IT障害をゼロにする IBC

Fiscal Year Ended September 2026

# Full-Year Financial Results Presentation Materials

11 November 2026

Internetworking & Broadband Consulting Co., Ltd. (Securities code: 3920)

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# 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

IT障害をゼロにする IBC

## Mission
## Achieve zero IT failures

### Single segment
### Software and services-related business

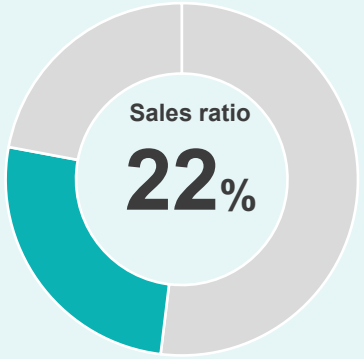
* Full-year results for the fiscal year ended September 2026

### License sales



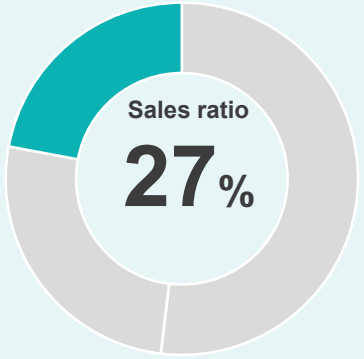

| | |
|---|---|
| Business Contents | Development and sales of software for centralized monitoring of IT systems and prevention of IT failures |
| Issues to be solved | Prevent IT system failures before they occur and avoid major losses caused by system downtime and similar issues. |

### Service provision




| | |
|---|---|
| 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




| | |
|---|---|
| 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

**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**

- 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.

**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**

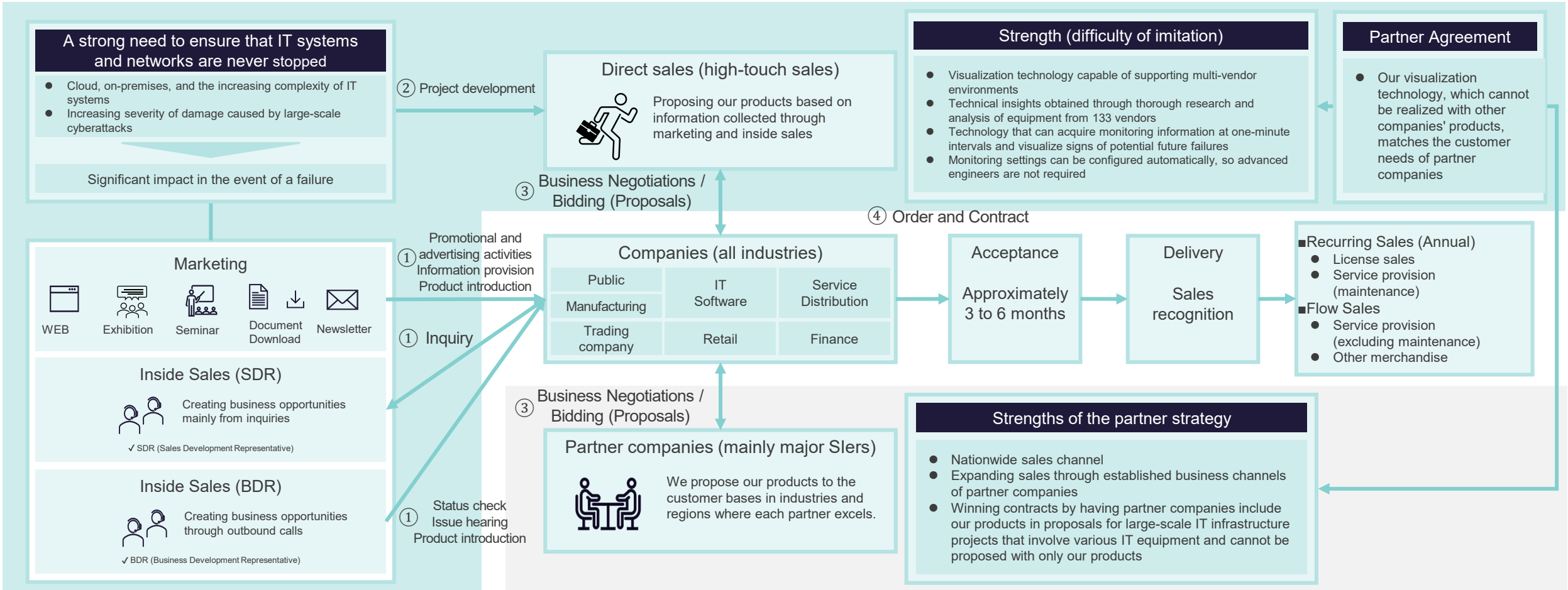
- Because each vendor has its own communication rules, there are significant technical hurdles to building a network environment.
- In a multi-vendor environment where equipment from multiple vendors is mixed, it is difficult to identify failures and problems.
- Few people can accurately understand what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

**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.



# History

## 2002

October 2002
Internetworking & Broadband Consulting 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



## 2010

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

## 2020

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

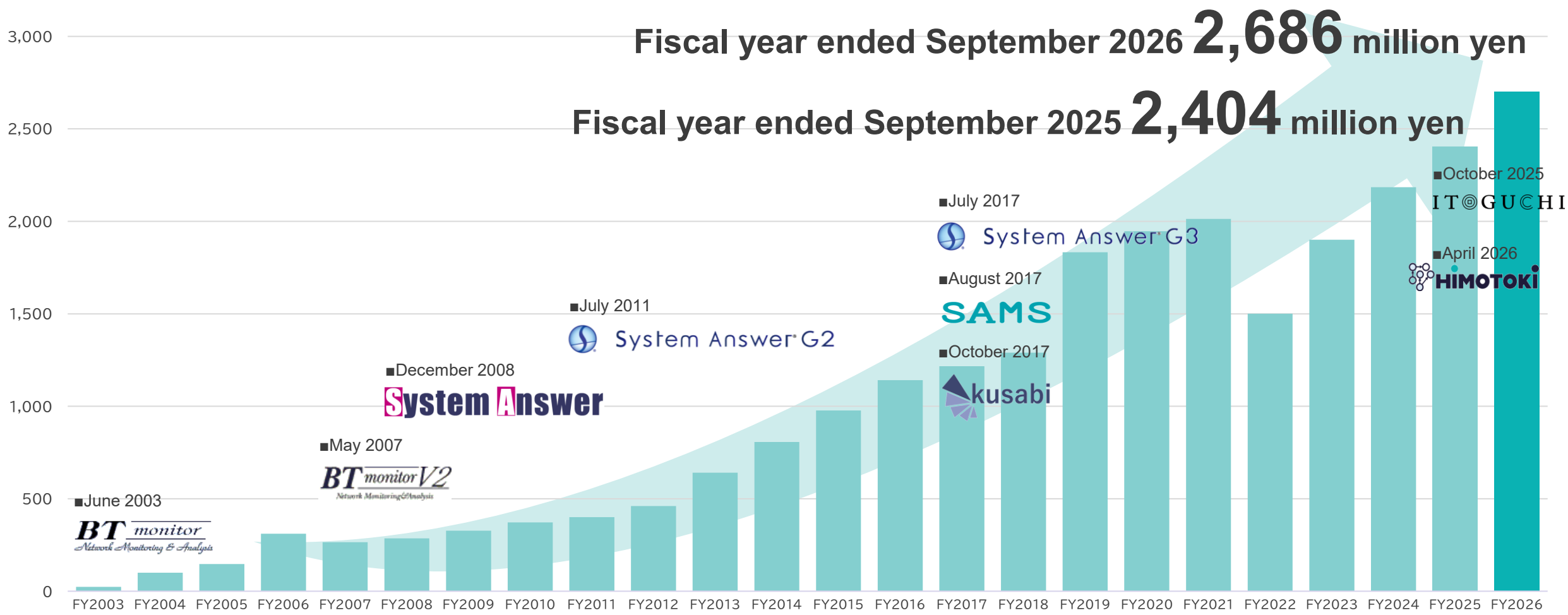
May 2024
Launched "System Answer G3" performance evaluation service

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

April 2026
Launched the communication quality visualization tool "HIMOTOKI"

# Earnings Trends

- Net sales grew by double digits for the fourth consecutive year and reached a record high for the third consecutive year.



# 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.




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能動的な予防保守で県下 169 校のインフラを守る！

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官公庁・自治体・公益法人

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官公庁・自治体・公益法人

# Full-Year Results for the Fiscal Year Ended September 2026

# Highlights

- Net sales rose by 12% year on year, reaching a record high. However, supply constraints for semiconductors, memory, and power supply control components lengthened lead times for servers and network equipment, deferring revenue recognition for some projects to FYE Sep-2027.
- We initially expected little impact on the business from supply constraints, but longer-than-expected lead times for some products left net sales just below the full-year earnings forecast of 2,700 million yen.
- Despite this impact, operating profit rose YoY and was in line with the full-year earnings forecast prior to the upward revision, thanks to efficient management of SG&A expenses and cost reviews.

| | FYE Sep-2025 full-year results | FYE Sep-2026 full-year results | Year-on-year |
|---|---|---|---|
| Net sales | **2,404** million yen | **2,686** million yen | **+12**% |
| Operating profit | **565** million yen | **611** million yen | **+8**% |
| Net profit | **410** million yen | **463** million yen | **+13**% |
| SG&A expenses | **1,284** million yen | **1,296** million yen | **+1**% |
| Recurring net sales | **1,540** million yen | **1,606** million yen | **+4**% |

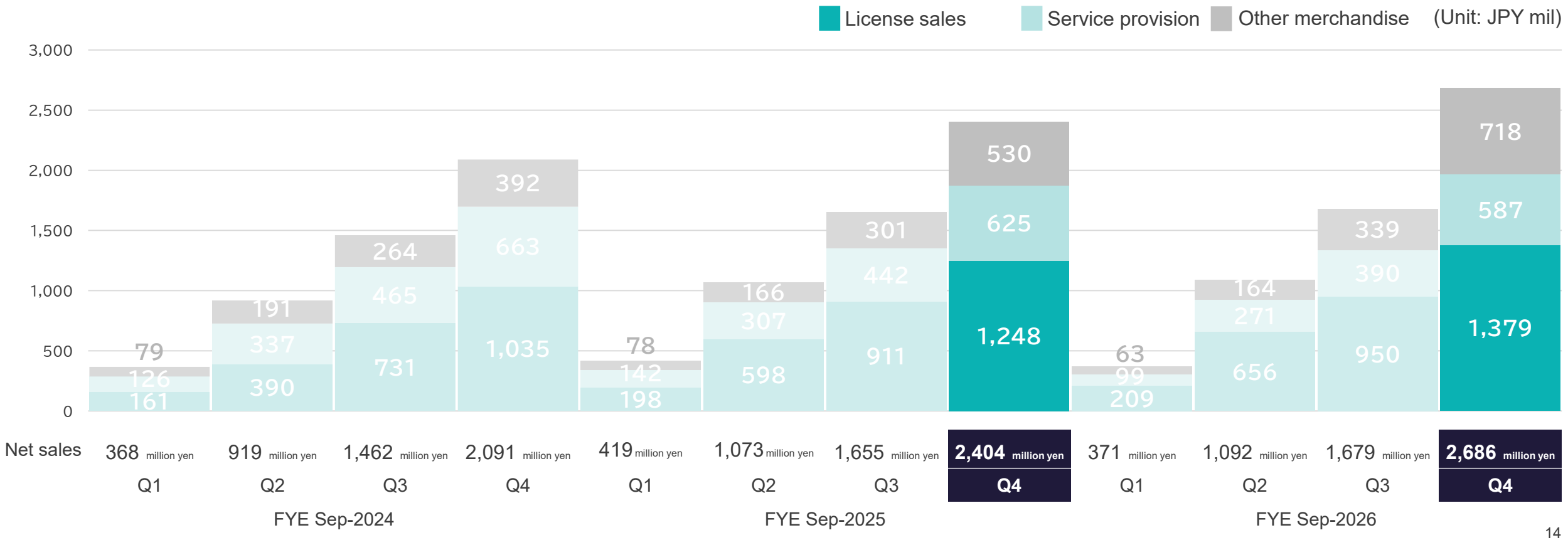
* Numbers are rounded down to the nearest whole number, and percentages are rounded up or down (the same applies below).

# Full-Year Results

| | FYE Sep-2025 full-year results | FYE Sep-2026 full-year results | FYE Sep-2026 full-year earnings forecast |
|---|---|---|---|
| Net sales | **2,404 million yen** | **2,686 million yen**<br>12% increase from previous period | **2,700 million yen**<br>12% increase from previous period |
| Operating profit | **565 million yen** | **611 million yen**<br>8% increase from previous period | **630 million yen**<br>12% increase from previous period |
| Net profit | **410 million yen** | **463 million yen**<br>13% increase from previous period | **430 million yen**<br>5% increase from previous period |

# Net Sales

- License sales **increased 11% year on year due to continued strong demand for switching from other companies' products**.
- In service provision, the increase in new sales remained limited, resulting in almost flat sales. Recovery from the decline in sales due to the completion of a large-scale project in the previous fiscal year continued.
- Other merchandise sales recorded a strong 36% rise year on year, driven by demand for security investments in preparation for the SCS Assessment Program run by the Ministry of Economy, Trade and Industry and by **growing demand for cybersecurity measures against increasingly sophisticated cyberattacks**.



# Net Sales by Product Category

- **<u>System Answer, our core product, generated sales of 1,453 million yen, accounting for approximately 50% of total sales, and continued to grow steadily.</u>**
- The solutions business, an important growth driver, expanded as customer touchpoints and opportunities to make proposals increased.
- Network solutions generated sales of 433 million yen (up 255% YoY), **<u>and led overall sales growth through the acquisition of large-scale projects</u>**.
- Sales of security solutions increased to 256 million yen (up 25% YoY), **<u>as the company steadily captured demand for security enhancement</u>**.

■System Answer
System Answer シリーズ
Integrated Log Management
LOG OPTION
System Answer Series on SAMS
on SAMS

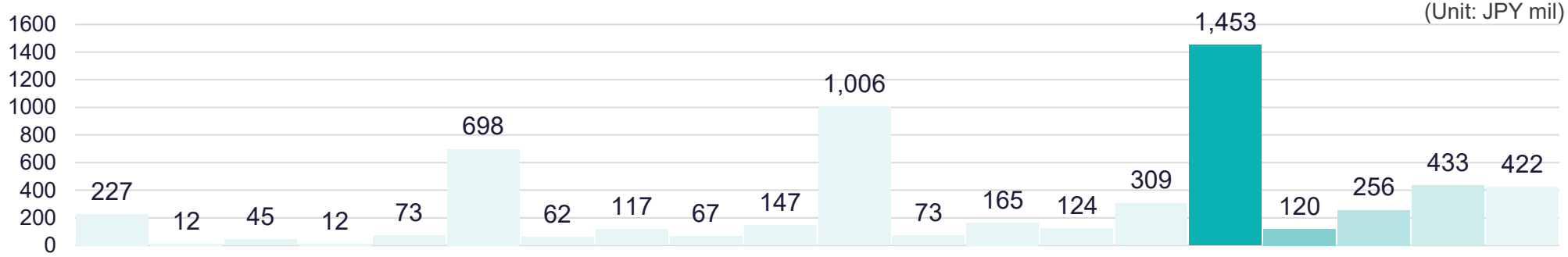
■In-house Product Service
IT Infrastructure Implementation
IBC-Integration

■Security
IBC Security Assessment Services
IBC-SAS
tenable
攻撃遮断くん
CROWDSTRIKE
Waf Charm

■Network
IT Infrastructure Assessment
IBC-PAS
Maintenance Outsourcing Services
IBC Care

■Solution Services
Monitoring and Operations Outsourcing
SAMS
Systems Engineering Services
IBC - SES
Progress Flowmon

(Unit: JPY mil)




| | | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|
| In-house Product Business | System Answer | 227 million yen | 698 million yen | 1,006 million yen | **1,453 million yen** |
| | In-house Product Services | 12 million yen | 62 million yen | 73 million yen | **120 million yen** |
| Solution Business | Security Solutions | 45 million yen | 117 million yen | 165 million yen | **256 million yen** |
| | Network Solutions | 12 million yen | 67 million yen | 124 million yen | **433 million yen** |
| | Solution Services | 73 million yen | 147 million yen | 309 million yen | **422 million yen** |

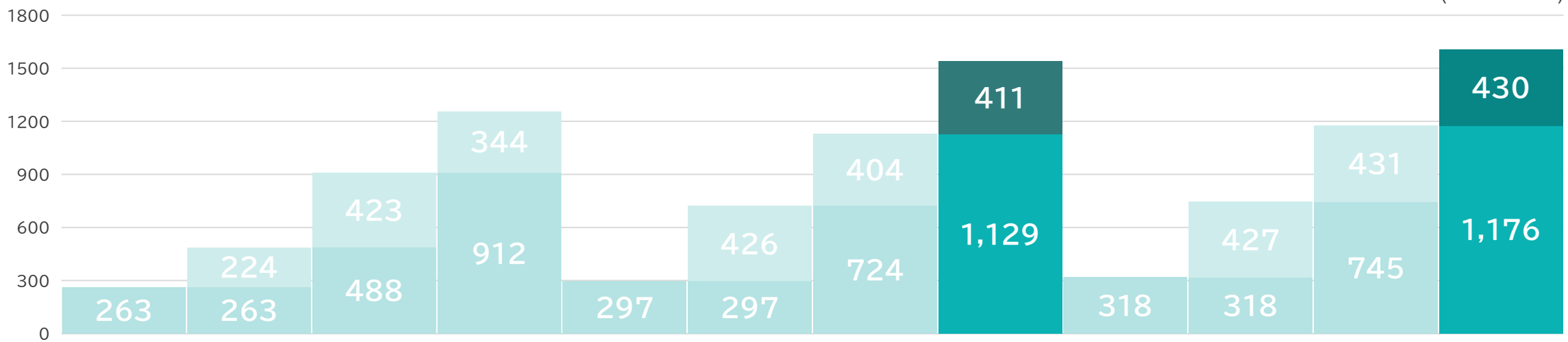
FYE Sep-2026

# Recurring Net Sales

- Steady license sales drove performance, and **recurring sales increased 4% compared to the same period last year.**
- Meanwhile, the **acquisition and recognition of sales from large-scale one-off projects increased the share of sales resulting from one-off projects,** reducing the recurring sales ratio by 4 percentage points year on year. Even so, recurring sales still account for 60% of total sales, maintaining a high level of revenue stability.

* The main component of recurring sales is the one-year license renewal.

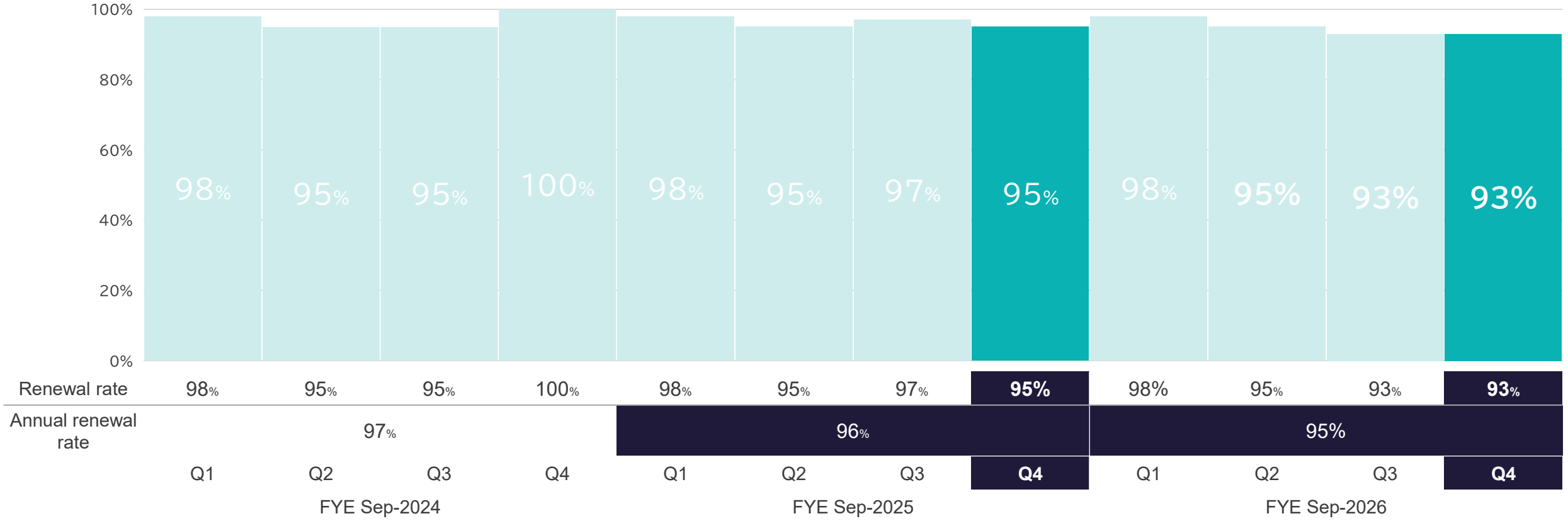
(Unit: JPY mil)




| | FYE Sep-2024 | | | | FYE Sep-2025 | | | | FYE Sep-2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | **Q4** | Q1 | Q2 | Q3 | **Q4** |
| Recurring net sales | 263 million yen | 488 million yen | 912 million yen | 1,256 million yen | 297 million yen | 724 million yen | 1,129 million yen | **1,540 million yen** | 318 million yen | 745 million yen | 1,176 million yen | **1,606 million yen** |
| Quarterly recurring net sales (single-quarter basis) | 263 million yen | 224 million yen | 423 million yen | 344 million yen | 297 million yen | 426 million yen | 404 million yen | **411 million yen** | 318 million yen | 427 million yen | 431 million yen | **430 million yen** |
| Sales ratio | 72% | 53% | 62% | 60% | 72% | 68% | 69% | **64%** | 86% | 68% | 70% | **60%** |
| Year-on-year | +17% | +7% | +23% | +28% | +13% | +48% | +24% | **+23%** | +7% | +3% | +4% | **+4%** |

# System Answer Renewal Rate

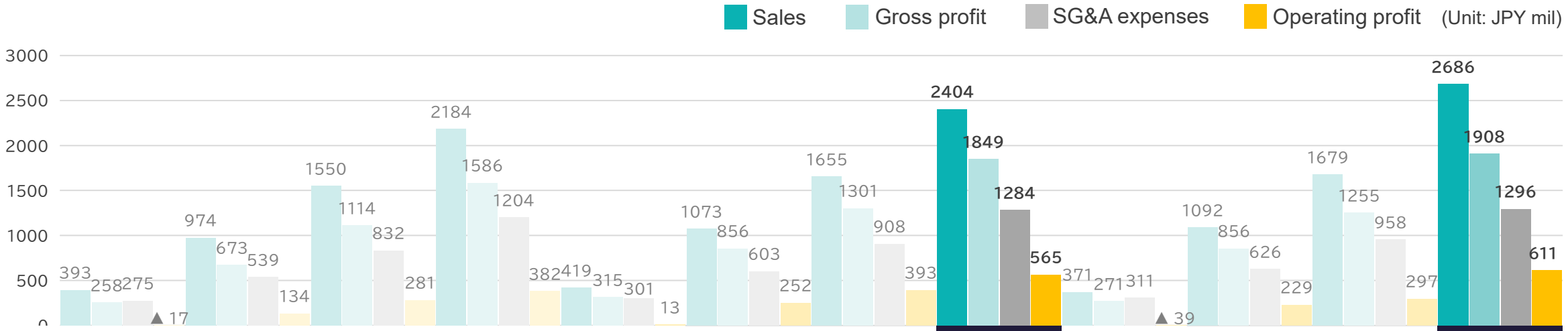
- The full-year System Answer renewal rate **remained at the target of 95%**.
- The System Answer renewal rate in the fourth quarter alone was 93%, but this was down to certain partner companies transferring their network-related contracts to other providers, and contract expirations resulting from customers' cost-cutting initiatives. There were no cancellations due to service quality or competitiveness.




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

# Operating Profit

- As revenue mix changed due to sales growth in the solutions business, growth of highly profitable products developed in-house **helped maintain an operating profit margin of 23%, roughly in line with the same period last year**.
- Gross profit margin fell 6 percentage points year on year as **sales recognition on large-scale one-off projects increased the proportion of externally sourced products, which carry relatively lower margins**.




| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Operating profit | -17 million yen | 134 million yen | 281 million yen | 382 million yen | 13 million yen | 252 million yen | 393 million yen | **565 million yen** | -39 million yen | 229 million yen | 297 million yen | **611 million yen** |
| Gross profit margin | 66% | 69% | 72% | 73% | 75% | 80% | 79% | **77%** | 73% | 78% | 75% | **71%** |
| SG&A ratio | 70% | 55% | 54% | 55% | 72% | 56% | 55% | **53%** | 84% | 57% | 57% | **48%** |
| Operating profit margin | - | 14% | 18% | 17% | 3% | 24% | 24% | **24%** | - | 21% | 18% | **23%** |
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | **Q4** | Q1 | Q2 | Q3 | **Q4** |
| | FYE Sep-2024 (consolidated) | | | | FYE Sep-2025 (non-consolidated) | | | | FYE Sep-2026 (non-consolidated) | | | |

# Breakdown of SG&A Expenses

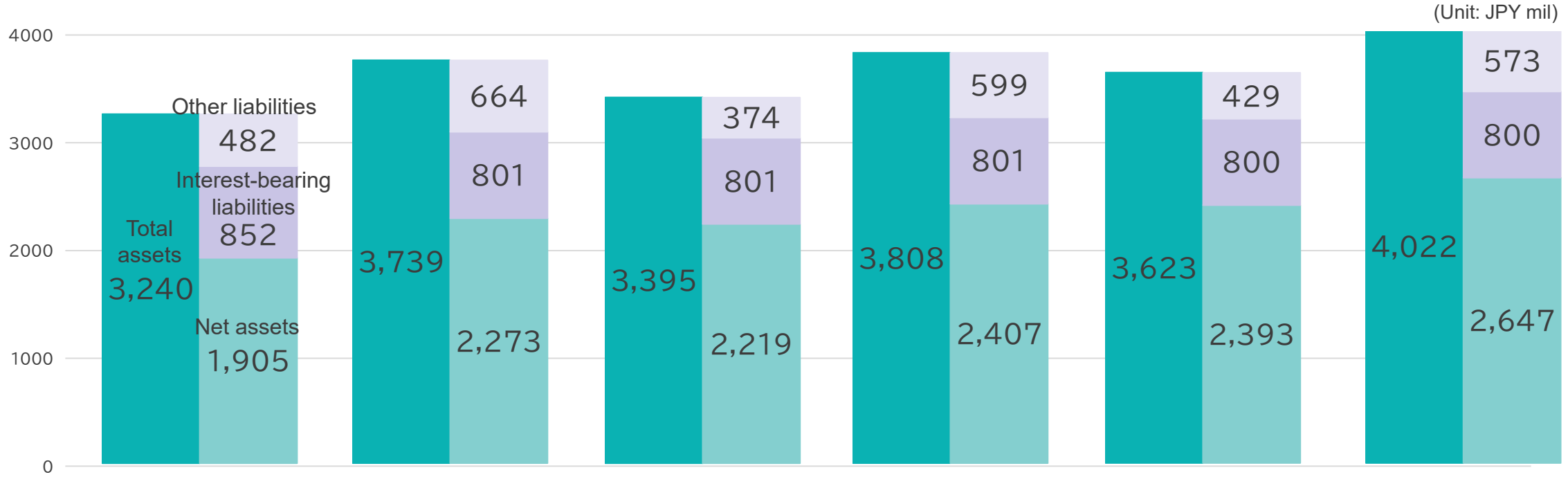
- SG&A expenses were broadly flat at 1,296 million yen, up 1% YoY.
- The company continued strategic investment in human resources but offset the resulting increase in costs through cost optimization efforts, particularly in office-related expenses.

| | FYE Sep-2025 Q4 | FYE Sep-2026 Q4 | Change | Percent change | Point |
|---|---|---|---|---|---|
| Personnel expenses*1 | 837 million yen | 856 million yen | +19 | +2% | The increase is due to an increase in employees and wage increases. Continued investment in human resources for business expansion. |
| Outsourcing expenses | 76 million yen | 86 million yen | +10 | +13% | Increase in outsourcing of development and product support work. |
| Depreciation expenses | 10 million yen | 16 million yen | +6 | +60% | Increase due to the recording of asset retirement obligations for the head office building, etc. |
| Internal system costs, etc.*2 | 74 million yen | 69 million yen | -5 | -7% | |
| Office-related expenses*3 | 121 million yen | 100 million yen | -21 | -17% | |
| Customer development-related expenses*4 | 39 million yen | 37 million yen | -2 | -5% | |
| Travel and transportation expenses | 20 million yen | 23 million yen | +3 | 15% | |
| Other | 105 million yen | 105 million yen | ±0 | 0% | |
| Total | 1,284 million yen | 1,296 million yen | +12 | +1% | |

*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 66%**.

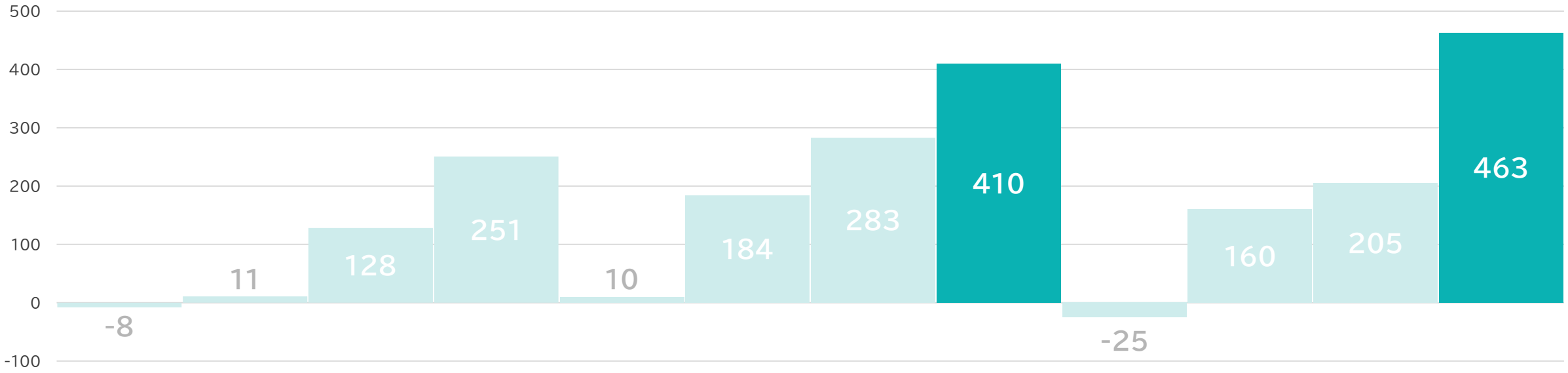



| | FYE Sep-2024 | FYE Sep-2025 | FYE Sep-2026 Q1 | FYE Sep-2026 Q2 | FYE Sep-2026 Q3 | **FYE Sep-2026 Q4** |
|---|---|---|---|---|---|---|
| Equity-to-asset ratio | 59% | 61% | 65% | 63% | 66% | **66%** |
| D/E ratio | 0.44x | 0.35x | 0.36x | 0.33x | 0.33x | **0.30x** |
| Net DE ratio | -0.56x | -0.70x | -0.69x | -0.69x | -0.66x | **-0.56x** |

# Net Profit and EPS

- Net profit was **463 million yen, exceeding the full-year earnings forecast of 430 million yen**.
- It increased 13% year on year despite a lower gross profit margin and higher personnel expenses associated with investment in human resources, as growth in in-house products supported profitability and sales expansion.

(Unit: JPY mil)

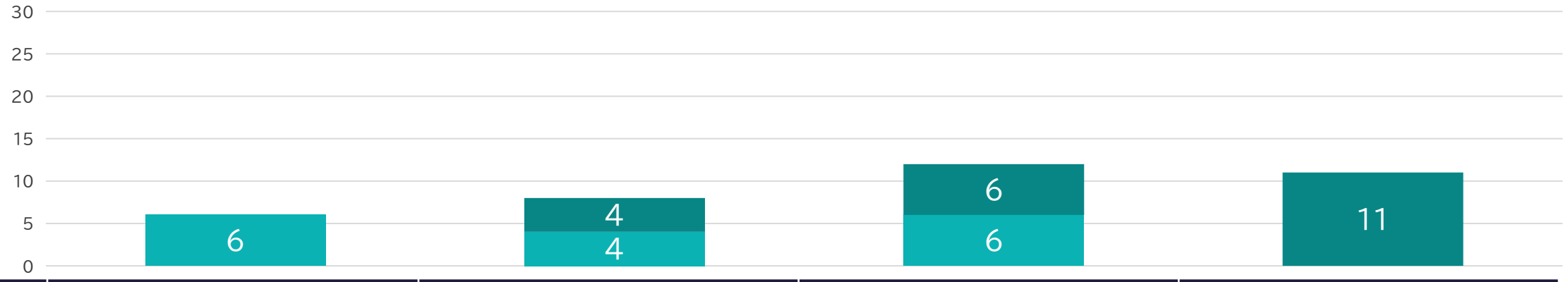



| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net profit | -8 million yen | 11 million yen | 128 million yen | 251 million yen | 10 million yen | 184 million yen | 283 million yen | **410 million yen** | -25 million yen | 160 million yen | 205 million yen | **463 million yen** |
| EPS | -1.46 | 2.14 | 23.22 | 41.63 | 1.92 | 33.39 | 51.17 | **74.07** | -4.56 | 27.86 | 35.68 | **83.35** |
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | **Q4** | Q1 | Q2 | Q3 | **Q4** |
| | FYE Sep-2024 | | | | FYE Sep-2025 | | | | FYE Sep-2026 | | | |

# Shareholder Returns

- The company paid an interim dividend of 11 yen for the fiscal year ended September 2026 as planned.
- The year-end dividend forecast was revised in connection with the tender offer for the company's shares.
- The tender offer price was calculated assuming no year-end dividend would be paid.
- We revised our year-end dividend forecast for FYE Sep-2026 to zero, as we expect shareholder returns through the tender offer price.
- Given the timing of the Annual General Meeting of Shareholders and other factors, no year-end dividend will be paid regardless of the tender offer outcome.

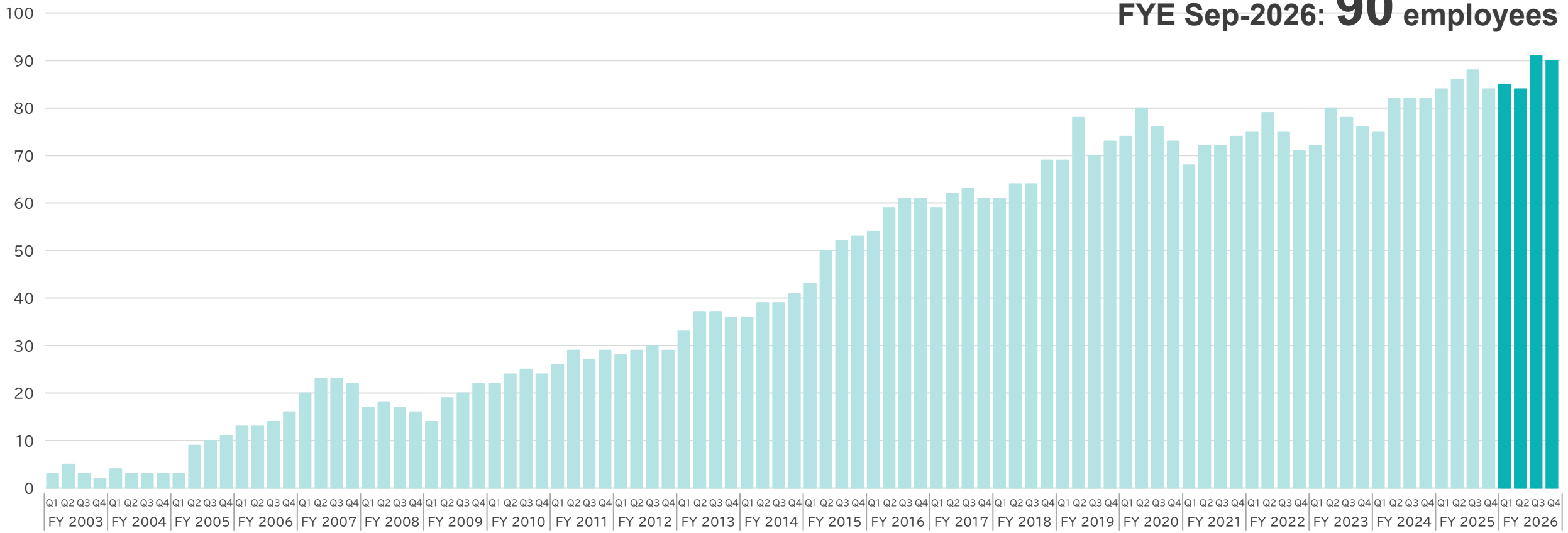
(Unit: yen)




| | FYE Sep-2023 | FYE Sep-2024 | FYE Sep-2025 | FYE Sep-2026 (after revision) |
|---|---|---|---|---|
| Total dividend allocation (Based on resolution) | 33 million yen | 44 million yen | 66 million yen | 61 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) | 11 yen (interim 11 yen/year-end 0 yen) |
| Payout ratio | 47.1% | 17.6% | 16.2% | 13.2% |

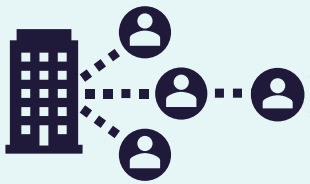
# Human Resources Strategy

- In the fiscal year ended 30 September 2026, we planned to hire a total of ten people, mainly in engineering and sales positions, to further accelerate growth.
- **One person was hired in the fourth quarter, resulting in a total of 13 hires over the year.**
- **Our headcount stood at 90 against a target of 94 after 6 employees left.**
- 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.)



# Initiatives to Enhance Our Security Business

# Security Market Environment and Business Opportunities



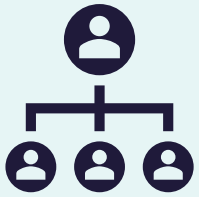
## Acceleration of Efforts to Strengthen Security Across the Supply Chain

- Against a backdrop of an increasing number of cyberattacks, security management that includes business partners is becoming more important.
- Companies are looking ahead to compliance with METI's SCS Assessment Program, driving demand for security risk visualization, assessment, and mitigation.



## Increasing importance of vulnerability management

- As attack methods using generative AI grow more sophisticated, early detection and ongoing management of vulnerabilities are increasingly important.
- Demand is growing for vulnerability assessment and management across all IT assets, including cloud environments, servers, and devices.



## Growing demand for rapid incident recovery capabilities

- As cyberattacks cause more severe damage, incident response and recovery capabilities are becoming increasingly important alongside preventive measures.
- Business continuity needs are driving demand for services that support incident response from early containment through recovery.



## Worsening shortage of human resources for security operations

- The worsening shortage of human resources for security operations makes it harder for companies to build and maintain monitoring and operations capabilities entirely in-house.
- Demand is growing for outsourcing of security monitoring and incident response, which require specialized knowledge.

# Initiatives to Enhance Our Security Business

## Expansion of sales of vulnerability management solutions

- We leverage engineers' acquisition of the Tenable One Vulnerability Management Specialist Certification to strengthen our highly specialized proposal capabilities and expand sales of Tenable solutions.
- We work to enhance vulnerability management services that utilize Tenable in order to support the visualization and management of IT assets as a whole and capture growing demand for vulnerability management.

## Support for compliance with SCS Assessment Program

- We provide assessment services aligned with the SCS Assessment Program to help visualize security risks across the supply chain.
- We will work to capture demand from companies responding to the SCS Assessment Program and enhancing their security governance to create new customer touchpoints and expand sales of security-related services.

## Launch of cyber resilience services

- We will launch cyber resilience services under our own brand, designed not only to protect businesses but also to keep them running during an attack.
  (Launch planned for January 2027)
- We address fragmented security tools, shortages of human resources for operations, and gaps in recovery planning with one-stop services spanning monitoring, operations, incident response, and recovery support.

* The company names and product names mentioned are trademarks or registered trademarks of their respective companies.
* Tenable is a trademark or registered trademark of Tenable, Inc.

# Initiatives for a Sustainable Society

# 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 (a reduction of approximately 35%).

[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)<br>FYE Sep-2023<br>Annual $CO_2$ emissions 56.827 t-$CO_2$ | Target: 100% decrease from the base year due to renewable energy switching<br>FYE Sep-2025<br>Annual $CO_2$ emissions: 0 t-$CO_2$ | Approx. 56 t<br>$CO_2$ reduction<br>Target achieved |
| Paper | Base year (before paperless)<br>FYE Sep-2023<br>Annual $CO_2$ emissions 222.1 kg-$CO_2$ | Target: Maintain a 15% decrease from the base year<br>FYE Sep-2025<br>Annual $CO_2$ emissions 162.6 kg-$CO_2$ | Approx. 59 kg<br>$CO_2$ reduction<br>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 AlonAlon's 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** Net sales have increased, but the gross profit margin fell 6 percentage points compared to the same period last year. Should this be considered as a deterioration in profitability?

**A** Gross profit margin fell 6 percentage points year on year because recognition of large-scale one-off projects increased the proportion of externally sourced products, which carry relatively lower margins. Meanwhile, sales of our high-margin System Answer product that was developed in-house stayed strong, and the operating profit margin remained at 23%, roughly in line with the same period last year. The decline in profit margin is temporary and reflects a change in our project mix, but our revenue base, centered on products developed in-house, remains largely unchanged.

**Q** The increase in sales from large-scale one-off projects is temporary, so does that mean there will be a pullback in FYE Sep-2027?

**A** While large-scale projects contributed to net sales in the period under review, our growth is not driven by any particular project. In the solutions business, customer touchpoints and proposal opportunities continue to grow, and the number of projects likely to generate orders is steadily increasing. Recurring sales, driven mainly by our flagship product System Answer and license sales, also continue to grow, further stabilizing our revenue base. We grow by securing large-scale projects and building recurring sales, and we do not see our business model as assuming a temporary drop after a strong period.

# Appendix

# Strengthening Customer Touchpoints

- By participating in trade shows and large-scale conferences, we will create touchpoints with information systems departments and management, increase awareness of our company and products, and strengthen our presence within the industry, thereby expanding sales channels.

| Q1 | | | Q2 | | | Q3 | | | Q4 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| October | November | December | January | February | March | April | May | June | July | August | September |
| IBC DAY 2025 | | | IBC Day in osaka 風は西から | JANOG57 IN OSAKA | | | | Interop Tokyo | JANOG58 IN MATSUYAMA | | |











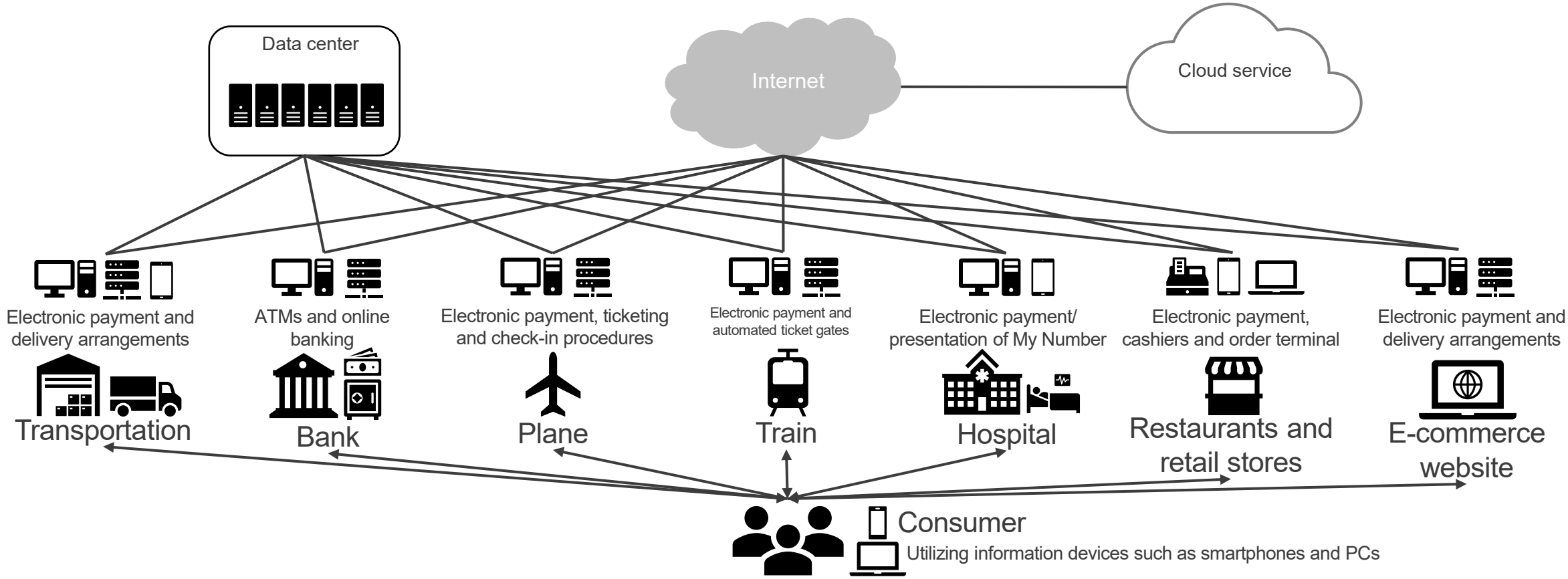

15 – 17 July 2026: Exhibited at JANOG58 MEETING IN MATSUYAMA

- This is a conference event that brings together network engineers and operators from across Japan.
- We showcased System Answer G3, our flagship product developed in-house that has seen orders from more than 1,000 companies across the series.

# 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.

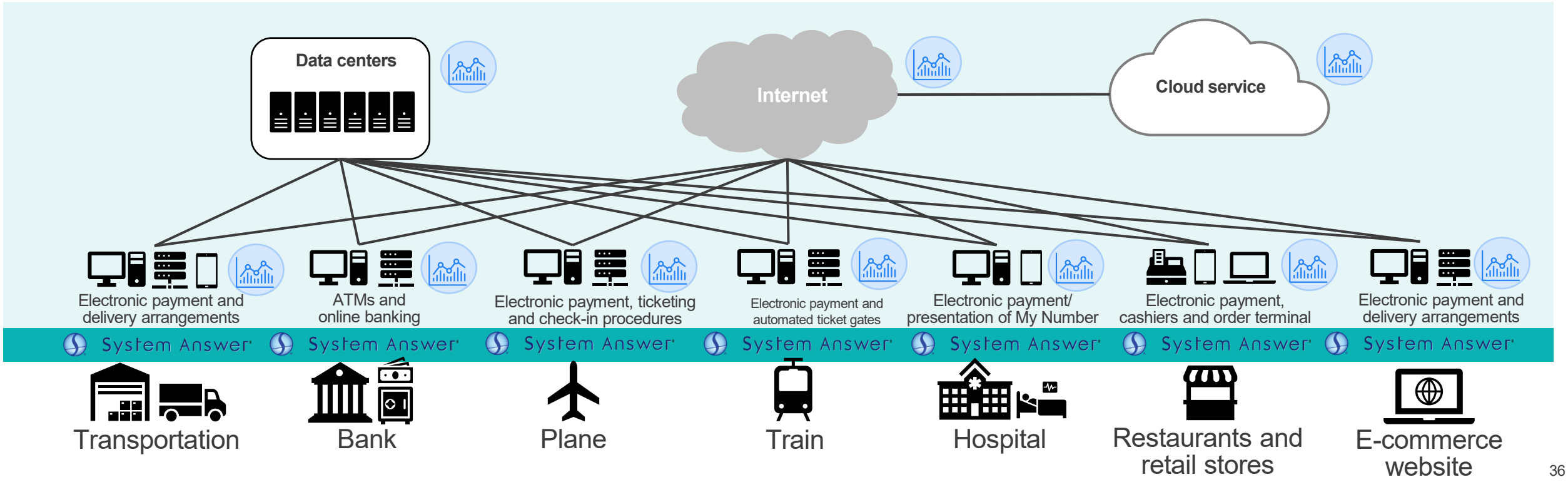


# The Need for IT System and Network Monitoring

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

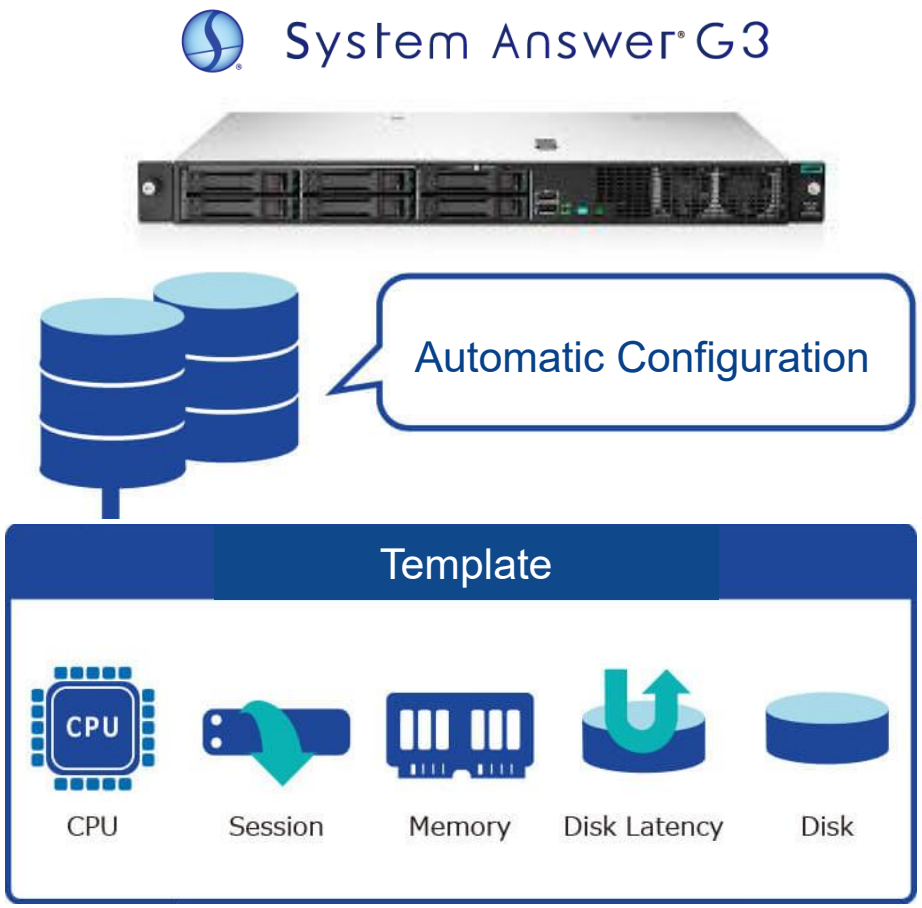
- When an IT failure occurs, it can have an impact such as not being able to withdraw money from banks, not being able to shop at stores, or not being able to use public transportation.
- For society to keep functioning, it is necessary for us to monitor IT systems and networks and keep them operating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

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



# What Is "System Answer G3," Our Flagship Product Developed In-house?

- It is a tool for monitoring whether a company's IT systems and networks are functioning properly.
- By simply connecting System Answer G3 to each device, monitoring settings are configured automatically without the need for advanced technical expertise. (Compatible with 5,384 types of devices from 133 companies)
- It automatically records the operating status of PCs, servers, network devices, cloud services, and other tools used in daily operations to detect early signs of failures.



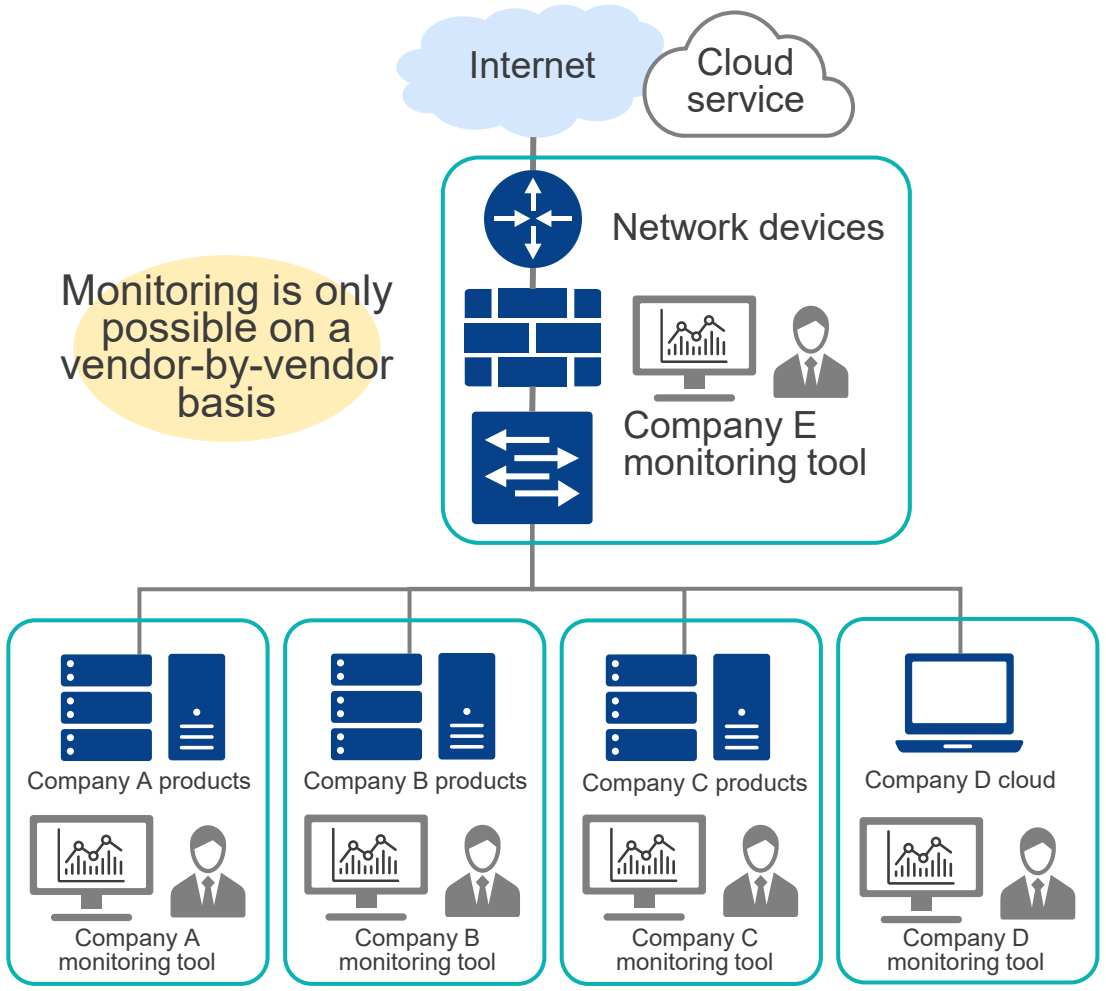



# Why Is System Answer G3 Adopted by So Many Companies?

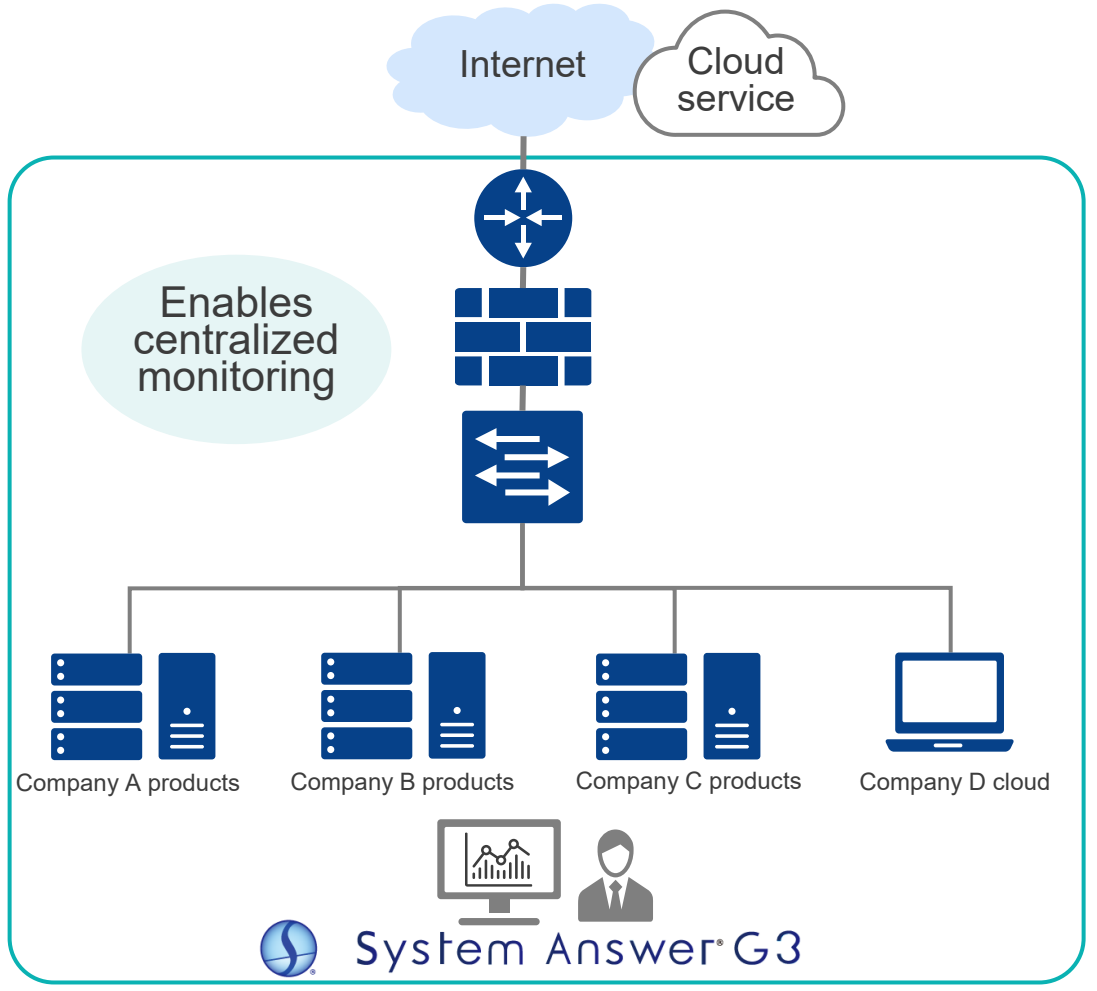
IT障害をゼロにする IBC

**Point 1** **Enables an at-a-glance understanding of the status of the entire IT system across multiple vendors on a single screen**

## Before Implementing System Answer G3

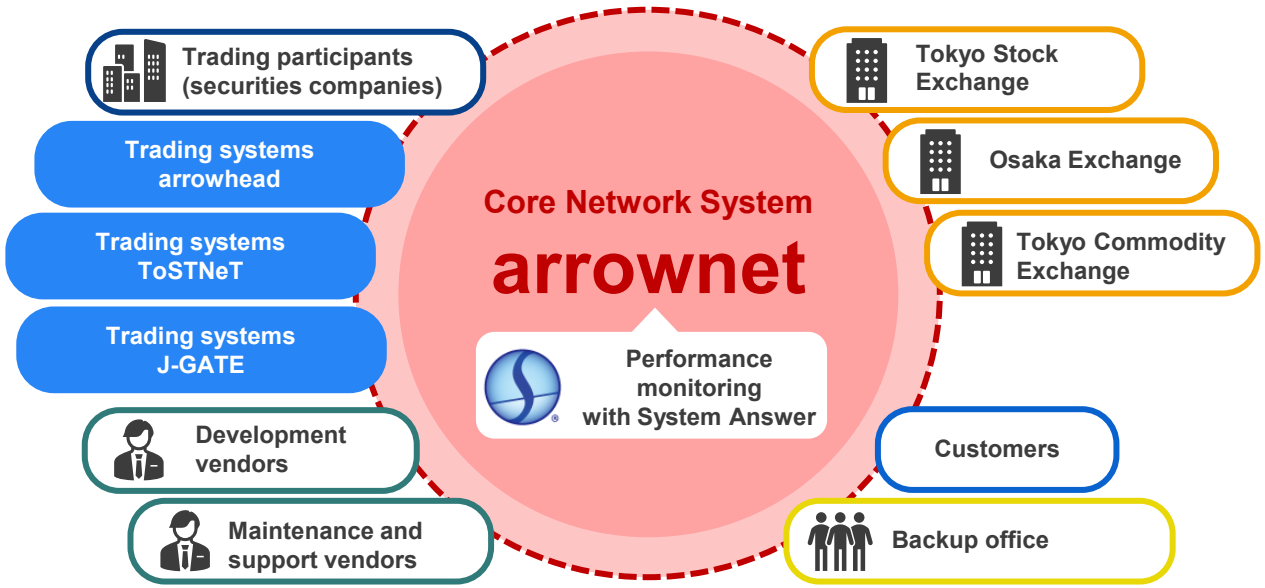



## After Implementing System Answer G3



# 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 | 金融・保険業




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.

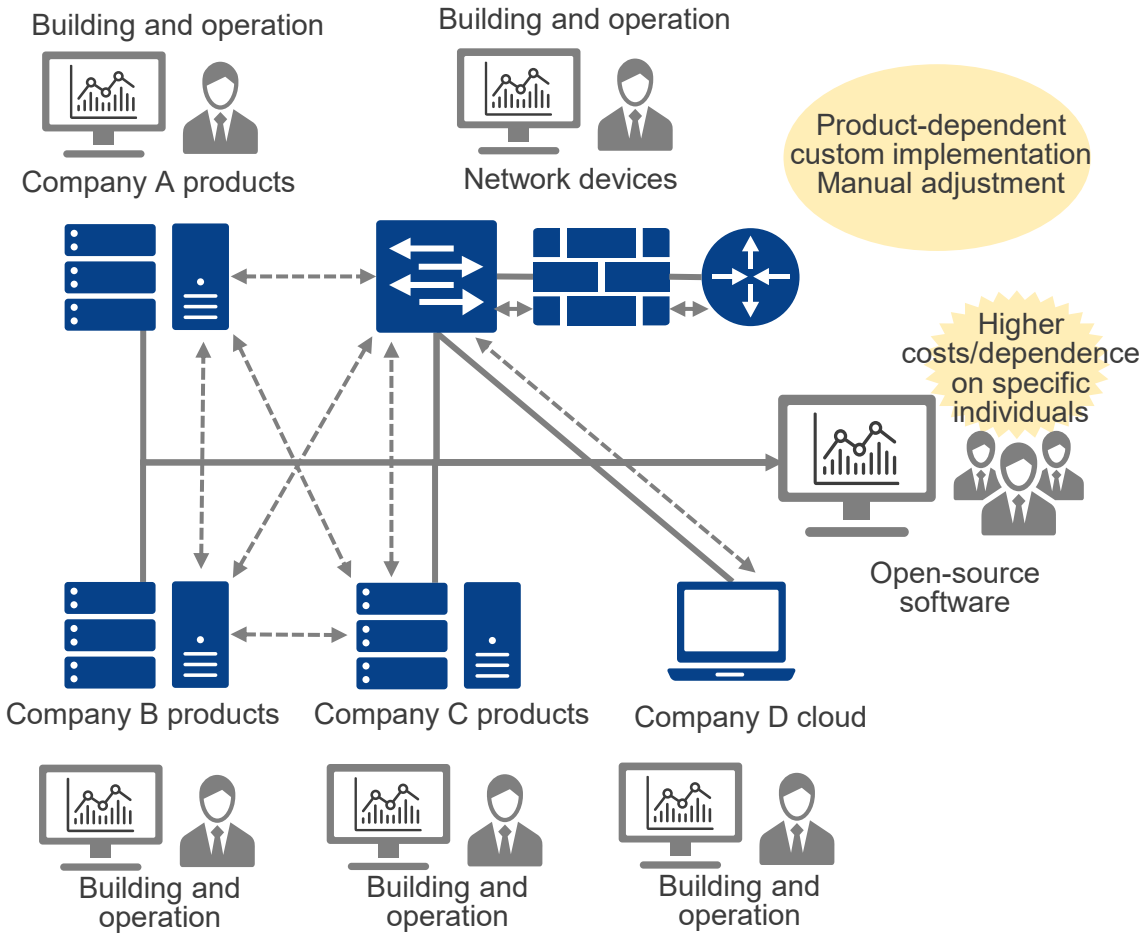
The company's System Answer G3 monitors the hundreds of network-related devices that make up arrownet. Information systems personnel in the IT Development Department of the Tokyo Stock Exchange are in charge of the setup and management of G3. In addition to information systems personnel, dozens of members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

# Why Is System Answer G3 Adopted by So Many Companies?

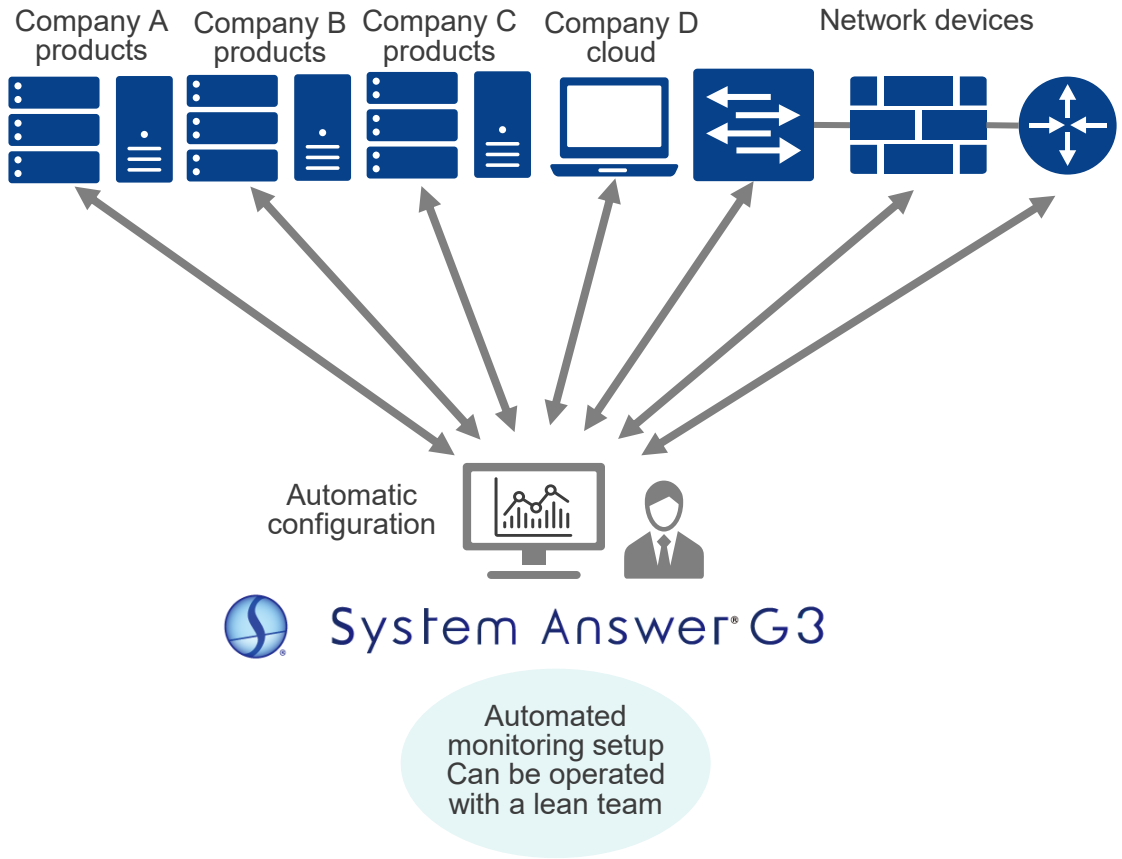
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**Point 2** No need for highly specialized engineers to build and operate monitoring configurations

## Open-source software



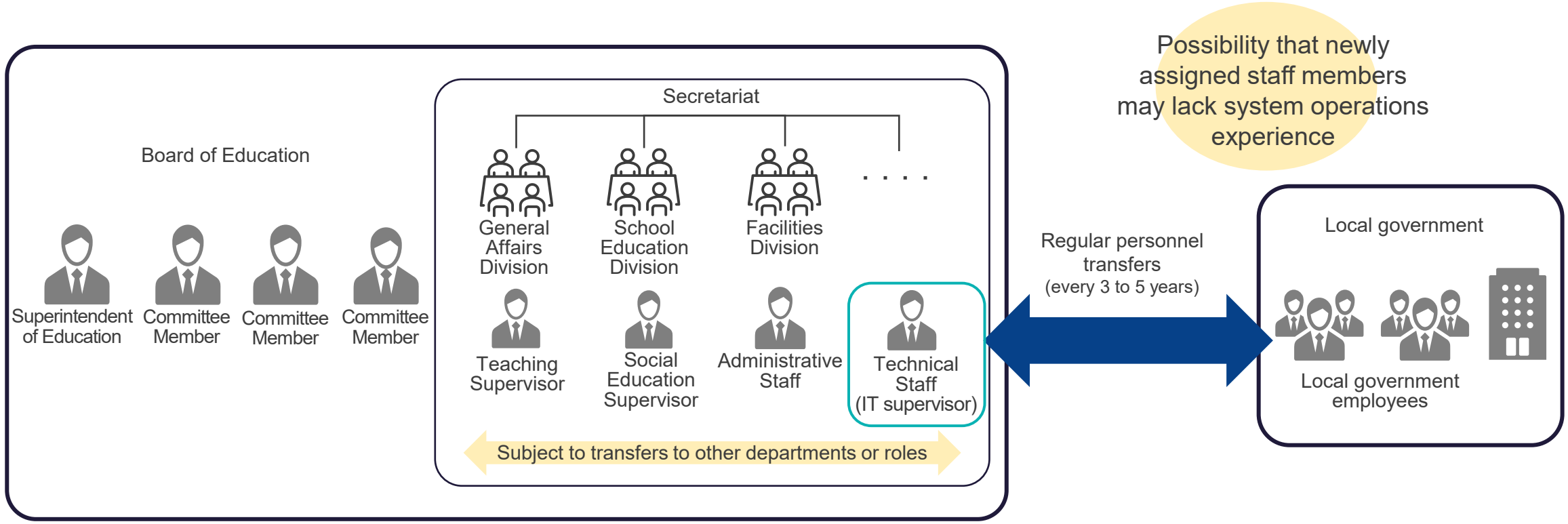

## System Answer G3



# Examples of Issues Faced by a Board of Education

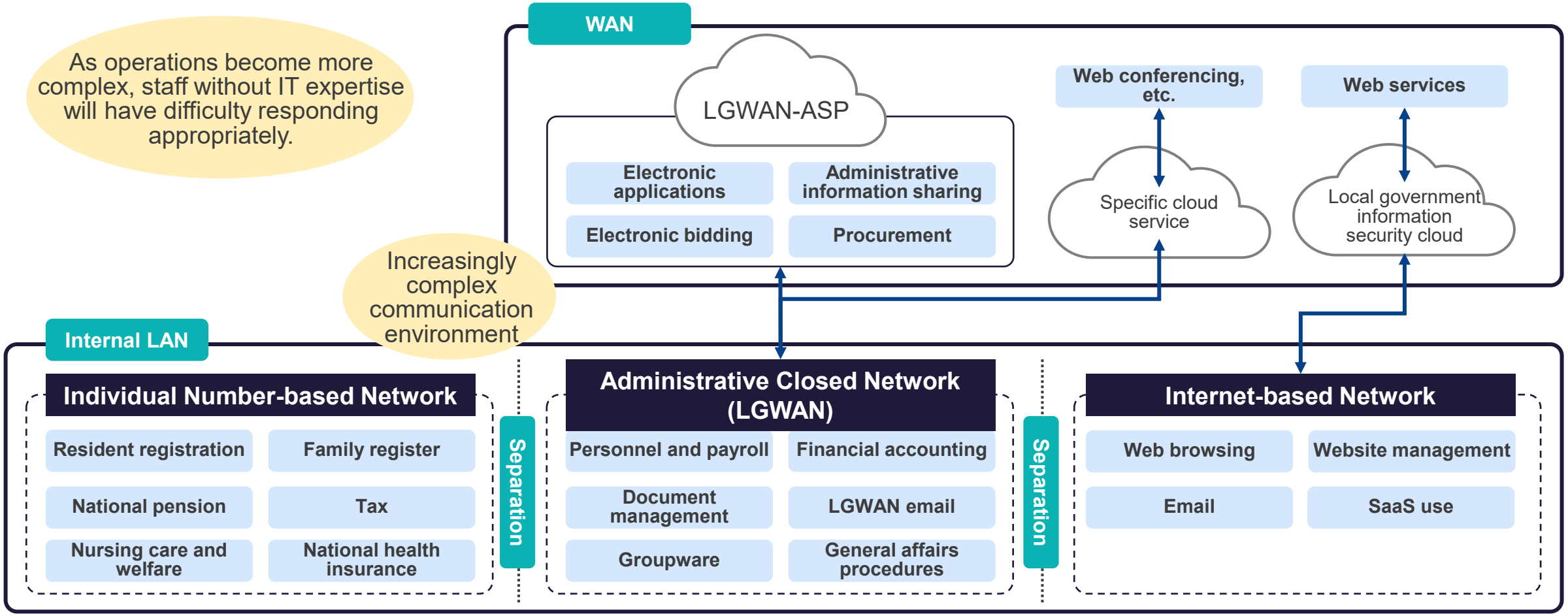
- Because Boards of Education undergo regular personnel changes, there is a risk that IT operations may become difficult if newly assigned staff members lack experience in system operations.

■Board of Education organizational structure



# Examples of Challenges in Government Administration

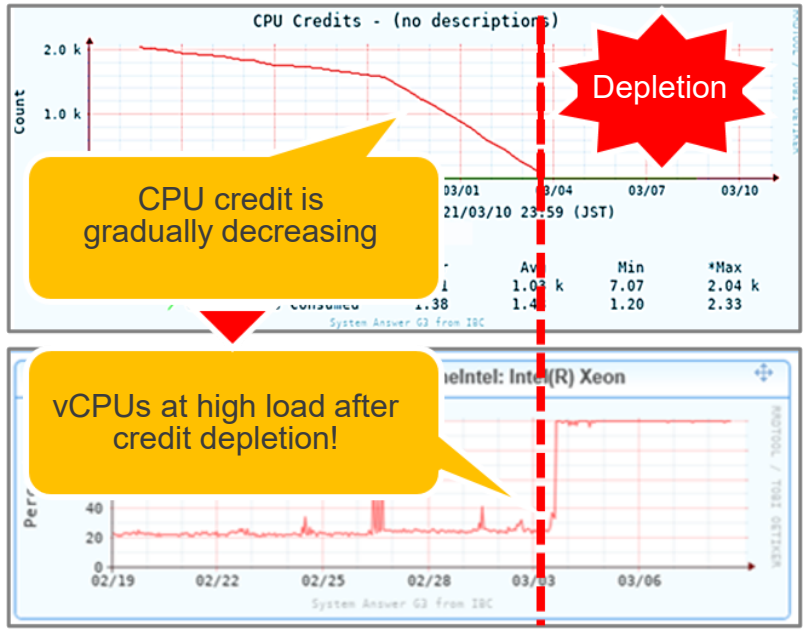
- Amendments to the Local Autonomy Act are driving DX in local governments, resulting in changes to the networks and tools they use. As operations become more complex, there is a risk that staff without IT expertise will have difficulty responding appropriately.



# 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 | 官公庁・自治体・公益法人




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

Azure Virtual Machines has multiple series. In the case of the B-series virtual machine, for example, if the CPU does not use 100% of its baseline performance, 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, it is important for stable system operation to monitor not only CPU usage (SNMP monitoring) but also CPU credits (Azure Monitor API monitoring).

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

# System Answer Adoption in Local Governments

- The adoption rate is 32% among prefectural governments, and 20% among ordinance-designated cities and other municipalities.
- It is used not only by local government operations staff, but also by companies that undertake operations management for local governments.







**Reasons for adoption**

Japanese UI, intuitive interface, and support from our engineers (by telephone and email). No specialized knowledge is required for use.

# Why Is System Answer G3 Adopted by So Many Companies?

**Point 3** High barriers to entry make it difficult for other companies to undertake development and operations comparable to ours

**Achieving multi-vendor support**

- Identify individual specifications of each vendor's products
- Continuous verification and analysis
- Version upgrades Keeping up with successor models



Significant long-term human resources and development costs

We have established a strong competitive position in the field of general-purpose performance monitoring software for multi-vendor environments,
where barriers to entry are high for both existing players and new entrants

As this is a labor-intensive field requiring ongoing support for and validation of each vendor's products, only a limited number of companies actively engage in it, and we have established a niche-leading position in this challenging area


IBC's Business Mission
Achieve zero IT failures

# Disclaimer

[Disclaimer and Caution Regarding Forward-Looking Statements]

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