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October 30, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Japanese standard)

Company name: INES Corporation
Listing: Tokyo Stock Exchange
Securities code: 9742
URL: https://www.ines.co.jp/en/
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Scheduled date to file semi-annual securities report: November 12, 2026
Scheduled date to commence dividend payments: December 7, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2026 (April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(Figures in percentages denote year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	18,983	15.1	449	–	453	–	255	–
September 30, 2025	16,486	(11.5)	(920)	–	(801)	–	(601)	–

Note: Comprehensive income For the six months ended September 30, 2026: ¥487 million [–%]
For the six months ended September 30, 2025: ¥(455) million [–%]

	Profit per share	Fully diluted profit per share
Six months ended	Yen	Yen
September 30, 2026	12.26	–
September 30, 2025	(28.92)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	48,164	36,954	76.7
March 31, 2026	49,361	36,966	74.9

Reference: Shareholders' equity
As of September 30, 2026: ¥36,954 million
As of March 31, 2026: ¥36,966 million

2. Dividends

	Dividends per share				
	End of Q1	End of Q2	End of Q3	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	–	25.00	–	25.00	50.00
Fiscal year ending March 31, 2027	–	25.00			
Fiscal year ending March 31, 2027 (Forecast)			–	30.00	55.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

The Company has decided to pay a second quarter-end dividend of ¥25 for the fiscal year ending March 31, 2027 (forecast). The annual dividend forecast, including the year-end dividend, remains unchanged. For details, please refer to the "Notice Concerning Determination of Dividends from Surplus (Interim Dividend) and Year-End Dividend Forecast" released today (October 30, 2026).

3. Forecasts for consolidated financial results for the fiscal year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Figures in percentages denote year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	40,000	9.2	2,500	–	2,500	–	1,700	–	81.64

Note: Revisions to the earnings forecasts most recently announced: No

*** Notes**

(1) Significant changes in the scope of consolidation during the period: No

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For details, please refer to page 10 of the accompanying materials "2. Semi-annual consolidated financial statements and significant notes thereto, (4) Notes to semi-annual consolidated financial statements, Notes to accounting treatment specific to the preparation of semi-annual consolidated financial statements."

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies associated with the revision of accounting standards, etc.: No

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(iv) Restatement: No

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026	20,900,000 shares
As of March 31, 2026	20,900,000 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	77,092 shares
As of March 31, 2026	87,301 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2026	20,819,700 shares
Six months ended September 30, 2025	20,809,533 shares

* Semi-annual consolidated financial statements are placed outside the scope of reviews performed by certified public accountants or audit corporations.

* Explanation regarding the proper use of results forecasts and other important notes
(Disclaimer regarding forward-looking statements)

Forward-looking statements such as results forecasts provided in this document are prepared based on currently available information and assumptions that are deemed reasonable, but the Company does not intend to guarantee their achievement. Actual results may differ significantly from the above forecasts for various reasons. For conditions regarding the assumptions for results forecasts and notes on the use of results forecasts, etc., please refer to page 3 of the accompanying materials "1. Outline of operating results, (3) Explanation of consolidated earnings forecast and other forward-looking statements."

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1. Outline of operating results

In the domestic IT service market, which is the main business area of the Group, demand for digital transformation (DX) aimed at addressing structural labor shortages, improving productivity, and strengthening business competitiveness remained robust, as did investment in systems utilizing AI technologies, such as generative AI.

In this business environment, the Group focused on promoting key strategies for sustainable growth in the first year of the 2028 Medium-Term Management Plan.

"Regional DX strategy"

We promoted the expansion of AI solutions for regional local governments, and in addition to launching AI Chatbot TazuNavi, which incorporates generative AI, in July 2026, we worked to expand sales of our existing solution, AI Consultation Partner, which helps streamline administrative operations. We are also promoting demonstration experiments aimed at creating solutions that foster collaboration between local governments and communities.

"Local government package strategy"

Regarding the standardization of local government information systems, we are proceeding with the migration from the current WebRings system to the standardized system as planned, with the goal of completing the transition in fiscal 2026. Thus far this fiscal year, we have reached operational status with six organizations (for a cumulative total of 14) as of the end of the second quarter. We are making every effort to ensure that our migration plans at each location are fully prepared for the peak operational period during the year-end and New Year holidays. We are also proceeding as planned with the development of "next-generation WebRings" and have begun full-scale proposal and sales activities in preparation for its rollout in fiscal 2027 and beyond.

"Solution business strategy"

In the private sector business, we promoted the transition from the traditional individual contract development model to a solution-providing model. Based on contract development for individual clients, we identified industry-wide needs and reformulated them into solutions that can be used nationwide. We also enhanced development processes by leveraging generative AI and consolidated operations and maintenance tasks to promote the reskilling of engineers, as we endeavored to improve productivity and quality across the Company.

As part of our investment in human capital to achieve sustainable management, starting in fiscal 2026, we will assess and evaluate the degree of growth in our engineers' expertise twice a year, thereby ensuring we accurately track the progress of our talent development initiatives in alignment with our business strategy. Additionally, in financial and capital strategies, we have continued to optimize capital efficiency across the entire Group and worked to enhance engagement through constructive dialogue with shareholders and investors.

(1) Outline of operating results for the first half ended September 30, 2026

Consolidated net sales for the first half of the fiscal year under review increased 15.1% year on year, to ¥18,983 million (please refer to "Consolidated net sales by sector," which are shown in the table below). In the public sector, net sales were at a low level during the same period of the previous fiscal year due to the extension of local government system standardization and the review of transition methods. However, in the first half under review, net sales reached ¥9,313 million (up 34.7% year on year) as the measures towards full system operation mostly progressed according to the revised transition plan. Net sales in the private sector stood at ¥9,669 million (up 1.0% year on year), remaining roughly at the same level as the same period of the previous fiscal year.

On the profit front, despite the amortization of development investments related to the local government system standardization in the public sector, there has been a significant improvement from the same period of the previous fiscal year due to increased revenue from standardization efforts. Operating profit was ¥449 million (compared to operating loss of ¥920 million in the same period of the previous fiscal year), and ordinary profit was ¥453 million (compared to ordinary loss of ¥801 million in the same period of the previous fiscal year). As a result, the Company recorded a profit

attributable to owners of parent of ¥255 million (compared to loss attributable to owners of parent of ¥601 million in the same period of the previous fiscal year).

[Consolidated net sales by sector]

(Millions of yen)

Category/Term	Six months ended September 30, 2025		Six months ended September 30, 2026		YoY change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	
Public	6,913	41.9%	9,313	49.1%	34.7%
Private	9,573	58.1%	9,669	50.9%	1.0%
Total	16,486	100.0%	18,983	100.0%	15.1%

[Consolidated net sales by product/service]

(Millions of yen)

Category/Term	Six months ended September 30, 2025		Six months ended September 30, 2026		YoY change (%)
	Amount	Composition ratio (%)	Amount	Composition ratio (%)	
System development	6,605	40.1%	9,040	47.7%	36.9%
System operation	6,450	39.1%	6,705	35.3%	4.0%
System maintenance	2,397	14.5%	2,393	12.6%	(0.2)%
Sales of information equipment	268	1.6%	140	0.7%	(47.7)%
Other	765	4.7%	703	3.7%	(8.0)%
Total	16,486	100.0%	18,983	100.0%	15.1%

(2) Outline of financial position for the first half ended September 30, 2026

Looking at the financial position as of September 30, 2026, total assets stood at ¥48,164 million, a decrease of ¥1,196 million from the end of the previous fiscal year.

Current assets increased ¥2,190 million to ¥24,408 million, primarily due to a transfer to securities in connection with the current portion payable. Non-current assets decreased ¥3,387 million to ¥23,755 million, mainly due to a decrease in investment securities resulting from the redemption of bonds and the amortization of software assets.

Current liabilities increased ¥1,796 million to ¥8,727 million, mainly due to an increase in current portion of long-term borrowings resulting from a transfer from non-current liabilities. Non-current liabilities decreased ¥2,982 million to ¥2,481 million, reflecting decreases in long-term borrowings.

Net assets decreased ¥11 million to ¥36,954 million.

(3) Explanation of consolidated earnings forecast and other forward-looking statements

The consolidated financial results forecast published on May 7, 2026 remain unchanged.

The Company has decided to pay a second quarter-end dividend of ¥25 for the fiscal year ending March 31, 2027 (forecast). In addition, the annual dividend forecast, including the year-end dividend, has not been revised.

(Caution on future forecast information)

Forward-looking statements such as results forecasts provided in this document are prepared based on currently available information and assumptions that are deemed reasonable, but the Company does not

intend to guarantee their achievement. Actual results may differ significantly from the above forecasts for various reasons.

2. Semi-annual consolidated financial statements and significant notes thereto

(1) Semi-annual consolidated balance sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	8,487	12,511
Notes and accounts receivable - trade, and contract assets	12,574	8,638
Securities	100	1,581
Work in process	282	780
Raw materials and supplies	81	63
Prepaid expenses	572	786
Other	132	54
Allowance for doubtful accounts	(13)	(9)
Total current assets	22,217	24,408
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,064	6,081
Accumulated depreciation	(953)	(1,113)
Buildings and structures, net	5,110	4,967
Tools, furniture and fixtures	3,995	3,905
Accumulated depreciation	(3,087)	(3,075)
Tools, furniture and fixtures, net	907	830
Land	5,299	5,299
Total property, plant and equipment	11,318	11,097
Intangible assets		
Software	3,346	2,429
Other	22	23
Total intangible assets	3,369	2,453
Investments and other assets		
Investment securities	7,824	5,625
Long-term prepaid expenses	381	370
Deferred tax assets	3,126	3,156
Other	1,122	1,052
Total investments and other assets	12,455	10,205
Total non-current assets	27,143	23,755
Total assets	49,361	48,164

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	2,612	1,563
Current portion of long-term borrowings	833	3,332
Accrued expenses	815	789
Income taxes payable	91	413
Accrued consumption taxes	108	314
Advances received	184	227
Provision for bonuses	947	868
Provision for bonuses for directors (and other officers)	114	57
Provision for loss on orders received	488	406
Asset retirement obligations	8	45
Other	726	709
Total current liabilities	6,930	8,727
Non-current liabilities		
Long-term borrowings	2,916	–
Provision for retirement benefits for directors (and other officers)	23	23
Retirement benefit liability	1,622	1,615
Asset retirement obligations	143	119
Other	759	723
Total non-current liabilities	5,464	2,481
Total liabilities	12,395	11,209
Net assets		
Shareholders' equity		
Share capital	15,000	15,000
Capital surplus	10,108	10,117
Retained earnings	10,847	10,582
Treasury shares	(106)	(94)
Total shareholders' equity	35,849	35,605
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	343	614
Remeasurements of defined benefit plans	773	734
Total accumulated other comprehensive income	1,116	1,349
Total net assets	36,966	36,954
Total liabilities and net assets	49,361	48,164

(2) Semi-annual consolidated statement of income and consolidated statement of comprehensive income

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	16,486	18,983
Cost of sales	14,286	15,393
Gross profit	2,199	3,589
Selling, general and administrative expenses	3,119	3,140
Operating profit (loss)	(920)	449
Non-operating income		
Interest income	21	11
Dividend income	14	18
Rental income from real estate	12	12
Compensation income	90	–
Other	15	8
Total non-operating income	155	51
Non-operating expenses		
Interest expenses	29	31
Loss on investments in investment partnerships	–	9
Other	7	5
Total non-operating expenses	36	47
Ordinary profit (loss)	(801)	453
Extraordinary income		
Gain on sale of membership	3	8
Total extraordinary income	3	8
Extraordinary losses		
Loss on retirement of non-current assets	6	1
Loss on sale of membership	–	5
Total extraordinary losses	6	6
Profit (loss) before income taxes	(805)	455
Income taxes	(203)	200
Profit (loss)	(601)	255
Profit (loss) attributable to owners of parent	(601)	255

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit (loss)	(601)	255
Other comprehensive income		
Valuation difference on available-for-sale securities	135	271
Remeasurements of defined benefit plans, net of tax	11	(38)
Total other comprehensive income	146	232
Comprehensive income	(455)	487
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(455)	487

(3) Semi-annual consolidated statement of cash flow

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit (loss) before income taxes	(805)	455
Depreciation	858	1,813
Increase (decrease) in provision for bonuses	(36)	(78)
Increase (decrease) in provision for bonuses for directors (and other officers)	(50)	(56)
Increase (decrease) in provision for loss on orders received	48	(81)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(12)	(0)
Increase (decrease) in retirement benefit liability	(458)	(98)
Loss on retirement of non-current assets	6	1
Loss (gain) on sale of membership	(3)	(3)
Decrease (increase) in trade receivables	8,772	3,978
Decrease (increase) in inventories	(395)	(479)
Decrease (increase) in other assets	(265)	(189)
Increase (decrease) in trade payables	(861)	(1,073)
Increase (decrease) in other liabilities	(705)	362
Other, net	14	79
Subtotal	6,105	4,628
Income taxes refund	101	115
Income taxes paid	(127)	(183)
Net cash provided by (used in) operating activities	6,079	4,560
Cash flows from investing activities		
Net decrease (increase) in time deposits	–	13
Purchase of property, plant and equipment	(199)	(228)
Proceeds from sale of property, plant and equipment	24	–
Purchase of intangible assets	(1,178)	(464)
Purchase of long-term prepaid expenses	(25)	(62)
Purchase of investment securities	(0)	(7)
Proceeds from redemption of investment securities	1,000	1,100
Proceeds from sale of membership	6	28
Payments of leasehold and guarantee deposits	(12)	(0)
Proceeds from refund of leasehold and guarantee deposits	93	38
Payments for asset retirement obligations	(10)	–
Other, net	20	(0)
Net cash provided by (used in) investing activities	(280)	416
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,000)	–
Repayments of long-term borrowings	(416)	(416)
Repayments of lease liabilities	(0)	(0)
Purchase of treasury shares	(0)	(0)
Dividends paid	(622)	(521)
Net cash provided by (used in) financing activities	(4,041)	(939)
Net increase (decrease) in cash and cash equivalents	1,757	4,037
Cash and cash equivalents at beginning of period	7,991	8,273
Cash and cash equivalents at end of period	9,749	12,311

(4) Notes to semi-annual consolidated financial statements

Notes to accounting treatment specific to the preparation of semi-annual consolidated financial statements

Calculation of tax expense

Tax expense is calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the fiscal year including the first half of the fiscal year under review, and multiplying profit before income taxes by this estimated effective tax rate.

Notes when there are significant changes in amounts of equity

Dividends of surplus

Regarding the year-end dividends for the previous fiscal year, the Company resolved the following at the Ordinary General Meeting of Shareholders held on June 23, 2026.

(1) Types of shares:	Common stocks
(2) Total amount of dividends:	¥520 million
(3) Dividends per share:	¥25
(4) Record date:	March 31, 2026
(5) Effective date:	June 24, 2026
(6) Source of dividends:	Retained earnings

Notes on premise of going concern

Not applicable.