

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 31, 2022

Company name: I-NET CORP.
 Stock exchange listing: Tokyo
 Stock code: 9600 URL <https://www.inet.co.jp>
 Representative: Representative Director, Executive President Mitsuru Sakai
 Inquiries: Director and Managing Executive Officer Naokatsu Uchida TEL 045-682-0806
 Scheduled date to file Quarterly Securities Report: February 7, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2021	22,616	3.3	1,535	21.1	1,667	21.9	1,118	57.0
Nine months ended December 31, 2020	21,887	(5.4)	1,267	(32.4)	1,368	(26.9)	712	(42.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	69.98		–	
Nine months ended December 31, 2020	44.62		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	32,388	16,766	51.8
As of March 31, 2021	32,056	16,212	50.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	22.00	–	24.00	46.00
Year ending March 31, 2022	–	23.50	–		
Year ending March 31, 2022 (Forecast)				23.50	47.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	32,500	8.3	2,330	8.1	2,330	2.2	1,600	7.0	100.15

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2021	16,242,424 shares	As of March 31, 2021	16,242,424 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	266,258 shares	As of March 31, 2021	266,328 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	15,976,163 shares	Nine months ended December 31, 2020	15,962,461 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	4,027,713	3,311,522
Notes and accounts receivable - trade	5,930,552	–
Notes and accounts receivable - trade, and contract assets	–	5,665,433
Merchandise and finished goods	176,790	265,753
Work in process	76,850	143,568
Raw materials and supplies	48,837	55,724
Other	301,345	368,460
Allowance for doubtful accounts	(405)	(356)
Total current assets	10,561,685	9,810,106
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,868,150	10,431,947
Land	3,108,756	3,108,756
Other, net	1,570,428	1,702,809
Total property, plant and equipment	15,547,334	15,243,512
Intangible assets		
Goodwill	231,556	202,471
Software	1,009,509	1,419,158
Other	53,747	50,859
Total intangible assets	1,294,813	1,672,488
Investments and other assets		
Investment securities	2,865,702	3,694,181
Retirement benefit asset	1,083,571	1,130,353
Other	731,629	865,732
Allowance for doubtful accounts	(28,122)	(27,841)
Total investments and other assets	4,652,780	5,662,426
Total non-current assets	21,494,929	22,578,427
Total assets	32,056,614	32,388,534

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	1,409,194	1,398,722
Short-term borrowings	3,039,768	4,089,568
Income taxes payable	511,594	305,073
Provision for bonuses	870,572	384,362
Provision for loss on construction contracts	1,773	16,370
Provision for loss on anti monopoly act	–	27,996
Other	2,792,111	4,061,099
Total current liabilities	8,625,013	10,283,192
Non-current liabilities		
Long-term borrowings	6,868,918	4,932,482
Retirement benefit liability	700	700
Asset retirement obligations	73,495	130,158
Other	275,657	275,395
Total non-current liabilities	7,218,770	5,338,736
Total liabilities	15,843,784	15,621,929
Net assets		
Shareholders' equity		
Share capital	3,203,992	3,203,992
Capital surplus	3,146,335	3,146,335
Retained earnings	9,890,484	10,000,054
Treasury shares	(315,059)	(314,956)
Total shareholders' equity	15,925,752	16,035,427
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	233,319	684,943
Remeasurements of defined benefit plans	53,757	46,234
Total accumulated other comprehensive income	287,077	731,178
Total net assets	16,212,830	16,766,605
Total liabilities and net assets	32,056,614	32,388,534

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	21,887,257	22,616,558
Cost of sales	17,139,959	17,484,695
Gross profit	4,747,298	5,131,863
Selling, general and administrative expenses	3,479,777	3,596,352
Operating profit	1,267,520	1,535,510
Non-operating income		
Interest income	248	247
Dividend income	33,282	40,212
Subsidy income	102,119	88,336
Gain on investments in investment partnerships	–	36,317
Surrender value of insurance policies	25,050	216
Other	12,541	16,324
Total non-operating income	173,243	181,655
Non-operating expenses		
Interest expenses	36,988	34,633
Share of loss of entities accounted for using equity method	–	241
Commission expenses	13,238	13,238
Loss on investments in investment partnerships	20,843	–
Other	1,366	1,152
Total non-operating expenses	72,436	49,266
Ordinary profit	1,368,326	1,667,899
Extraordinary income		
Gain on bargain purchase	–	28,076
Gain on sale of shares of subsidiaries and associates	–	12,100
Gain on sale of investment securities	–	4,563
Gain on sale of non-current assets	–	2,945
Total extraordinary income	–	47,685
Extraordinary losses		
Provision for loss on anti monopoly act	–	27,996
Loss on retirement of non-current assets	8,827	2,830
Special Retirement Payments	250,000	–
Loss on valuation of investment securities	22,616	–
Impairment losses	1,511	–
Total extraordinary losses	282,955	30,826
Profit before income taxes	1,085,371	1,684,757
Income taxes	373,120	566,728
Profit	712,251	1,118,028
Profit attributable to owners of parent	712,251	1,118,028

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	712,251	1,118,028
Other comprehensive income		
Valuation difference on available-for-sale securities	195,712	451,623
Remeasurements of defined benefit plans, net of tax	6,674	(7,522)
Total other comprehensive income	202,386	444,100
Comprehensive income	914,638	1,562,129
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	914,638	1,562,129
Comprehensive income attributable to non-controlling interests	—	—