



**Supplementary  
Briefing Materials  
for Financial Results**

**First Quarter of the  
Fiscal Year Ending March 2024**

**I-NET Corp.  
[TSE, Prime Market: 9600]**

**July 31, 2023**

# Earnings summary

## Net sales

**9,184** million yen  
 YoY change **+1,278** million yen **+16.2%**

## Operating income

**657** million yen  
 YoY change **+334** million yen **+103.4%**

## Net income attributable to owners of parent

**438** million yen  
 YoY change **+223** million yen **+103.8%**

## Net sales increased significantly year on year

- Sales remained strong for both information processing services and system development services.
- Contributions to increased sales came especially from sales of mailing services, which had been growing at a low rate but rebounded to an 87% year-on-year increase.
- Achieved record first-quarter sales.

## Operating income doubled year on year

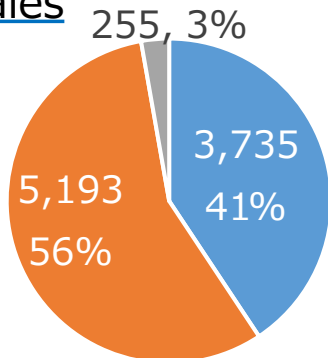
- Operating income increased, mainly thanks to cost reductions, improved profitability of business transactions, and curbing of SG&A expenses.
- Profitability of both information processing services and system development services improved significantly due to efforts to improve profitability and to curb SG&A expenses.
- Cost increases from spiking electricity fees, an issue in the previous fiscal year, were curbed through efficiency improvements from capital investments such as updating air-conditioning equipment.

## Net income also doubled year on year

- Net income also doubled due to the large increase in operating income and the fact that both non-operating and extraordinary gains and losses did not change significantly year on year.
- The highest quarterly net income ever was achieved in this first quarter.

### Net sales

9,184



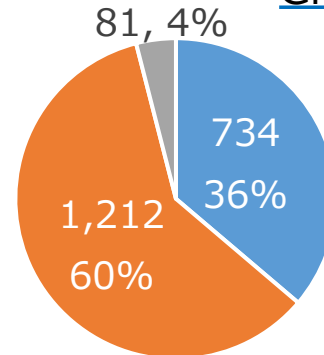
### Breakdown by service

Unit: million yen

- Information processing services
- System development services
- Product sales

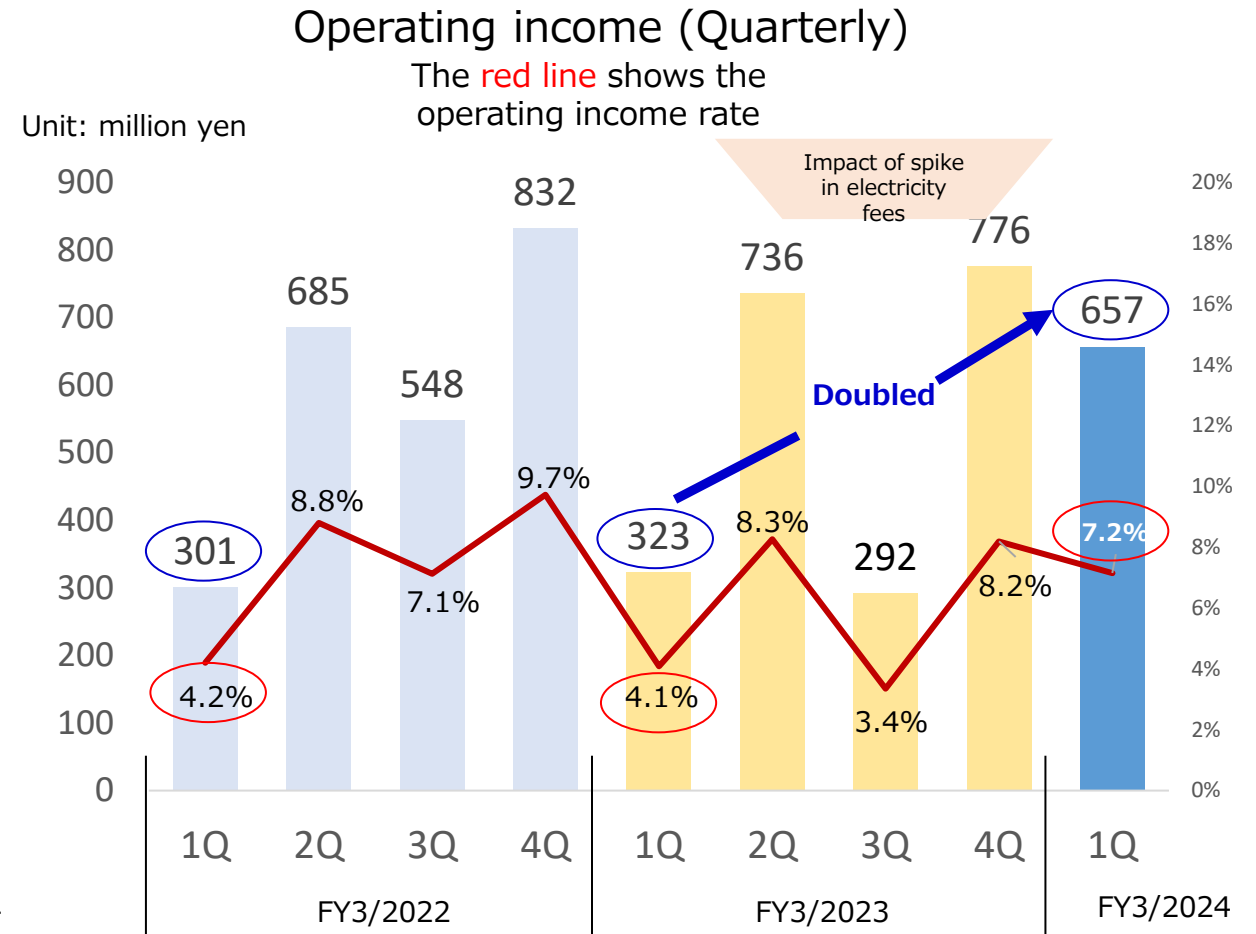
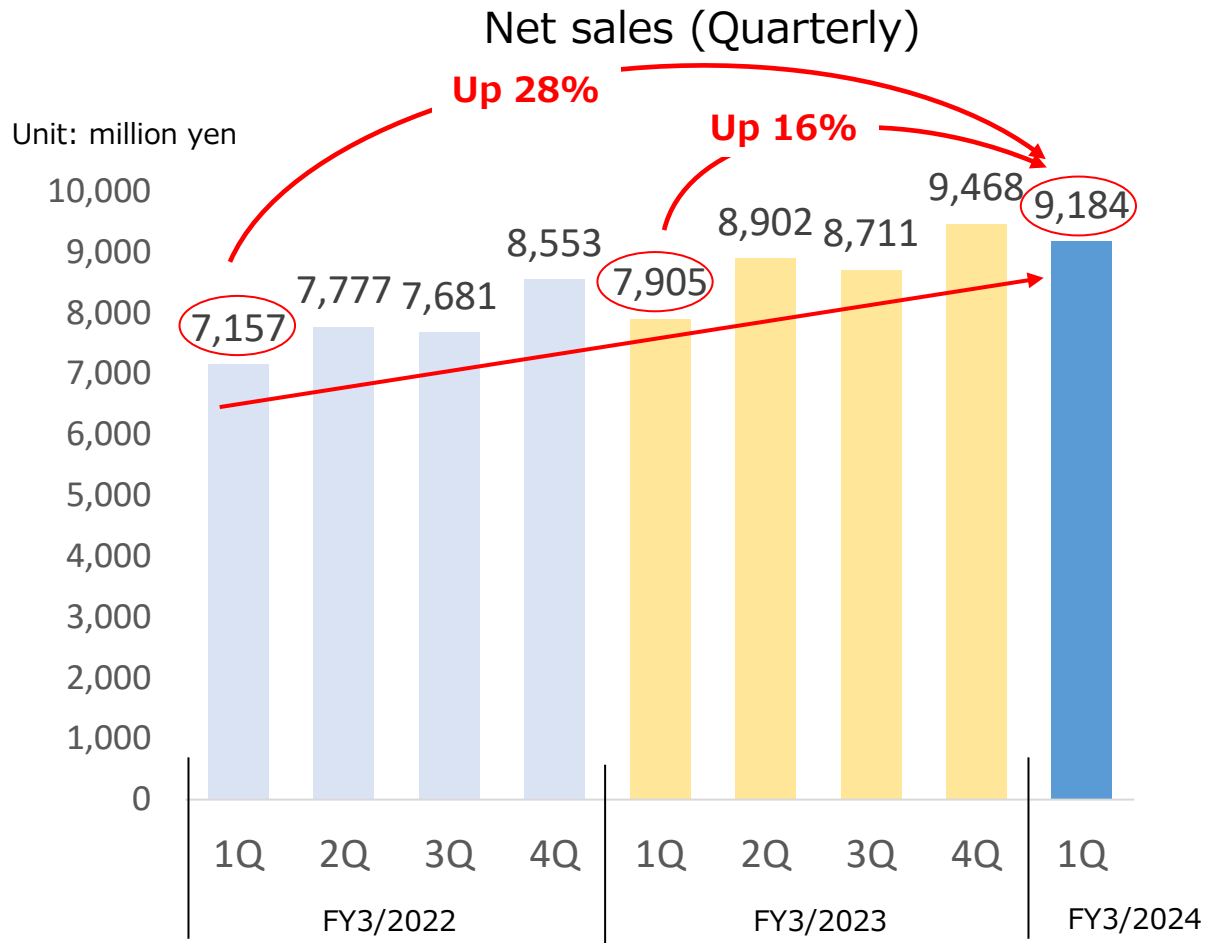
### Gross profit

2,028



Note: Amounts are rounded down to the nearest million yen, and the rate of year-on-year change is rounded to the first decimal place.

# Summary of quarterly earnings



## Q1 FY2024: Net sales up sharply, operating income doubled year on year

- Net sales grew by a significant 16% year on year and 28% versus two years prior.
- Operating income doubled versus the same period for two consecutive years. The operating income rate also improved significantly to 7.2%, up 3.1% year on year.

Note: Amounts are rounded down to the nearest million yen, and the rate of year-on-year change is rounded to the first decimal place.

# Information processing services

## Data center and cloud services

- ✓ Company's own cloud services
- ✓ Cloud services for companies (SaaS, etc.)
- ✓ Co-location services for companies

## Commissioned calculation services

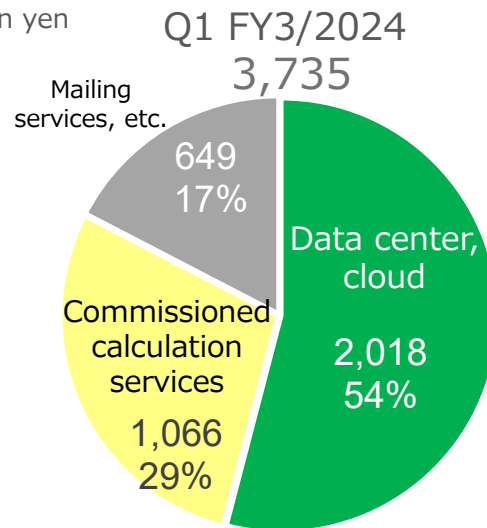
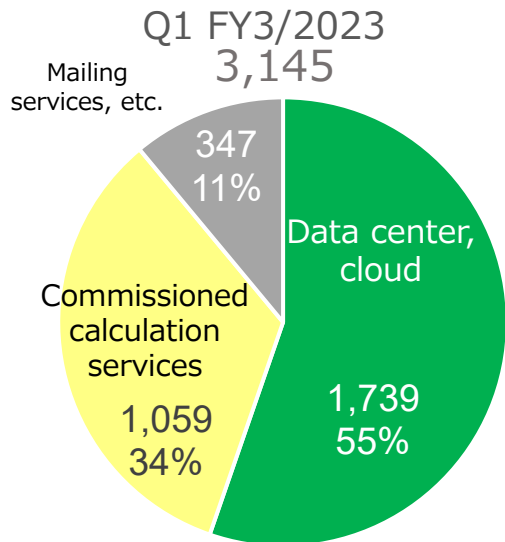
- ✓ Platform for sales management and fee settlement for SS (service stations) (share of over 30% in Japan)
- ✓ Platform for fee settlement compatible with smart meters for propane gas businesses (brand name: PROPANET)

## Mailing services

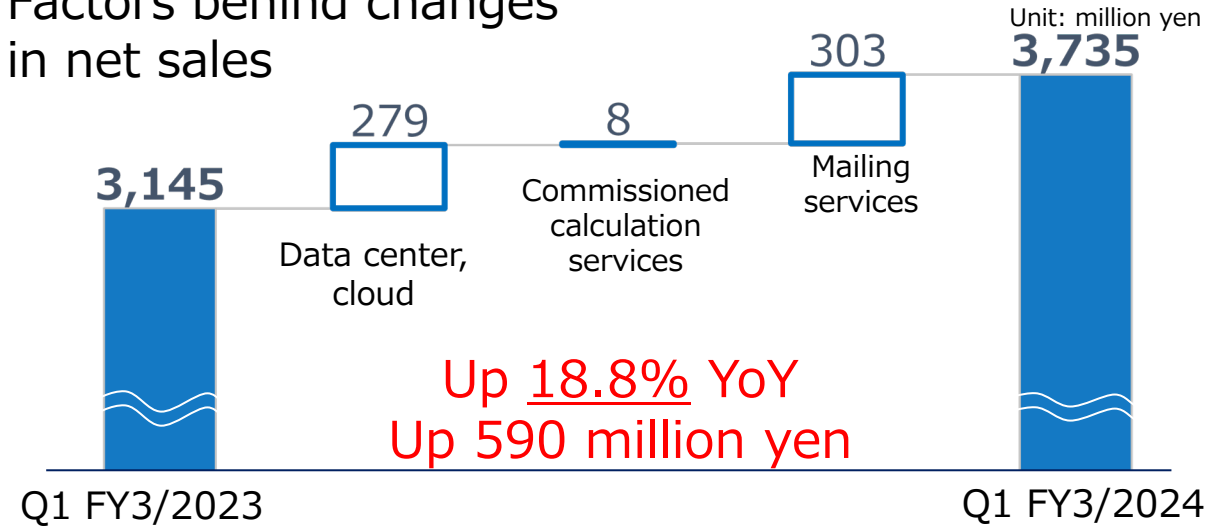
- ✓ Printing and mailing services for general corporations and government agencies
- ✓ Hybrid distribution service combining printed materials and e-mail

## Net sales by service

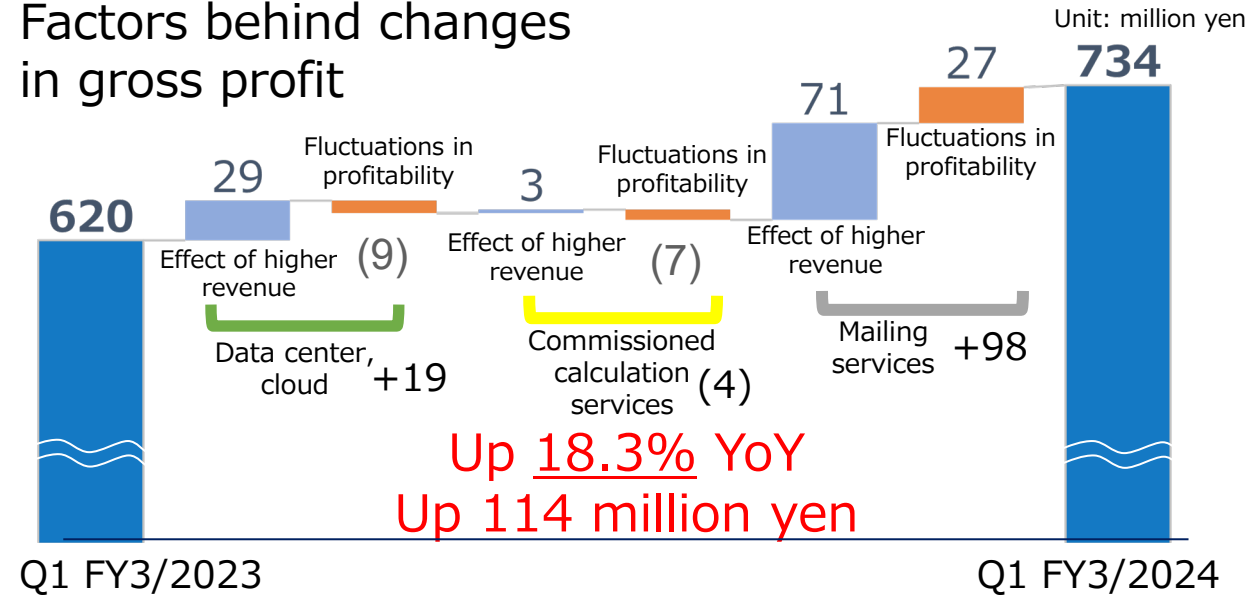
Unit: million yen



## Factors behind changes in net sales



## Factors behind changes in gross profit



Note: Amounts for net sales, gross profit and changes for each are rounded down to the nearest million yen. The rate of year-on-year change is rounded to the first decimal place. Totals, breakdowns and changes may not match due to rounding.

# System development services

## Commissioned development

- ✓ System development and contracts for energy industry-related companies
- ✓ System development and contracts for financial institutions
- ✓ System development and contracts for transportation system-related companies
- ✓ System development and contracts, inspections/tests, and operation/evaluation analysis for space-related companies
- ✓ System development and contracts for the distribution industry, general companies, and manufacturers
- ✓ Introduction, development, and contracts for security-related systems
- ✓ System development and contracts for communication businesses
- ✓ Embedded control system development and contracts

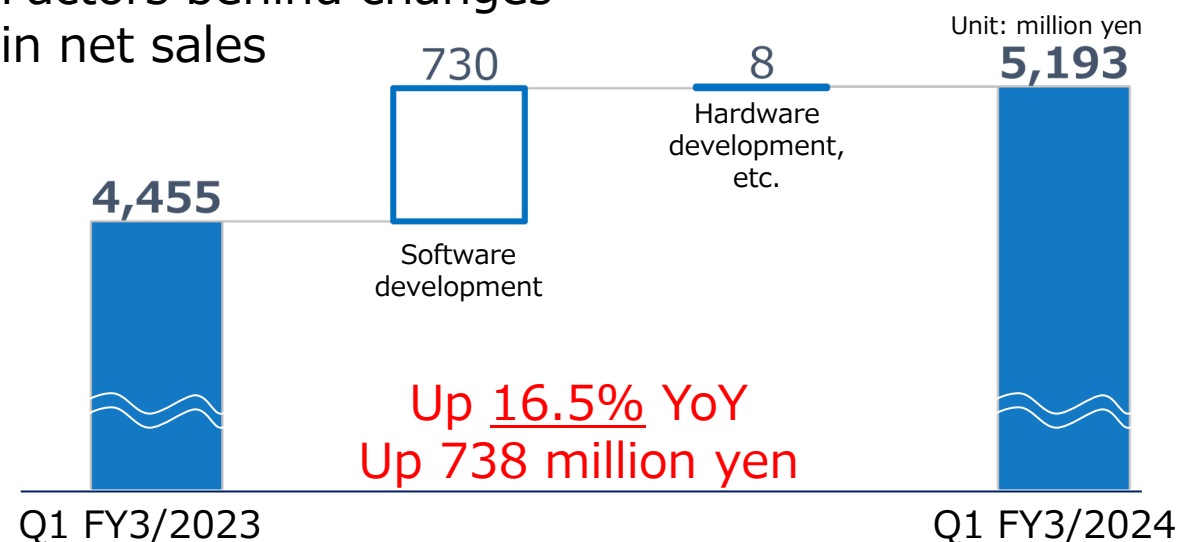
## System product development

- ✓ Financial products (unsecured loan systems: Loan Ranger, costing systems for financial institutions: ABC Cal, etc.)
- ✓ Credit settlement systems (i-Gateway), settlement system linked to Pos, etc.
- ✓ Security-related (vulnerability diagnosis, Darktrace, etc.)
- ✓ DX-related products (systems to improve operational efficiency, RPA, etc.)

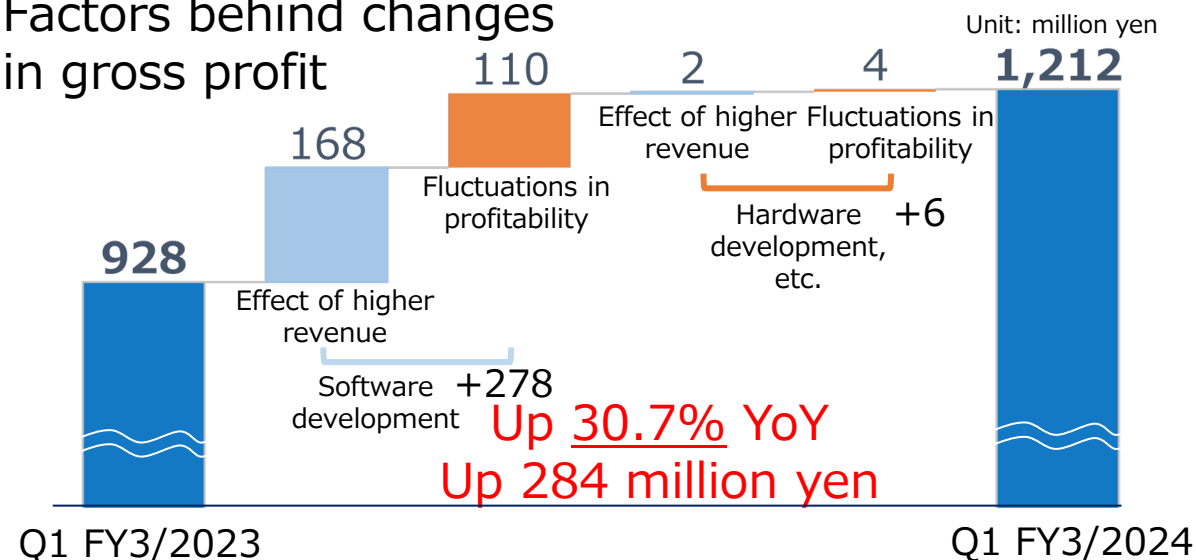
## Net sales by service

Net sales (million yen)	Q1 FY3/2023	Q1 FY3/2024	Rate of change
Software development	4,015	4,744	18.2%
Hardware, etc.	440	448	1.8%

## Factors behind changes in net sales



## Factors behind changes in gross profit



Note: Amounts for net sales, gross profit and changes for each are rounded down to the nearest million yen. The rate of year-on-year change is rounded to the first decimal place. Totals, breakdowns, and changes may not match due to rounding.

# Earnings in Q1 FY3/2024

Unit: million yen	Q1 FY3/2023		Q1 FY3/2024		YoY change		Relative to forecasts Released on May 9, 2023
	Amount	Relative to sales	Amount	Relative to sales	Change	Rate of Change	% achieved
Net sales	7,905	100.0%	9,184	100.0%	1,278	16.2%	24.4%
Cost of sales	6,309	79.8%	7,155	77.9%	845	13.4%	--
Gross profit	1,595	20.2%	2,028	22.1%	433	27.2%	--
SG&A expenses	1,272	16.1%	1,371	14.9%	99	7.8%	--
Operating income	323	4.1%	657	7.2%	334	103.4%	23.9%
Ordinary income	360	4.6%	702	7.7%	342	95.1%	24.2%
Net income attributable to owners of parent	215	2.7%	438	4.8%	223	103.8%	21.7%

Doubled

Sales and profit both reached record highs in Q1

Note: Amounts are rounded down to the nearest million yen, and the share relative to sales, rate of change, and percent achieved are rounded to the first decimal place.

# Earnings in Q1 FY3/2024 by service

Unit: million yen		Q1 FY3/2023		Q1 FY3/2024		YoY change	
		Amount	Profit rate	Amount	Profit rate	Change	Rate of change
Information processing services	Net sales	3,145	--	3,735	--	590	18.8%
	Gross profit	620	19.7%	734	19.7%	113	18.3%
System development services	Net sales	4,455	--	5,193	--	737	16.5%
	Gross profit	928	20.8%	1,212	↑ 23.4%	284	↑ 30.7%
Product sales	Net sales	303	--	255	--	(48)	(15.9%)
	Gross profit	46	15.4%	81	↑ 31.9%	34	↑ 74.6%
Total	Net sales	7,905	--	9,184	--	1,278	16.2%
	Gross profit	1,595	20.2%	2,028	↑ 22.1%	433	↑ 27.2%

Note: Amounts are rounded down to the nearest million yen, and profit rates and rates of change are rounded to the first decimal place.

# Summary of consolidated balance sheet

End of March 2023

End of Q1 FY3/2024

Unit: million yen

Unit: million yen

<p><b>Current assets</b> 10,246</p> <p>Cash and deposits 2,310 Accounts receivable 7,287</p>	<p><b>Total liabilities</b> 15,048</p> <p>Current liabilities 9,294 Non-current liabilities 5,753</p> <p>Interest-bearing liabilities Short-term 3,138 Long-term 5,367</p>
<p><b>Non-current assets</b> 22,384</p> <p>Buildings and structures 10,362 Land 2,966 Intangible fixed assets 2,093 Investment securities 3,566</p>	<p><b>Net assets</b> 17,582</p>

<p><b>Current assets</b> 11,688 (YoY +1,442)</p> <p>Cash and deposits 4,224 Accounts receivable 6,517</p>	<p><b>Total liabilities</b> 16,561 (YoY +1,512)</p> <p>Current liabilities 11,416 Non-current liabilities 5,144</p> <p>Interest-bearing liabilities Short-term 3,011 Long-term 4,735</p>
<p><b>Non-current assets</b> 22,742 (YoY +358)</p> <p>Buildings and structures 10,402 Land 2,966 Intangible fixed assets 2,166 Investment securities 3,921</p>	<p><b>Net assets</b> 17,869 (YoY +287)</p>

Total assets: 32,630;  
Shareholders' equity ratio: 53.9%

Total assets: 34,430;  
Shareholders' equity ratio: 51.9%

Note: Amounts are rounded down to the nearest million yen and shareholders' equity ratios are rounded to the first decimal place.



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## Inquiries

Corporate Strategy and Investor Relations

TEL 045-682-0806

E-Mail [contact\\_ir@inet.co.jp](mailto:contact_ir@inet.co.jp)