased by 2 percentage points year-on-year due to progress in efficient cost management.
- ● Maintained an operating profit margin of 24% and built a stable revenue base. (ICT industry average operating profit margin: 11.7%*)

Legend: ■ Sales ■ Gross profit ■ SG&A expenses ■ Operating income   (Unit: JPY mil)

Gross profit +263 (+17%)

Operating profit +183 (+48%)

Chart values (by quarter): 375, 266, 251, 14; 858, 608, 505, 102; 1,318, 949, 774, 174; 1,900, 1,336, 1,123, 212; 393, 258, 275, -17; 974, 673, 539, 134; 1,550, 1,114, 832, 281; 2,184, 1,586, 1,204, 419, 382; 315, 301, 13; 1,073, 856, 603, 252; 1,655, 1,301, 908, 393; 2,404, 1,849, 1,284, 565

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operating profit	14	102	174	212	-17	134	281	382	13	252	393	565
Gross profit margin	71%	71%	72%	70%	66%	69%	72%	73%	75%	80%	79%	77%
SG&A ratio	67%	59%	59%	59%	70%	55%	54%	55%	72%	56%	55%	53%
Operating profit margin	4%	16%	13%	11%	-	14%	18%	17%	3%	24%	24%	24%
	FYE Sep-2023 (consolidated)				FYE Sep-2024 (consolidated)				FYE Sep-2025 (non-consolidated)			

Breakdown of SG&A Expenses (Non-Consolidated) IBC

- **Progress was in line with plan despite an increase in expenses for securing human resources.**
- **Personnel expenses increased by 12% year-on-year due to investment in human resources for new growth.**
- **Outsourcing expenses increased by 19% year-on-year due to an increase in maintenance and support expenses for outsourcing and the addition of administrative staff.**

(Unit: JPY mil)

	FYE Sep-2024 full-year	FYE Sep-2025 full-year	Change	Percent change	Point
Personnel expenses*1	748	837	+89	+12%	The increase is due to an increase in employees and wage increases. Continued investment in human resources for business expansion.
Outsourcing expenses	64	76	+12	+19%	Temporary increase due to an increase in maintenance and support expenses and additional administrative staff.
Depreciation expenses	33	10	-23	-70%	Amortization of a portion of the costs for the business acquisition and the relocation of the West Japan Office has been completed.
In-house system costs, etc. *2	75	74	-1	-1%	
Office-related expenses*3	98	121	+23	+23%	Heating and lighting expenses increased due to construction costs incurred in connection with changes in the layout of the business site and increased use of air-conditioning due to the heat wave.
Customer development-related expenses*4	34	39	+5	+15%	
Travel and transportation expenses	18	20	+2	+11%	
Other	96	105	+9	+9%	
Total	**1169**	**1284**	**+115**	**+10%**	

*1 Personnel expenses are the total of "Remuneration for directors (and other officers)," "Payroll and allowances," "Employees' bonuses," "temporary staffing expenses," "Legal welfare expenses," "Welfare expenses," "Hiring expenses," and "Training expenses."
*2 Internal system costs, etc. are the total of internal system costs and rental costs
*3 Office-related expenses are the total of land rent, repair expenses, office supplies expenses, communications expenses, utilities expenses, equipment expenses, and newspapers and books expenses.
*4 Customer development-related expenses are the total of advertising and promotion expenses, entertainment expenses, and membership fees.

Balance Sheet & Equity-to-Asset Ratio (Non-Consolidated)

- Stable cash flow is secured through recurring revenue, and a sound financial structure is maintained with an equity-to-asset ratio of 61%.

(Unit: JPY mil)

	FYE Sep-2023	FYE Sep-2024	FYE Sep-2025 Q1	FYE Sep-2025 Q2	FYE Sep-2025 Q3	FYE Sep-2025 Q4
Capital-to-asset ratio	56%	59%	62%	63%	63%	61%
D/E ratio	0.52x	0.42x	0.43x	0.38x	0.37x	0.35x
Net DE ratio	-0.36x	-0.56x	-0.67x	-0.62x	-0.77x	-0.70x
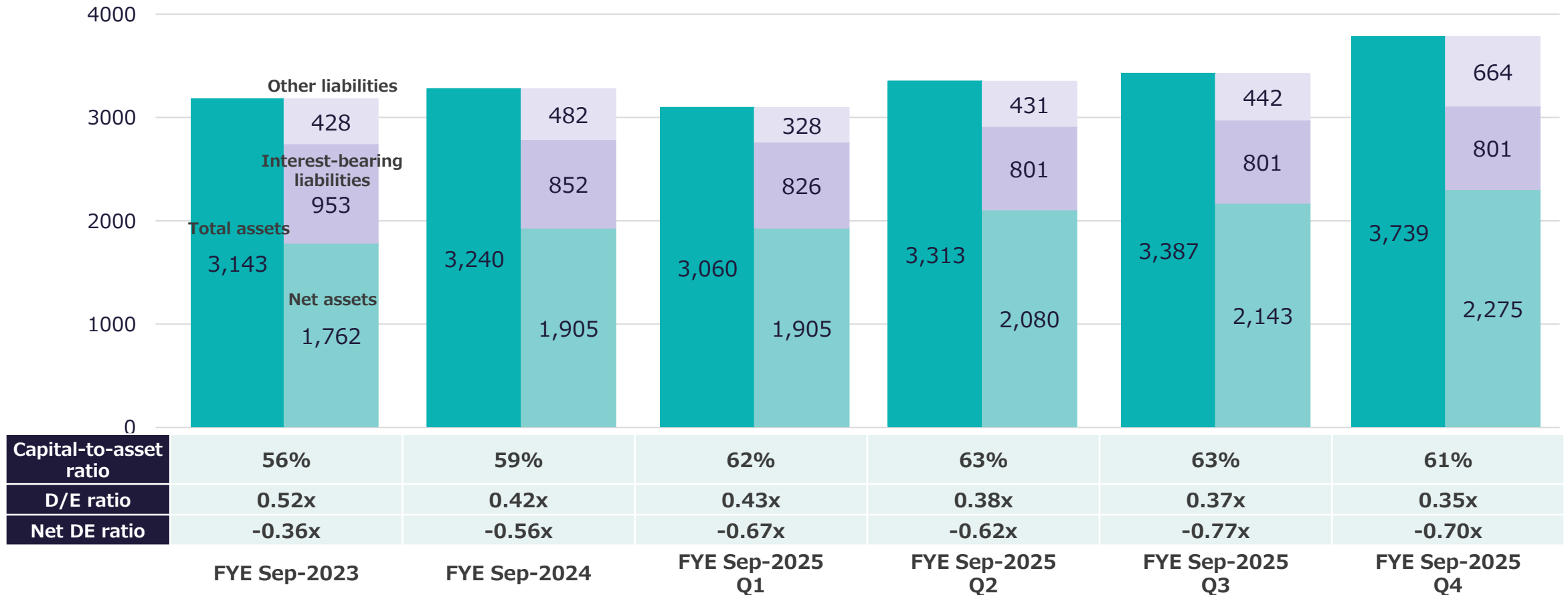
Net profit and EPS

- **Net profit increased significantly by 63% year-on-year due to higher net sales and improved gross profit.**
- **EPS increased by 57% year-on-year due to improved profitability.**

(Unit: JPY mil)

Net profit
+159 (+63%)

EPS
+25.91 (+57%)

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net profit	14	79	132	70	-8	11	128	251	10	184	283	410
EPS	2.63	14.42	24.01	12.73	-1.46	2.14	23.22	45.50	1.92	32.14	49.29	71.41
		FYE S	ep-2023			FYE S	ep-2024			FYE S	ep-2025	
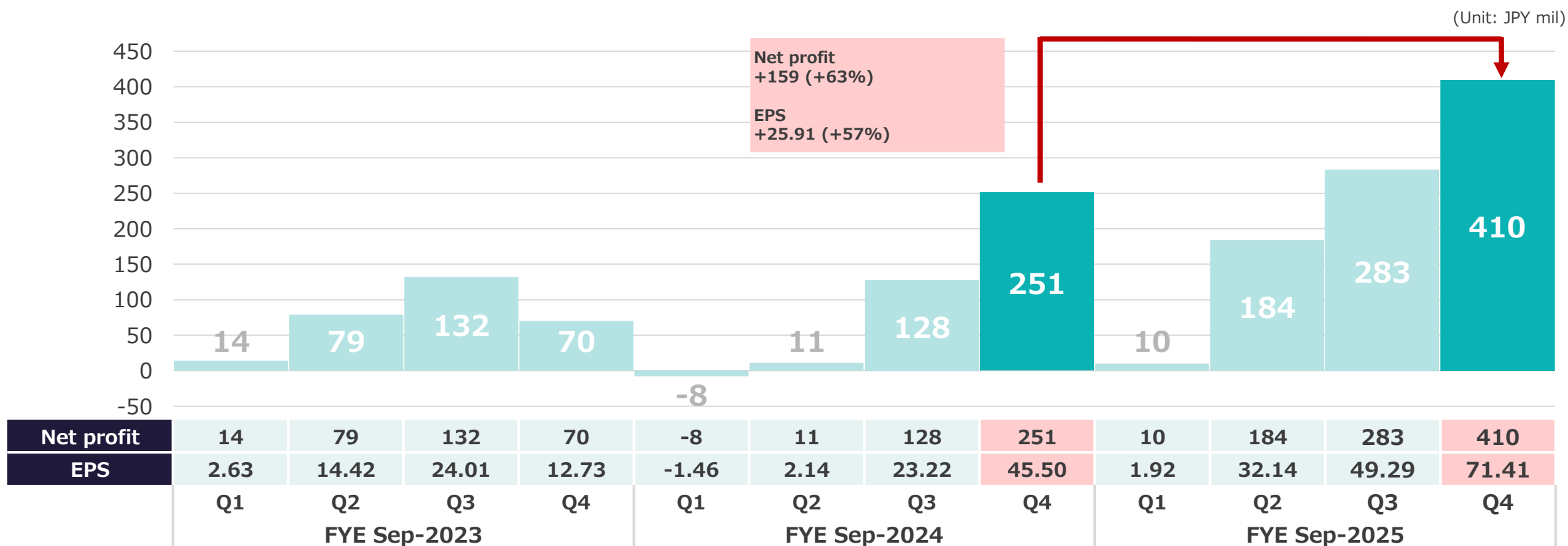
Shareholder Returns

- **We have implemented progressive dividends, and for the fiscal year ended September 2025, we plan to pay a year-end dividend of 6 yen as scheduled (annual dividend of 12 yen).**

(Unit: yen)
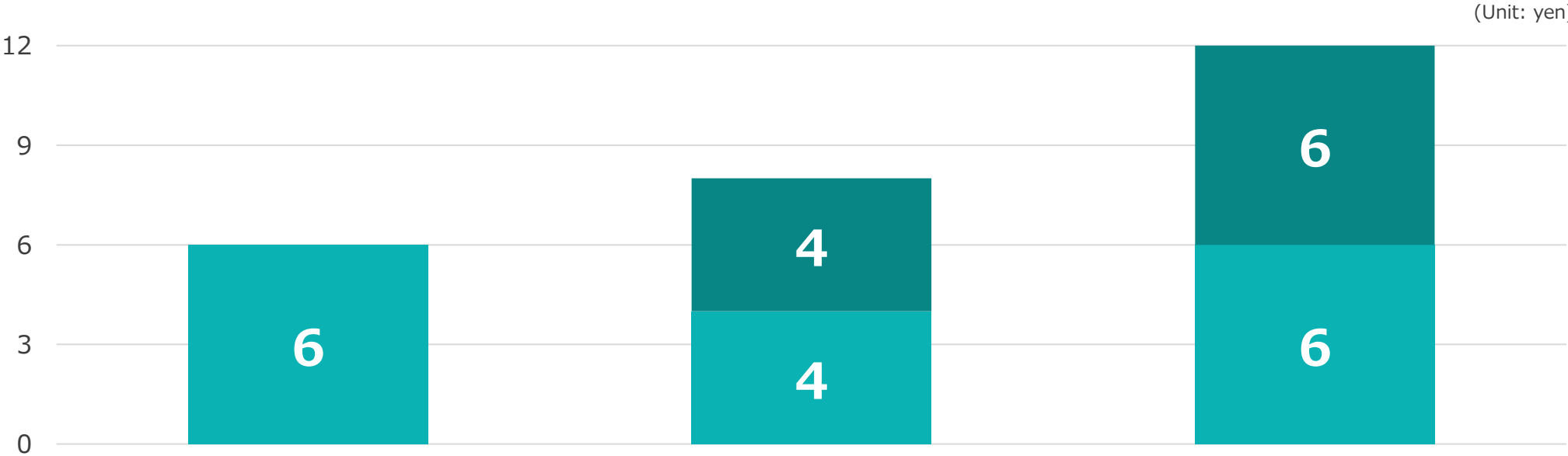
	FYE Sep-2023	FYE Sep-2024	Full-year plan for the FYE Sep-2025
Total dividend allocation (Based on resolution)	33 million yen	44 million yen	66 million yen
Dividend amount/share	6 yen	8 yen (interim 4 yen/year-end 4 yen)	12 yen (interim 6 yen/year-end 6 yen)

Human Resources Strategy

- **In the fiscal year ended September 30, 2025, eight employees were hired compared to the planned nine employees. (Achieved if hires across fiscal years are included)**
- **Six employees unexpectedly left the company, and the net number of employees increased by two, for a total of 84 employees. (The turnover rate of 6.7% is far below the average turnover rate of 12.4% in the information and communications industry.)**
- **In the fiscal year ending September 30, 2026, we plan to hire a total of ten people, mainly in engineering and sales positions, to further accelerate growth.**
- **We will continue to bolster human resource development. (Level-based training, in-house certification system, support for obtaining national qualifications and AWS/CISCO-related qualifications, etc.)**

Plan to hire 94 new employees in FYE Sep-2026
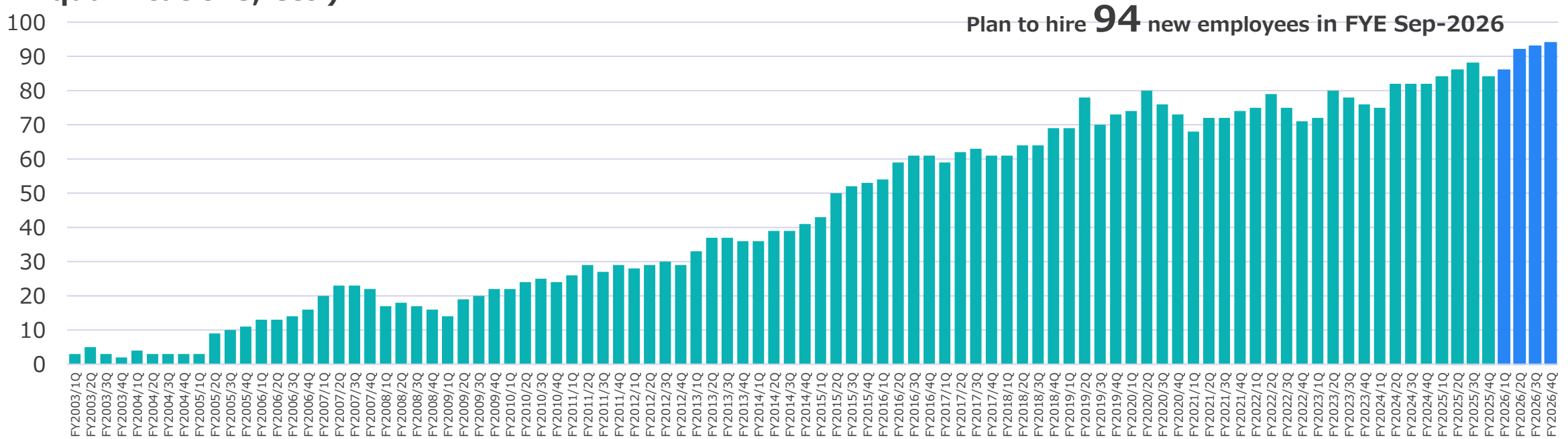
Market Size

- The overall market continues to expand due to IT investment driven by digitalization and DX promotion.
- High potential for further growth.

Domestic IT Market
26.6412 trillion yen
2025 forecast / CAGR (2023-2028): 6.3%

License sales business
Operation management market
189.4 billion yen
2023 forecast / CAGR (2023-2027): 10.6%

Service provision business and other merchandise sales business
Domestic information security market
1.5852 trillion yen
2023 forecast / CAGR (2023-2024): 8.0%

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Sales 2.4 billion yen
Forecast for FYE Sep-2025: 10.0% increase from the previous year

Source: ITR Corporation "ITR Market View: Operation Management Market 2023"
NPO Japan Network Security Association "Japan Information Security Market 2023 Research Report"
IDC Japan "Updated Forecast for Domestic IT Market by Industry Sector, Employee Number, and Annual Sales, 2024-2028"

Q4 of FYE Sep-2025
Topics

Private Exhibition "IBC DAY 2025"

- On October 10, 2025, "IBC Day 2025" was held at the Steel Executive Lounge & Conference Room.
- Case study seminars were held by users, and the latest products and solutions from IBC and supporting companies were on display.
- Demonstrated the new multi-cloud and infrastructure configuration management tool, "ITOGUCHI".

Full-year Plan for the Fiscal Year Ending September 2026

Full-year Plan for the Fiscal Year Ending September 2026

- The customer base for the in-house developed product System Answer is mainly large companies, but there is a shortage of dedicated IT personnel across companies, and there is a need for simple and effective monitoring. Therefore, we aim to expand sales to mid-tier companies and SMEs.
- Recently, against the backdrop of an increasing number of cyberattacks causing large-scale damage, many companies have a growing need for urgent security measures, and we plan to strengthen sales of security products (other merchandise).
- We aim to achieve record-high sales and profit to expand sales of security products along with the high-margin System Answer. However, we expect profit margin growth to moderate slightly as the sales ratio of security products increases.

(Unit: JPY mil)

	FYE Sep-2025 full-year results	FYE Sep-2026 full-year plan	Change	YoY
Net sales	2,404	2,700	+296	112%
Operating profit	565	610	+45	108%
Net profit	410	418	+8	102%

*Numbers are rounded down to the nearest whole number, and percentages are rounded up or down.

FYE Sep-2026 Dividend Plan

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- **Returning profits to shareholders is our top management priority, and we will implement progressive dividends.**
- **For the fiscal year ending September 2026, the planned annual dividend is 22 yen, with an interim dividend of 11 yen and a year-end dividend of 11 yen.**
- **We aim for stable and continuous profit distribution with a dividend payout ratio of 30%, taking into account earnings trends.**

(Unit: yen)
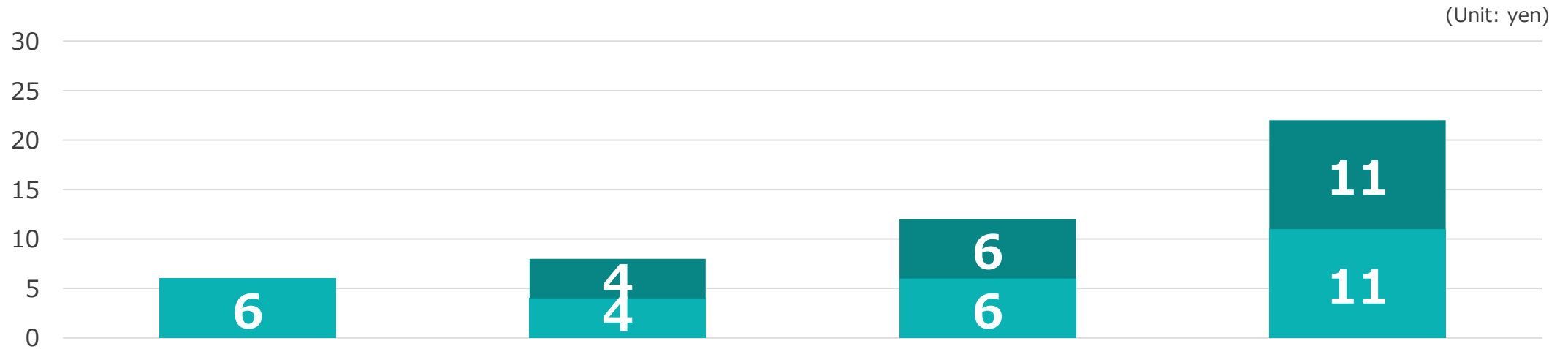
	FYE Sep-2023	FYE Sep-2024	FYE Sep-2025	FYE Sep-2026 plan
Total dividend allocation (Based on resolution)	33 million yen	44 million yen	66 million yen	122 million yen
Dividend amount/share	6 yen	8 yen (interim 4 yen/year-end 4 yen)	12 yen (interim 6 yen/year-end 6 yen)	22 yen (interim 11 yen/year-end 11 yen)
Payout ratio	47.1%	17.6%	16.2%	29.2%

Cash Allocation

- We will use operating cash flow and cash on hand to accelerate business growth through the creation of new products and services and aggressive M&A. While ensuring financial soundness, we will also strive to enhance corporate value, shareholder value, and return on capital.

Operating cash flow / Cash on hand	Category	Details
Operating cash flow Approx. 600 million yen/year	**Shareholder Returns**	• Progressive dividend • Maintain stable dividend payments with a target payout ratio of 30%
	Investment for growth	• Expand existing businesses through M&A and other means • Research and development of next-generation products incorporating advanced technologies • Investment in human capital (recruitment, training, improved terms of employment, utilization of diverse human resources, etc.) • Strategic dialogue with investors (improve corporate value, reflect feedback in management)
	Investment for growth	
Cash on hand Approx. 2.4 billion yen	**Working capital**	• Ordinary funds such as salaries and expenses
	Retained earnings	• Securing a strong financial base to support sustainable growth • Maintain an appropriate level of cash and deposits in anticipation of contingencies

Investment for growth and profit distribution

Management foundation

While maintaining a sound equity ratio, allocate to growth investments and gradually reduce the ratio of retained earnings.

Future Initiatives

Approaching Growing Markets

- **Although demand for our products is strong across all industries, we aim to expand sales and increase market share in growing markets (education, local government, and manufacturing) in collaboration with partner companies.**

Education
- Work underway to capture demand for assessments (surveys and analyses) of school networks in "NEXT GIGA".
- Even after the implementation of the assessment, continuous network monitoring and management are necessary to ensure that ICT-enabled education is conducted under a stable network. Therefore, the Company will promote products such as System Answer and aim to have a 30% or more share of the approximately 1,800 education boards nationwide.

Local government
- The local government DX enables direct connection to specific cloud services (such as web conferencing platforms) on the LGWAN connection network, which connects the local government's internal network and the government to enable advanced information distribution.
- We will promote products such as System Answer to prevent network failures caused by the expected significant increase in traffic and aim to achieve a market share of over 40% in prefectures and over 25% in municipalities among the approximately 1,700 local governments nationwide.

Manufacturing
- We are currently developing a scheme to promote System Answer and security products as security measures for the connection between the closed network of plant equipment, equipment, and facilities (OT) and external IT networks, which is an issue in manufacturing DX.

ITOGUCHI Sales Strategy

- **ITOGUCHI is a new in-house developed SaaS-type operation management solution that supports multi-cloud and multi-vendor operations, covering configuration management, incident management, asset management, etc.**
- **In order to develop it into a mainstay product following the System Answer series, we will promote sales expansion activities according to the following policies, with the aim of building a customer base particularly in the cloud domain.**

Target customers	Policy
Existing customers	Pursue differentiation from products of other companies by generating synergies through functional integration and combined operation with existing solutions (System Answer G3, etc.).
New customers	Promote the utility of ITOGUCHI by proposing (partial) functional integration and combined operation with monitoring products and security products already in use.

ITOGUCHI's strengths (points of differentiation)

- **The products of other companies are often specialized for specific cloud platforms, and ITOGUCHI is the only solution in the world where configuration management can be performed across multiple cloud platforms.***
- **The system can be built and operated stably and reproducibly without becoming dependent on specific individuals, by means of automatic creation of a system configuration diagram that includes all of the public cloud, on-premises servers, and network equipment, as well as traceability of change history.**

*According to our research, multi-cloud refers to government cloud, and covers (1) Amazon Web Service, (2) Microsoft Azure, (3) Google Cloud, (4) Oracle Cloud Infrastructure, and (5) Sakura Cloud. We plan to support (3), (4) and (5) in due course.

Initiatives for a Sustainable Society

Connecting a Sustainable Society and Business Strategies

Reduction in the amount of equipment reduces electricity consumption and contributes to reduction of CO_2 emissions

- By introducing our in-house developed products System Answer and ITOGUCHI, we are able to visualize the overall network performance. (Status of network equipment and server equipment operation, frequency of system usage, load, etc.)
- By reviewing the network configuration, we have eliminated unnecessary equipment and reduced costs, electricity consumption, and CO_2 emissions.

[Case]

The introduction of System Answer has enabled the visualization of network conditions and the consolidation of equipment, resulting in the number of equipment units (switches) decreasing from 60 to 40, a decrease of 20.

[Expected annual CO_2 emissions reduction]

Equipment	Power consumption (for 1 unit)	Annual electricity consumption (for 1 unit)	Annual electricity consumption (for 20 units)	Annual CO_2 emissions reduction (for 1 unit)	Annual CO_2 emissions reduction (for 20 units)	Converted to annual CO_2 absorption by cedar trees (for 20 units)	Converted to annual electricity consumption of ordinary households (for 20 units)
L2 switch	Approx. 10 to 30 W	Approx. 88 to 263 kWh	Approx. 1,752 to 5,256 kWh	Approx. 37 to 112 kg-CO_2	Approx. 0.74 to 2.22 t-CO_2	Approx. 52 to 158 trees	Approx. 0.4 to 1 household
L3 switch	Approx. 40 to 80 W	Approx. 350 to 700 kWh	Approx. 7,008 to 14,016 kWh	Approx. 149 to 298 kg-CO_2	Approx. 2.96 to 5.92 t-CO_2	Approx. 211 to 423 trees	Approx. 1 to 3 households
Core switch	Approx. 100 to 300 W	Approx. 875 to 2,625 kWh	Approx. 17,520 to 52,560 kWh	Approx. 372 to 1,115 kg-CO_2	Approx. 7.41 to 22.23 t-CO_2	Approx. 529 to 1,588 trees	Approx. 4 to 13 households

*Source of calculation method: Ministry of the Environment's "Manual for Calculation and Reporting of Greenhouse Gas Emissions"
  CO_2 emissions (t) = Electricity consumption (kWh) × CO_2 emission coefficient (0.423 kg-CO_2/kWh) ÷ 1,000
*Annual CO_2 absorption by one cedar tree: **Approx. 14 kg**
*Annual electricity consumption per household: **Approx. 4,000 kWh**

Reduction of Environmental Impact

Switch to renewable energy and promote paperless operations

- All electricity used at the Company's sites has been switched to renewable energy, which does not emit CO_2.
- As an initiative to achieve both reduction of environmental impact and improvement of operational efficiency, we promoted paperless operations, reducing CO_2 generated in the paper manufacturing, transportation, and disposal processes, and contributing to the protection of forest resources that absorb CO_2 by reducing paper use.
- We have introduced a "Mamoru-kun" (collection box) for confidential document disposal, and the documents put into the box are processed safely without being seen by third parties, and then recycled as paper resources, reducing CO_2 emissions from incineration and contributing to resource circulation.
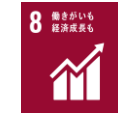
Electricity	Base year (before renewable energy switch) FYE Sep-2023 Annual CO_2 emissions 56.827 t-CO_2	▶	Target: 100% decrease from the base year due to renewable energy switching FYE Sep-2025 Annual CO_2 emissions: 0 t-CO_2	Approx. 56 t CO_2 reduction Target achieved
Paper	Base year (before paperless) FYE Sep-2023 Annual CO_2 emissions 222.1 kg-CO_2	▶	Target: Maintain a 15% decrease from the base year FYE Sep-2025 Annual CO_2 emissions 162.6 kg-CO_2	Approx. 59 kg CO_2 reduction Compared to the base year: 27% decrease

Mamoru-kun / Nihon Purple Co., Ltd.

* Source of calculation method: Ministry of the Environment's "Manual for Calculation and Reporting of Greenhouse Gas Emissions"
Electricity: CO_2 emissions (t) = Electricity consumption (kWh) × CO_2 emission coefficient (0.423 kg-CO_2/kWh) ÷ 1,000
Paper: CO_2 emissions (kg) = ((4 grams/A4 sheet x number of sheets used) ÷ 1,000) x CO_2 emission coefficient (0.24 kg-CO_2/kWh)

Fostering opportunities and a corporate culture where diverse human resources mutually recognize and accept each other

- We invested in AlonAlon, a non-profit organization that operates a Type B Support for Continuous Employment business, and supported projects such as moth orchid cultivation.
- In addition to investing in AlonAlon, we also encourage employees to visit our production sites and help with their work to promote exchanges to create opportunities and a culture where diverse human resources recognize and accept each other.

■ AlonAlon (Futtsu City, Chiba)

This organization operates a Type B Support for Continuous Employment business and hires people with disabilities to grow and sell moth orchids and mangoes.

In fiscal 2023, the national average monthly wage at Type B Support for Continuous Employment businesses was 23,053 yen, which is far from enough for an individual to live independently. Under these circumstances, the guardians of people with disabilities wanted to somehow create a system for the disabled to earn enough income to live a bright life, even if it was not so luxurious. This is the context in which AlonAlon was created with the goal of a monthly income of 100,000 yen for people with disabilities.

At AlonAlon, they stably produce and sell fresh moth orchids and other plants throughout the year under thorough temperature control in greenhouses. Because moth orchids have high, stable unit prices and are often purchased by companies, growing them can function as an employment program in which disabled people can earn a certain profit.

We support this initiative in AlonAlon and buy moth orchids from AlonAlon whenever we use them as gifts in the hope that it will help people with disabilities.

Financial Results FAQs

Financial Results FAQs

Q The revised full-year earnings forecast had net sales of 2.41 billion yen. Why did net sales fall short by 6 million yen at 2.404 billion yen?

A Some of the products scheduled for delivery in the fiscal year ended September 30, 2025 will be delivered in the fiscal year ending September 30, 2026, and as a result, net sales fell short of the revised full-year earnings forecast.

Q Why did operating profit and net profit exceed the revised full-year earnings forecast?

A Gross profit, which had been at a high level, improved further, contributing to an increase in profitability. In addition, net profit increased temporarily due to the receipt of manufacturing subsidies in addition to the improvement in earnings from our main business.

Financial Results FAQs

Q The System Answer renewal rate in Q4 declined to 95%. What factors are responsible for this decline?

A The main reason why System Answer is not being renewed is that our products are used as part of the network configuration proposed by our partner companies in tender projects, and if we cannot win the bid at the time of renewal of the project, the contract will be terminated.

Q System Answer has raised its price by approximately 20% since December of last year. How do you see the operating profit margin of 24%, an increase of 7 percentage points year-on-year?

A The renewal rate of System Answer, which has a high profit margin, remained high at 96% for the full year, and license sales also grew steadily. In addition, we understand that the rate of growth in operating profit has moderated somewhat due to the growth in sales of other merchandise due to increased demand for security products.

Financial Results FAQs

Q — What is the reason for the decrease in the sales category of service provision compared to the previous fiscal year?

A — In the SAMS service, which is included in the sales category of service provision, the business circumstances of a major customer led to budget cuts and the subsequent cancellation of the service. We have been conducting sales activities to fill the gap and have acquired new contracts, but it has not been enough to recover the loss.

Q — What are the sales targets for ITOGUCHI, which began service provision in October 2025?

A — As with other products, we do not disclose individual sales targets. ITOGUCHI, a new product that can be managed in multiple cloud and multiple vendor configurations, is unprecedented. We understand that there is a high level of need for this in the preliminary survey, but we plan to adjust the final sales target after having customers actually verify it in a demo environment and confirming the results.

Financial Results FAQs

Q What are the sales forecasts for the three focus areas of education (GIGA School), local governments, and manufacturing?

A Although the sales forecast has not been disclosed, in the field of education, the Group expects that the average sales price per customer will be 8 million yen to 10 million yen in the three years from the fiscal year ending September 30, 2026, and aims to achieve a 30% or more share among boards of education. As for local governments, we expect to earn an average sales price of 20 million yen per customer and are aiming for a 40% or more share of the prefectural market. In the manufacturing industry, the average sales price per customer is expected to be 2 million yen, but since the pool is large, it is assumed that sales will accumulate in terms of volume.

**Q** Do you plan to conduct any M&A?

A In order to accelerate the growth of the integration business, which is in great demand, it is necessary to hire security, cloud, and network engineers. However, as the situation continues to make it difficult to recruit such human resources across the industry, we are considering M&A of SE companies, mainly in IT infrastructure integration.

Appendix

Social Infrastructure Supported by IT

IT is now used in almost everything we need in our daily lives
IT is the computer infrastructure that supports social activities behind the scenes

- IT is essential for businesses to provide services and conduct business, and for consumers to live their lives.
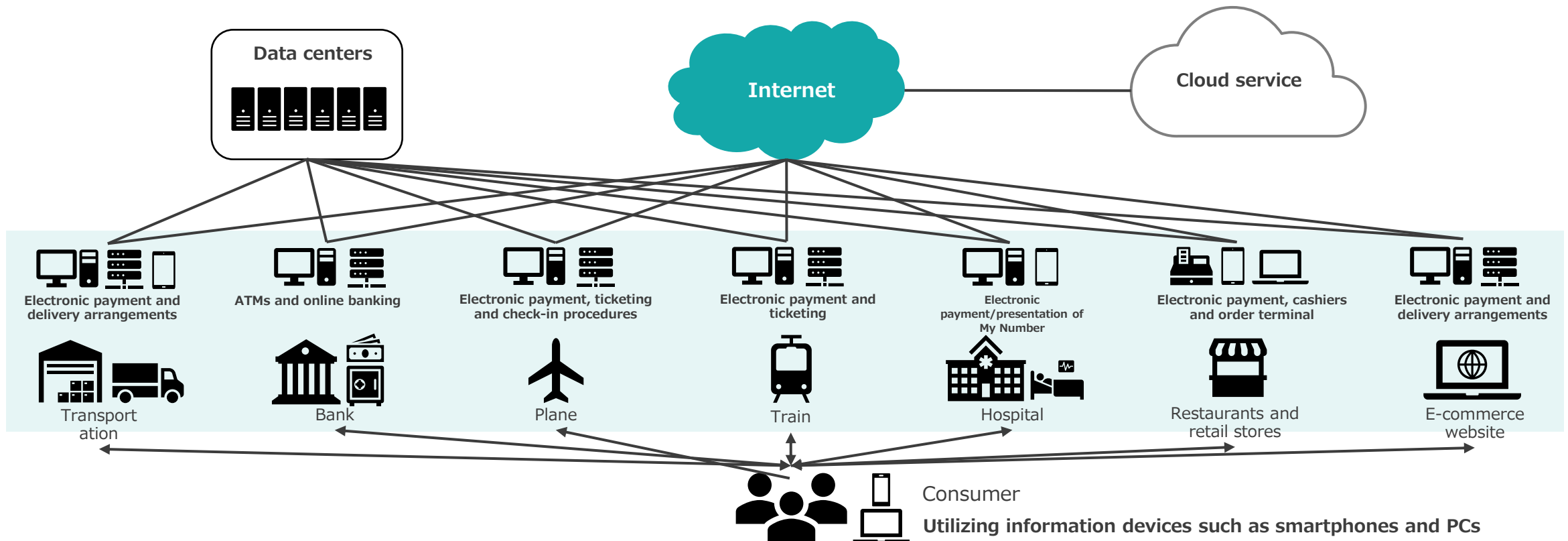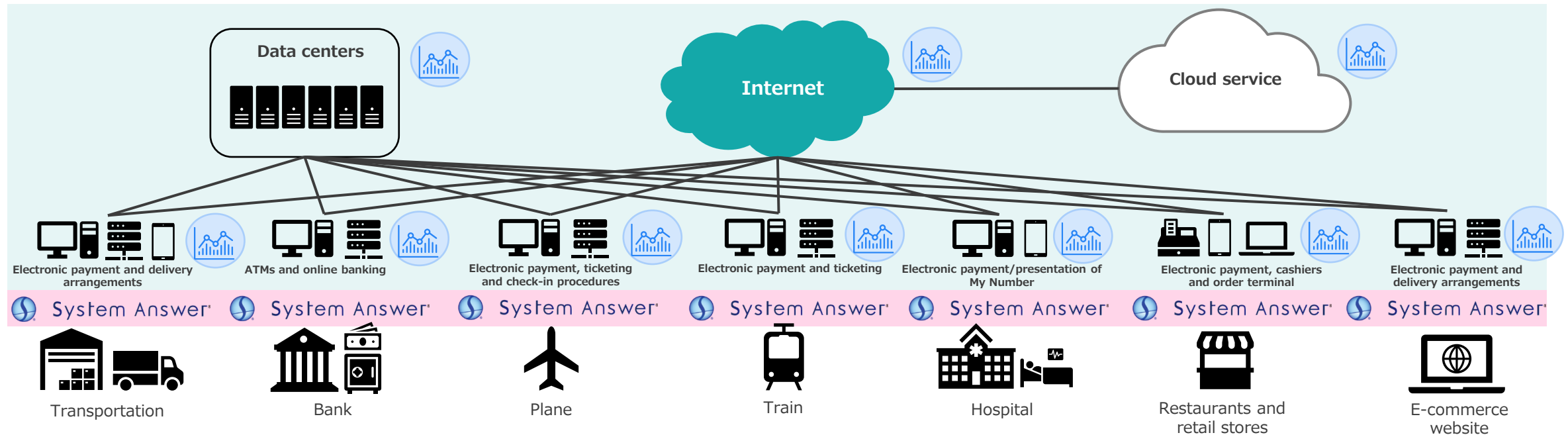
The Need for IT System and Network Monitoring

An IT failure will have a major impact on the lives of many people.
IT systems must always operate normally.

- When an IT failure occurs, it can have an impact such as not being able to withdraw money from banks, not being able to shop at stores, or not being able to use public transportation.
- For society to keep functioning, it is necessary for us to monitor IT systems and networks and keep them operating normally at all times.

  ➢ **System Answer monitors IT systems and networks, contributing to the stabilization of social infrastructure**

Data centers

Internet

Cloud service

| Electronic payment and delivery arrangements | ATMs and online banking | Electronic payment, ticketing and check-in procedures | Electronic payment and ticketing | Electronic payment/presentation of My Number | Electronic payment, cashiers and order terminal | Electronic payment and delivery arrangements |

System Answer   System Answer   System Answer   System Answer   System Answer   System Answer   System Answer

| Transportation | Bank | Plane | Train | Hospital | Restaurants and retail stores | E-commerce website |

Case Study: Tokyo Stock Exchange

Stable Operation of the Network that Supports Japan's Largest Securities Trading Market:
13 years of protecting the JPX Group's core network "arrownet"

System Answer G3	Finance/Insurance

Start

▼ System Answer start of use: July 2009

▼ System Answer G2 start of use: February 2015

▼ System Answer G3 start of use: April 2022
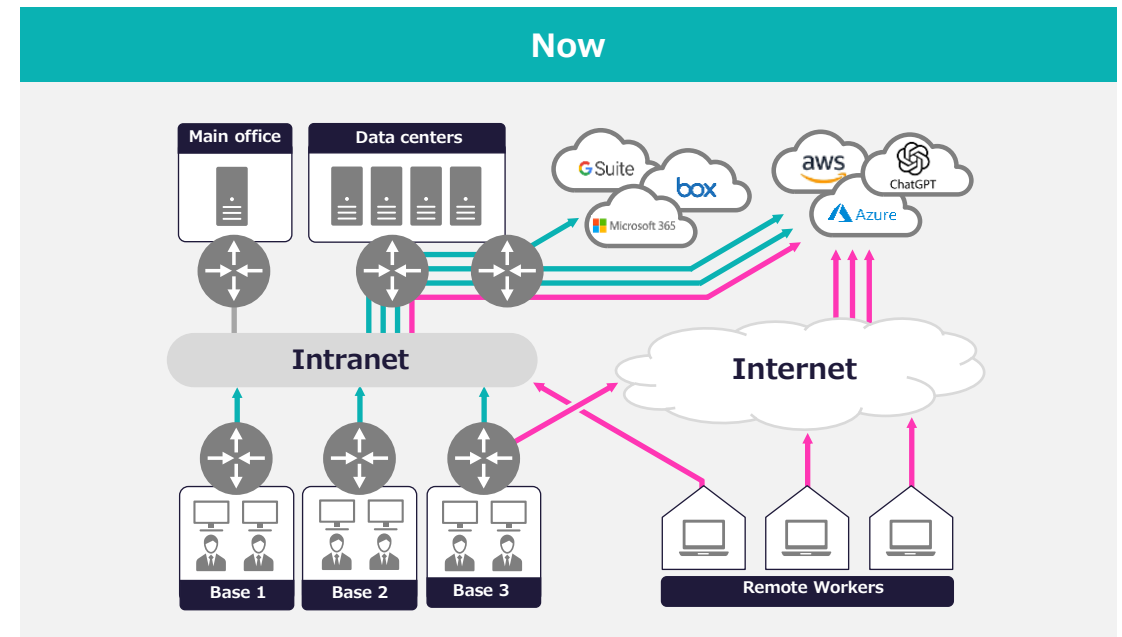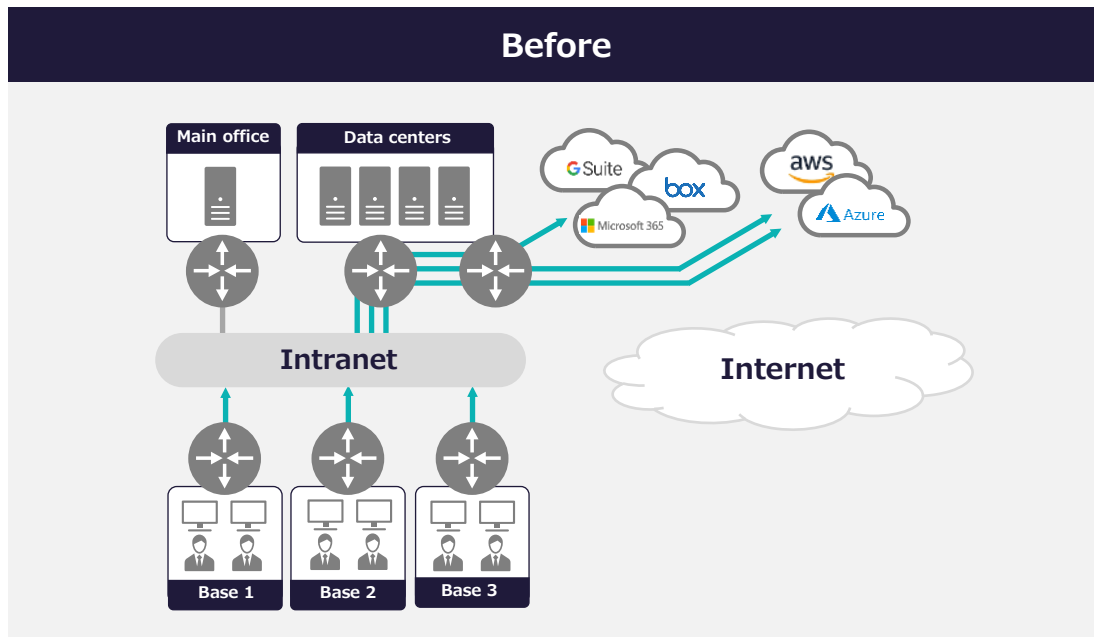

■ **System overview**

All communications within the Japan Exchange Group (including the Tokyo Stock Exchange, Osaka Exchange, and Tokyo Commodity Exchange) operate on a network system called **arrownet** as the core. This includes trading systems such as arrowhead and ToSTNet for physical stock trading, J-GATE for derivatives trading, as well as other clearing systems and information systems. Communication with trading participants and vendors, communication between systems, and connection of monitoring terminals, etc. are also performed through arrownet.

The company's System Answer G3 monitors the hundreds of network-related devices that make up arrownet. Information systems personnel in the IT Development Department of the Tokyo Stock Exchange is in charge of the setup and management of G3. In addition to information systems personnel, dozens of membersin the IT Service Department and other operation departments, as well as related vendors, use G3 for daily operations.

Changes in the Environment Surrounding IT Systems

Since the COVID-19 pandemic, work styles and in-company communication methods have changed, and the corporate network environment has changed dramatically

- Network traffic is rapidly increasing due to increasing digitalization, data utilization, teleworking, and the spread of AI.
- For stable network operation, it is essential to monitor traffic volume on a daily basis and understand whether the network bandwidth is being strained and whether users are able to use the network without stress.

*The company names, service names, etc. mentioned are trademarks or registered trademarks of their respective companies.

System Answer G3: Three Advantages

IBC

1
From detection to prevention

We support our customers' desire to "prevent failures before they occur" with **analysis features**

A typical monitoring system **detects** the occurrence of an abnormality. Their role is to investigate and analyze the causes of problems and respond quickly to them.
System Answer automatically analyzes the information obtained from monitoring. This enables it to make **predictions** and implement functions to **prevent** possible future failures.

2
Promoting stable operation

Rapid problem resolution and root cause analysis contribute to **measures to prevent recurrence**

System Answer is equipped with a function called **Troubleshooting Assistant** that functions as a performance analysis know-how that IBC has accumulated over 20 years. This supportscustomers' fault recovery responses. Also, By utilizing **Dynamic Bookmarks (Correlation Analysis)**, you can identify potential failure risks and take measures early on.
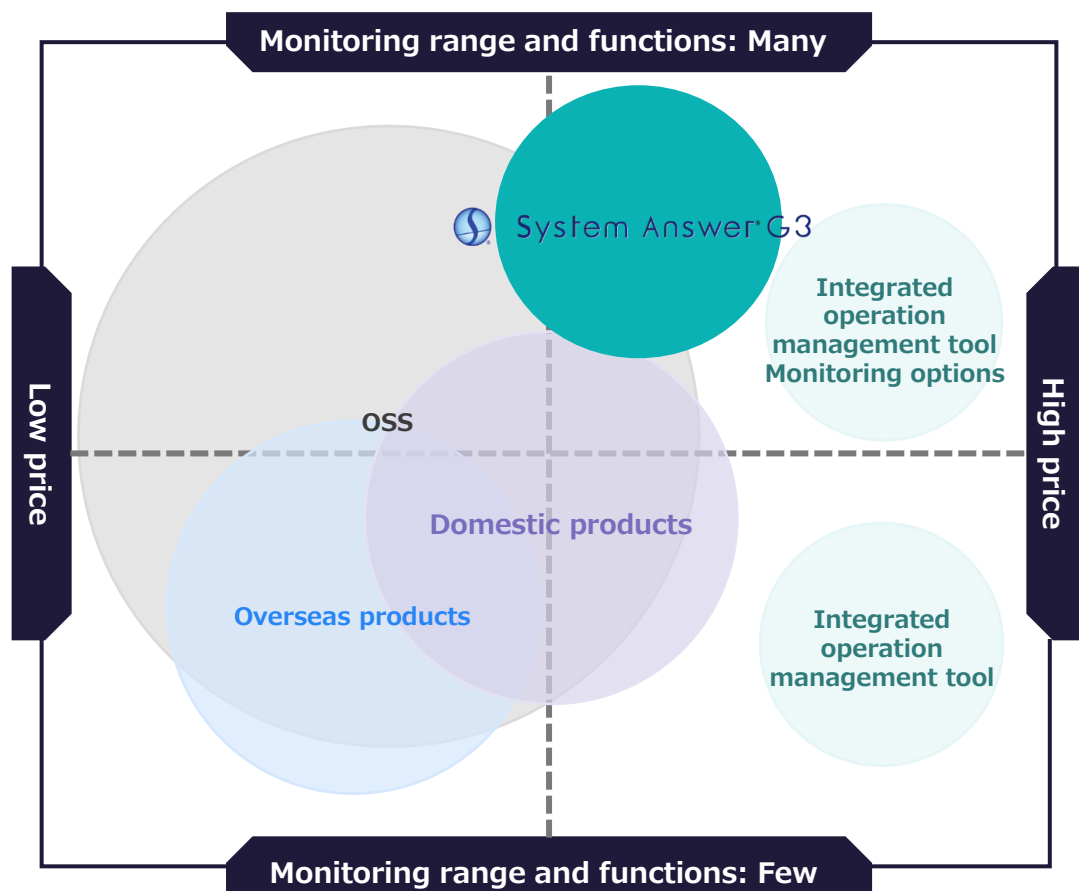
3
Customer Success

Through "turning customer needs into products" and "providing services to resolve operational issues", we provide **reassurance and satisfaction**

It is our pride and joy to develop products that are **truly helpful** for those who use them. We will **actively support the use of** System Answer. In addition, we also provide one-stop value-added services to resolve our customers' system operation issues. Through services that are tailored to our customers, we support their "successful" system operation.

System Answer G3's Position in the Market

In addition to various analyses, it is also possible to perform everything from preventing failures to making predictions
The only product in Japan that can visualize multi-clouds, etc.

Monitoring range and functions: Many

Low price — High price

System Answer G3

Integrated operation management tool Monitoring options

OSS

Domestic products

Overseas products

Integrated operation management tool

Monitoring range and functions: Few

Failure prevention								
Fundamental measures								
Problem identification	System Answer G3							
Cause analysis	**System Answer G3 Coverage**							
Maintenance support	**General surveillance products**							
Fault detection								
	Alive monitoring	Performance monitoring	Threshold monitoring	Correlation analysis	Trend analysis	Fluctuation detection	Future predictions	Reports

In-house product development

Capable of centralized monitoring of infrastructure environments that evolve and become more complex with the times
Not only does it "visualize" the operating status, but it also contributes to "failure prevention" through its analysis function

- Various monitoring methods -

SNMP monitoring	Response monitoring
App monitoring	Status monitoring
Startup monitoring	Script monitoring
API monitoring	VMware monitoring
WMI monitoring	Cloud monitoring
Web scenario monitoring	IPMI monitoring

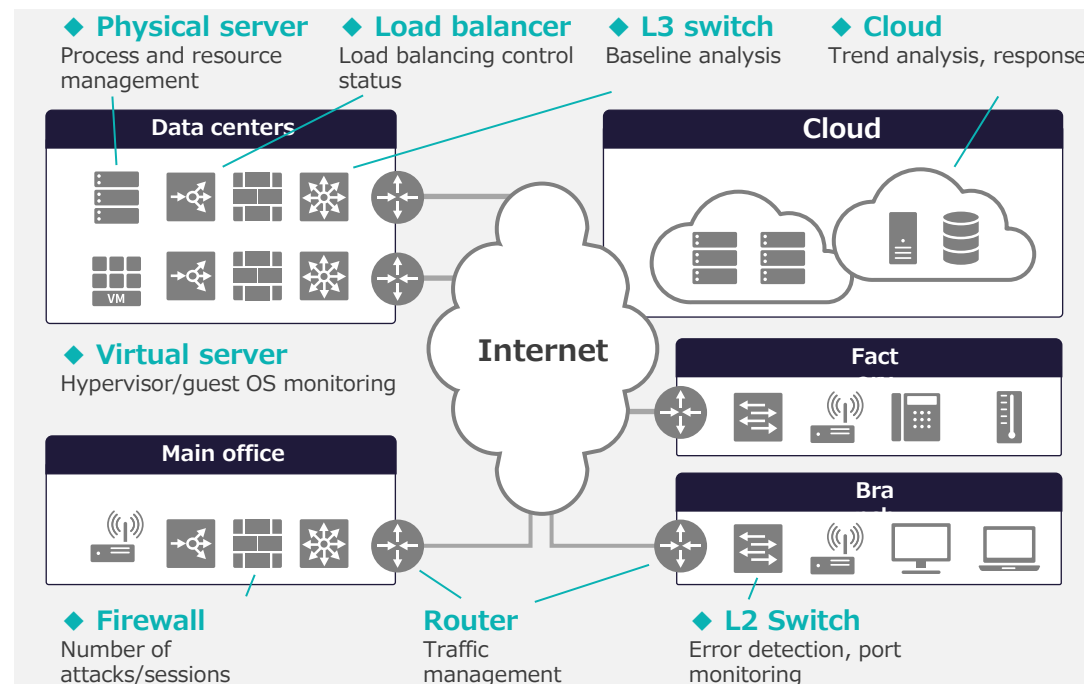## - Flexible notification integration -

servicenow   Microsoft Teams

REDMINE   slack   SMS

◆ **Physical server**
Process and resource management

◆ **Load balancer**
Load balancing control status

◆ **L3 switch**
Baseline analysis

◆ **Cloud**
Trend analysis, response

Data centers

Cloud

Internet

◆ **Virtual server**
Hypervisor/guest OS monitoring

Main office

Fact

Bra

◆ **Firewall**
Number of attacks/sessions

◆ **Router**
Traffic management

◆ **L2 Switch**
Error detection, port monitoring

System Answer® G3

Available format	Software	Appliance	Cloud

* The company names, service names, etc. mentioned are trademarks or registered trademarks of their respective companies.

Case Study: Kanagawa Prefectural Board of Education

Protecting the infrastructure of 169 schools in the prefecture through proactive preventive maintenance!
Eliminating dependency on specific individuals: To pass on and maintain a high operational standard for the next five to ten years

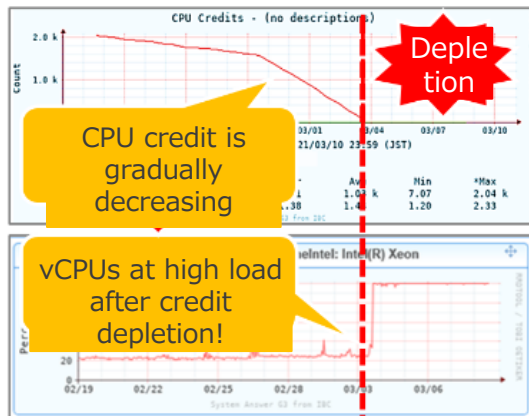| System Answer G3	Government, local governments, and public

Start	August 2020
Use	Network center, cloud system, and L3 switch for 169 prefectural schools
Scale and scope	20,000 items

■ **Examples of G3 utilization in Azure environments: Detecting a decrease in CPU Credit on Azure Virtual Machines**

Azure Virtual Machines has multiple series. For example, in the case of the B-series virtual machine, if the CPU does not use the standard performance of 100%, the credit for the virtual machine instance will accumulate.

Once the credit is sufficient, vCPU usage can be increased up to 100% when an application needs high CPU performance. While the system is capable of handling rapid increases in load and is reasonably priced, performance is limited when CPU credit is depleted. Therefore, when CPU credit is about to be depleted, it must be detected quickly to avoid the timing of high-performance requirements coinciding with periods of reduced credit.

Therefore, monitoring of CPU credit (Azure Monitor SNMP monitoring) is also important for stable system operation.

By using the trending and predictive capabilities of System Answer G3, users can expect to solve this challenge and leverage Azure more flexibly.

Monitoring Range

Supports 133 vendors as standard, covering approximately 90% of domestic vendors
Template function makes it easy to obtain detailed information

Switches/Routers
APRESIA Systems
Alaxala
Alcatel Lucent
Allied Telesis
Cisco Systems
Fujitsu
Hp
Juniper Networks

Load balancer
A10 Networks
Citrix
Fujitsu
F5 Networks
Nortel

Firewall
CheckPoint
Cisco Systems
Fortinet
Juniper Networks
Palo Alto Networks
MacAfee

Wireless AP
Aruba Networks
Cisco Systems
GoNet Systems
ICOM
Rucks Wireless
Symbol

On-premises

Virtual infrastructure | Cloud

The Vsphere API information template function makes it easy to obtain detailed information on virtual infrastructure environment

[Cluster/Host Information]

[Guest OS information]

The cloud infrastructure API information template function makes it easy to obtain detailed information on cloud environment

OCI

AWS

Azure
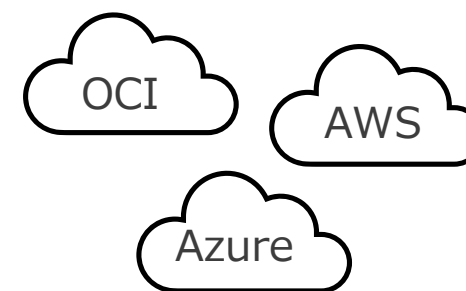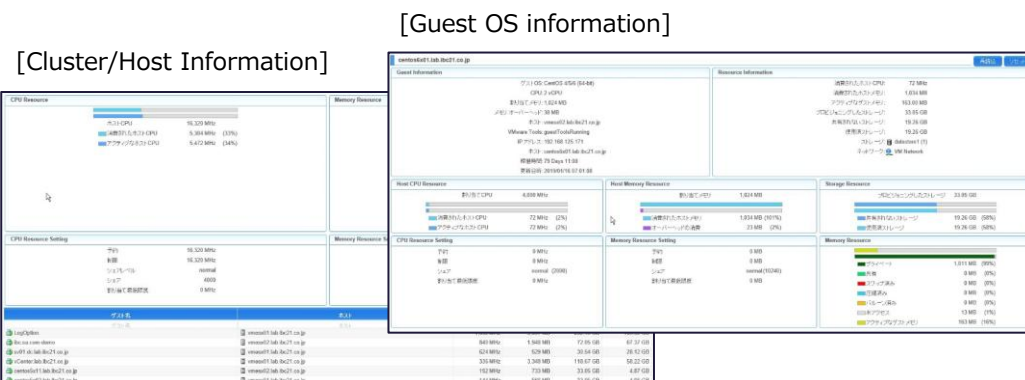
Monitoring item example (AWS)

[EC2]

CPU Utilization
Disk IO Count
Network IO Size
Status Check Failed
:

[EBS]

Monitoring Interval and Future Prediction

**Data are monitored and acquired at 1-minute intervals and stored uncompressed for up to 5 years
The world's first feature capable of predicting future failures**

Why is it necessary to obtain information at 1-minute intervals?

Detect changes every minute
It is possible to notice events that cannot be detected at 5- or 10-minute intervals.

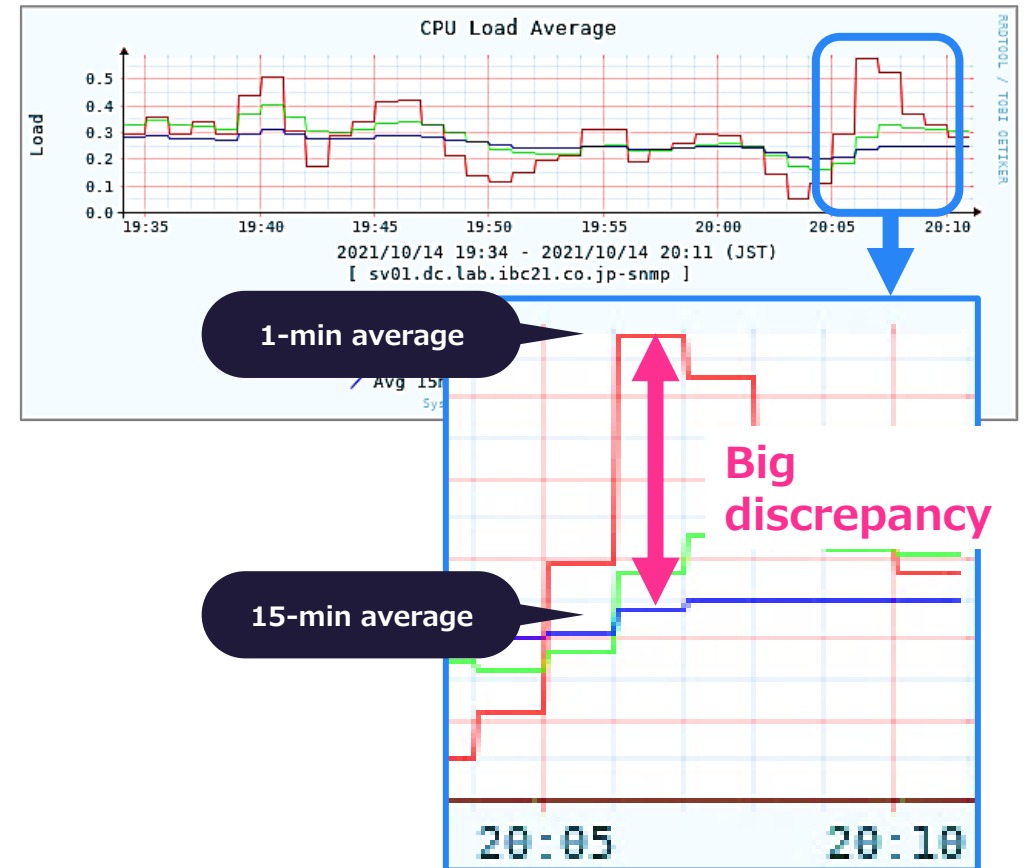**Realization of highly accurate analysis such as future predictions**
By conducting analysis based on detailed past data, highly accurate analysis can be performed, leading to preventive maintenance and early detection of problems.

Why is it necessary to store data for 5 years in an uncompressed format?

Accurately understand long-term trends
Tools and services in which past data are aggregated and rounded or those that delete data after a certain period of time are unsuitable for long-term analysis.

CPU Load Average
2021/10/14 19:34 - 2021/10/14 20:11 (JST)
[sv01.dc.lab.ibc21.co.jp-snmp]

1-min average

15-min average

Big discrepancy

IBC's Business Mission

Achieve zero IT failures

Disclaimer

[Disclaimer and Caution Regarding Forward-Looking Statements]

This document is intended to provide financial and management information about our company and does not provide any guarantees regarding the content.

The information contained in this document relating to companies other than our company and information created by third parties other than our company has been quoted from public sources, etc. Our company has not verified the accuracy, completeness, appropriateness, etc. of such information and does not guarantee it either. The forecasts, projected figures and other forward-looking statements contained in this document are based on information available as of the date of publication.

Please be aware in advance that future performance may differ from forecasts depending on business operations, economic conditions, and various other factors.

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