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

13 May 2025

Company name Internetworking and Broadband Consulting Co., Ltd. Listed TSE  
 Code 3920 URL <http://www.ibc21.co.jp/>  
 Representative (Title) CEO and President (Name) Kato, Hiroyuki  
 Contact (Title) General Manager, Corporate Services Div. (Name) Matsumoto, Kazuhiko TEL 03-5117-2780  
 Scheduled submission date of semi-annual report 13 May 2025 Scheduled dividend payment date 23 June 2025  
 Supplementary materials: Yes  
 Explanatory meeting: Yes (For institutional investors and analysts)

(Rounded down to the nearest million yen)

### 1. Results for the second quarter (midterm) of the fiscal year ending September 2025 (October 1, 2024 - March 31, 2025)

#### (1) Statement of income (Cumulative)

(YoY %)

	Sales		Operating income		Ordinary income		Interim net profit	
	JPY mil	%	JPY mil	%	JPY mil	%	JPY mil	%
Midterm of FYE Sep-2025	1,073	—	252	—	262	—	184	—
Midterm of FYE Sep-2024	—	—	—	—	—	—	—	—

	Interim net profit per share	Diluted interim net profit per share
	JPY	JPY
Midterm of FYE Sep-2025	33.39	33.22
Midterm of FYE Sep-2024	—	—

(Ref.) Equity in earnings of affiliates Midterm of FYE Sep-2025 10million yen Midterm of FYE Sep-2024 10million yen

(Note) Consolidated results were disclosed for the midterm of the fiscal year ending September 2024. However, following the transfer of the business of consolidated subsidiary Sunday Arts Co., Ltd. in that fiscal year, the company has been excluded from the scope of consolidation due to its reduced importance.

As a result, our financial statements from the first quarter of the fiscal year ending September 2025 are non-consolidated. Therefore, the operating results (cumulative) and the year-on-year change rates for the midterm of the fiscal year ended in September 2024 are not provided.

#### (2) Balance sheet

	Total Assets		Net Assets		Capital-to-asset ratio
	JPY mil		JPY mil		%
Midterm of FYE Sep-2025	3,313		2,080		62.8
FYE Sep-2024	3,240		1,905		58.8

(Ref.) Net assets Midterm of FYE Sep-2025 2,080million yen FYE Sep-2024 1,905million yen

### 2. Dividend

	Dividend				
	1Q	2Q	3Q	4Q	Total
	JPY	JPY	JPY	JPY	JPY
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 to 30 Sep 2025)

(YoY %)

	Sales		Operating income		Ordinary income		Profit (loss)		Profit (loss) per share
	JPY mil	%	JPY mil	%	JPY mil	%	JPY mil	%	JPY
FYE Sep-2025	2,400	14.8	450	17.0	482	21.9	358	55.5	64.58

(Note) Revisions to the business performance forecasts most recently announced: No

\*Note

(1) Application of accounting procedures specific to the preparation of midterm financial statements: Yes

(Note) For details, please refer to "2. Midterm financial statements and major notes (4) Notes regarding midterm financial statements (Application of accounting procedures specific to the preparation of midterm financial statements)" on page 10 of the attached documents.

(2) Changes in accounting policies, estimation and restatement

- ① Accounting policy changes in accordance with revision of accounting standards : No
- ② Accounting policy changes excluding ① : No
- ③ Accounting estimate changes : No
- ④ Restatement : No

(3) Number of outstanding shares (Ordinary share)

① Number of outstanding shares at FYE (Incl. treasury shares)	Midterm of FYE Sep-2025	5,747,600	FYE Sep-2024	5,723,600
② Number of treasury shares at FYE	Midterm of FYE Sep-2025	194,159	FYE Sep-2024	194,159
③ Average number of shares (midterm)	Midterm of FYE Sep-2025	5,532,815	Midterm of FYE Sep-2024	5,529,441

\*The summary of financial results for the second quarter (midterm) is not subject to review by a certified public accountant or an auditing firm.

\*(Disclaimer)

The description regarding estimation or forecast in this material is based on our information and assumptions that we have understood reasonably. We never commit, pledge or promise an achievement of the description. Actual achievement will suffer from various factors. For the assumptions underlying the earnings forecasts and precautions regarding the use of the earnings forecasts, please refer to "1. Overview of business results, etc. (3) Explanation of business performance forecasts and other forward-looking information" on page 6 of the attached documents.

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## 1. Overview of business results, etc.

### (1) Overview of business results for the midterm under review

In the environment surrounding the Japanese economy during this midterm, the new US administration has taken full office, which is having a major impact on the global economy and financial markets. There are concerns that tariff policies will be implemented against countries around the world, including Japan, which could lead to increased trade costs worldwide. In addition, China is facing real estate problems, Europe is facing political instability, and there is also uncertainty over the situation in the Middle East and Ukraine, making the situation difficult to predict. On the other hand, the Japanese economy is in the process of transitioning from a "world without interest rates" to a "world with interest rates" as the Bank of Japan has decided to further raise its policy interest rate in its monetary policy. In the spring wage negotiations for 2025, wage increases remained at the same level as the previous year, particularly among large companies. Although rising food prices have had an impact on personal consumption, the economic environment in which interest rates, wages, and prices are all rising is becoming more established and normalized. In this environment, we believe that the Japanese economy will continue to grow, albeit at a moderate pace.

For companies, digital transformation (DX) through the promotion of streamlining and automation of business processes, as well as green transformation (GX) in pursuit of an earth-friendly environment, are becoming increasingly important due to the decline in the working population and diversification of worker needs caused by the declining birthrate and aging population, the establishment of new work styles that are not tied to place of work, and the rapid advancement of generative AI. The importance of transformation using IT is increasing in all business entities, including the transportation industry (such as automobiles and railways), financial institutions, infrastructure industries (such as electricity and gas), and public institutions such as local governments, and security measures are also becoming of utmost importance.

Under these circumstances, we exhibited at the JANOG55 Meeting, held in Kyoto in January 2025. This meeting is one of the largest events in Japan, bringing together Japanese network engineers and operators to share the latest technology trends, use cases and challenges, and engage in discussions with other participants. The knowledge gained from this event will be used to enhance future product development and improve our services, and we will strive to further expand our functions and services.

Also in January 2025, in response to the Act Partially Amending the Local Autonomy Act requiring each local government to respond in light of the progress of DX in local governments, we opened a special page for local governments and our partner companies. This page introduces the solutions required for networks called the "α' (alpha dash) Model" and "β' (beta dash) Model," which are recommended for the purpose of further streamlining local government operations, and the "Government Cloud," a cloud platform common to government agencies and local governments operated by the government. By providing optimal solutions for the safe and comfortable management of municipal networks, we hope to reduce the workload of municipalities and improve convenience for residents by allowing them to receive the same services in every municipality.

As part of our CSR activities, in March 2025, six employees volunteered to visit AlonAlon, an NPO that operates a type B continuous employment support facility in Futtsu City, Chiba Prefecture. We also assisted in the process of acclimatizing the sprouted seedlings to sunlight and temperature in the paddy rice seedling cultivation project (rice seedling cultivation for the 2025 harvest has been commissioned by the Futtsu City's agricultural cooperative association), which was started as a new challenge for AlonAlon. The aim of this project is to strengthen ties with the local community, increase job options for persons with disabilities who work at AlonAlon, and grow together with the local community. Through these activities, we will continue to foster kindness and consideration for others in each of our employees, while contributing to the realization of a sustainable society.

As we operate in a single segment involving only software and service-related businesses, segment information has been omitted. Within the software and services business, the performance by sales category related to IT system monitoring-related business is as follows:

Regarding license sales, we were able to significantly increase sales by strengthening support for existing customers and partner business. On the other hand, sales of services and other products decreased compared to the same period last year, but remained at the same level as in previous years. As a result, license sales were 598,651 thousand yen (up 53.3% year on year), sales from provision of services were 307,811 thousand yen (down 8.7% year on year), and sales from other products etc. were 166,994 thousand yen (down 12.6% year on year).

Due to these factors, our business performance up to the end of the midterm saw a rise in both sales and profits, with sales of 1,073,457 thousand yen, operating income of 252,424 thousand yen, ordinary income of 262,394 thousand yen, and interim net profit of 184,741 thousand yen.

We began paying dividends in the fiscal year ended September 2022 and have continued to increase dividends. To ensure that we continue to actively return profits to shareholders in the future, we have introduced a progressive dividend system. Returning profits to shareholders is an important management priority for us. Our policy is to actively return profits to shareholders by continuing to pay progressive dividends, taking into consideration future trends in business performance and financial conditions, as well as a comprehensive review of internal reserves for future business development.

### (2) Overview of financial position for the midterm under review

#### ① Financial position

##### (Assets)

Total assets at the end of this midterm were 3,313,654 thousand yen (3,240,080 thousand yen at the end of the previous fiscal year), an increase of 73,574 thousand yen. This was mainly due to an increase in cash and deposits of 183,278 thousand yen, while accounts receivable-trade decreased by 149,663 thousand yen.

(Liabilities)

Total liabilities at the end of this midterm accounting period were 1,233,611,000 yen (1,334,807,000 yen at the end of the previous fiscal year), a decrease of 101,195,000 yen. This was mainly due to a decrease in long-term loans payable due within one year of 50,018 thousand yen, accounts payable-trade of 41,832 thousand yen, and other accounts payables of 40,524 thousand yen, while income taxes payable increased by 56,594 thousand yen.

(Net assets)

Total net assets at the end of this midterm accounting period were 2,080,043 thousand yen (1,905,273 thousand yen at the end of the previous fiscal year), an increase of 174,769 thousand yen. This was mainly due to an increase of 162,623 thousand yen in retained earnings and 4,946 thousand yen in valuation difference on available-for-sale securities.

②Cash flow status

Cash and cash equivalents (hereinafter referred to as "funds") at the end of this midterm accounting period amounted to 2,109,494 thousand yen, an increase of 183,278 thousand yen compared to the end of the previous fiscal year. The status of each cash flow during this midterm accounting period and the factors behind them are as follows:

(Cash flow from operating activities)

Cash flow from operating activities was an inflow of 298,937 thousand yen. One of the main factors behind this was an increase in funds due to interim net income before tax of 265,182 thousand yen and a decrease in trade accounts receivable of 149,663 thousand yen, offset by decreases in funds due to a decrease in other accounts payable of 47,739 thousand yen, a decrease in trade payables of 41,832 thousand yen, and a decrease in unpaid consumption tax of 12,540 thousand yen.

(Cash flow from investing activities)

Cash flow from investing activities was an expenditure of 50,311 thousand yen. The main factor behind this was a decrease in funds due to expenditures of 35,884 thousand yen for the acquisition of intangible assets and 13,249 thousand yen for the accumulation of insurance reserves.

(Cash flow from financing activities)

Cash flow from financing activities was an expenditure of 65,348 thousand yen. The main factors for this were decreases in funds due to expenditures of 50,018 thousand yen for the repayment of long-term loans payable and 22,067 thousand yen for dividend payments.

(3) Explanation of business performance forecasts and other forward-looking information

Regarding business performance forecasts, there are no changes to the full-year forecasts announced in the "Notice Regarding Revision of Business Performance Forecasts" dated April 25, 2025.

## 2. Midterm financial statements and major notes

### (1) Midterm balance sheet

(Unit: JPY thousand)

	Previous fiscal year (up to 30 Sep 2024)	Current midterm (up to 31 Mar 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	1,926,216	2,109,494
Accounts receivable – trade	660,181	510,518
Inventories	34,085	43,690
Prepaid expenses	24,826	21,183
Other	23,529	17,106
Total current assets	2,668,839	2,701,992
Non-current assets		
Property, plant and equipment	31,676	29,910
Intangible assets		
Software	24,349	43,327
Software under development	20,886	26,640
Total intangible assets	45,235	69,967
Investments and other assets		
Investment securities	169,866	176,996
Affiliated company shares	43,301	43,301
Insurance reserve fund	162,847	176,096
Deferred tax assets	35,208	33,025
Other	83,105	82,364
Total investments and other assets	494,328	511,784
Total non-current assets	571,240	611,662
Total assets	3,240,080	3,313,654
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	125,095	83,262
Short-term loan payable	800,000	800,000
Current portion of long-term loans payable	50,018	-
Other accounts payable	146,204	105,680
Accrued expenses	39,111	31,143
Income taxes payable	34,026	90,621
Unpaid consumption tax, etc.	39,772	24,232
Contract liabilities	91,554	89,183
Lease obligations	928	933
Other	6,605	7,531
Total current liabilities	1,333,316	1,232,588
Non-current liabilities		
Lease obligations	1,491	1,023
Total non-current liabilities	1,491	1,023
Total liabilities	1,334,807	1,233,611
<b>Net assets</b>		
Shareholders' equity		
Capital stock	443,230	446,830
Capital surplus	438,952	442,552
Retained earnings	1,221,447	1,384,070
Treasury stock	(221,114)	(221,114)
Total shareholders' equity	1,882,515	2,052,338
Valuation and conversion differences, etc.		
Valuation difference on available-for-sale securities	22,758	27,704
Total valuation and conversion differences, etc.	22,758	27,704
Total net assets	1,905,273	2,080,043
Total liabilities and net assets	3,240,080	3,313,654

## (2) Midterm income statement

(Unit: JPY thousand)

	Current midterm (from 1 Oct 2024 to 31 Mar 2025)
Sales	1,073,457
COGS	217,152
Gross profit	856,304
Selling, general and administrative expenses	603,880
Operating income	252,424
Non-operating income	
Subsidy income	12,500
Commission income	505
Other	102
Total non-operating income	13,108
Non-operating expenses	
Interest expenses	3,137
Total non-operating expenses	3,137
Ordinary income	262,394
Extraordinary income	
Gain from liquidation of affiliated companies	2,788
Total extraordinary income	2,788
Interim net profit before tax	265,182
Corporate tax etc.	80,441
Interim net profit	184,741

## (3) Midterm cash flow statements

(Unit: JPY thousand)

	Current midterm (from 1 Oct 2024 to 31 Mar 2025)
Cash flow from operating activities	
Interim net profit before tax	265,182
Depreciation	18,311
Interest expenses	3,137
Changes in trade accounts receivable (parentheses indicates increase)	149,663
Changes in inventories (parentheses indicates increase)	(9,604)
Changes in trade payable (parentheses indicates decrease)	(41,832)
Changes in contract liabilities (parentheses indicates decrease)	(2,371)
Changes in other accounts payable (parentheses indicates decrease)	(47,739)
Changes in unpaid consumption tax, etc. (parentheses indicates decrease)	(12,540)
Changes in deposits (parentheses indicates increase)	10,670
Changes in income taxes payable etc. (pro forma standard taxation) (parentheses indicates decrease)	3,327
Other	(7,084)
Subtotal	329,119
Cash received from interest	91
Interest payment	(3,098)
Corporate tax payment	(27,174)
Cash flow from operating activities	298,937
Cash flow from investing activities	
Purchase of property, plant and equipment	(1,176)
Purchase of intangible assets	(35,884)
Payments for insurance reserves	(13,249)
Cash flow from investing activities	(50,311)
Cash flow from financing activities	
Repayment of long-term loans payable	(50,018)
Proceeds from issuance of shares	7,200
Dividend payment	(22,067)
Other	(462)
Cash flow from financing activities	(65,348)
Changes in cash and cash equivalents (parentheses indicates decrease)	183,278
Cash and cash equivalents at beginning of period	1,926,216
Cash and cash equivalents at end of midterm	2,109,494



(4) Notes regarding midterm financial statements

(Notes regarding going concern assumptions)

Not applicable.

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

1. Dividend payment

Resolution	Types of shares	Total dividend amount (thousand yen)	Dividend per share (yen)	Reference date	Effective date	Dividend source
20 December 2024 Ordinary general meeting of shareholders	Common stock	22,117	4	30 Sep 2024	23 December 2024	Retained earnings

2. Dividends with reference dates falling within the current midterm, with the effective date being after the last day of the current midterm

Resolution	Types of shares	Total dividend amount (thousand yen)	Dividend per share (yen)	Reference date	Effective date	Dividend source
18 April 2025 Board of directors' meeting	Common stock	33,320	6	31 March 2025	23 June 2025	Retained earnings

(Notes on equity method profits and losses, etc.)

	Current midterm (from 1 Oct 2024 to 31 Mar 2025)
Amount of investment in affiliated companies	16,861 thousand yen
Amount of investment when applying the equity method	70,772 thousand yen
Amount of investment profit when applying the equity method	10,364 thousand yen

(Notes to segment information, etc.)

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

(Notes regarding accounting procedures specific to the preparation of midterm financial statements)

(Calculation of tax expenses)

The effective tax rate after applying tax-effect accounting to income before taxes for the fiscal year including the current midterm is reasonably estimated, and calculated by multiplying interim net income before taxes by that estimated effective tax rate. 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.