

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

July 31, 2024

Company name: I-NET Corp.
 Stock exchange listing: Tokyo
 Stock code: 9600 URL: <https://www.inet.co.jp>
 Representative: Representative Director and Executive Tomomichi Saeki
 President
 Executive Officer, Head of Finance
 Inquiries: Department Joji Ishiwata TEL 045-682-0806
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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	%
Three months ended June 30, 2024	8,926	(2.8)	221	(66.3)	264	(62.4)	76	(82.5)
Three months ended June 30, 2023	9,184	16.2	657	103.4	702	95.1	438	103.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	4.86	–
Three months ended June 30, 2023	27.41	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	35,399	17,819	50.3
As of March 31, 2024	37,607	20,097	53.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	26.00	–	27.00	53.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (Forecast)		28.00	–	28.00	56.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	40,420	7.0	3,250	12.6	3,225	9.9	2,625	19.4	171.63

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: 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 June 30, 2024	16,242,424 shares	As of March 31, 2024	16,242,424 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	947,782 shares	As of March 31, 2024	257,684 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	15,757,232 shares	Three months ended June 30, 2023	15,984,893 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	5,279,892	4,374,626
Notes and accounts receivable - trade, and contract assets	6,647,366	5,742,022
Merchandise and finished goods	164,259	83,506
Work in process	152,618	195,370
Raw materials and supplies	92,837	88,405
Other	477,061	620,979
Allowance for doubtful accounts	(245)	(165)
Total current assets	12,813,790	11,104,744
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,609,956	10,848,670
Land	2,954,476	2,950,519
Other, net	1,695,420	1,644,481
Total property, plant and equipment	15,259,853	15,443,671
Intangible assets		
Goodwill	135,803	128,396
Software	2,097,223	2,063,088
Other	381	381
Total intangible assets	2,233,408	2,191,865
Investments and other assets		
Investment securities	4,854,983	4,177,613
Retirement benefit asset	1,451,869	1,466,395
Other	1,021,781	1,043,035
Allowance for doubtful accounts	(28,241)	(28,145)
Total investments and other assets	7,300,392	6,658,898
Total non-current assets	24,793,654	24,294,435
Total assets	37,607,445	35,399,180

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	2,171,721	2,230,968
Short-term borrowings	2,714,508	4,393,687
Income taxes payable	783,704	156,393
Provision for bonuses	1,019,786	687,093
Provision for loss on orders received	70,566	28,640
Asset retirement obligations	61,817	70,791
Other	5,223,251	4,531,582
Total current liabilities	12,045,355	12,099,157
Non-current liabilities		
Long-term borrowings	4,584,718	4,707,557
Retirement benefit liability	550	1,899
Asset retirement obligations	172,021	221,658
Other	707,793	549,111
Total non-current liabilities	5,465,083	5,480,226
Total liabilities	17,510,439	17,579,383
Net assets		
Shareholders' equity		
Share capital	3,203,992	3,203,992
Capital surplus	3,147,381	3,147,381
Retained earnings	12,559,884	12,204,942
Treasury shares	(304,839)	(1,720,259)
Total shareholders' equity	18,606,419	16,836,057
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,264,573	760,992
Remeasurements of defined benefit plans	226,013	222,746
Total accumulated other comprehensive income	1,490,586	983,739
Total net assets	20,097,006	17,819,797
Total liabilities and net assets	37,607,445	35,399,180

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	9,184,573	8,926,574
Cost of sales	7,155,607	7,242,526
Gross profit	2,028,966	1,684,048
Selling, general and administrative expenses	1,371,799	1,462,309
Operating profit	657,166	221,738
Non-operating income		
Interest income	0	0
Dividend income	34,571	26,672
Gain on investments in investment partnerships	15,863	29,664
Other	4,072	3,952
Total non-operating income	54,508	60,289
Non-operating expenses		
Interest expenses	8,860	11,410
Share of loss of entities accounted for using equity method	34	6,192
Other	17	211
Total non-operating expenses	8,912	17,814
Ordinary profit	702,762	264,213
Extraordinary losses		
Losses related to head office relocation	–	53,877
Loss on retirement of non-current assets	–	5,410
Total extraordinary losses	–	59,287
Profit before income taxes	702,762	204,925
Income taxes	264,665	128,279
Profit	438,097	76,646
Profit attributable to owners of parent	438,097	76,646

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	438,097	76,646
Other comprehensive income		
Valuation difference on available-for-sale securities	232,737	(503,580)
Remeasurements of defined benefit plans, net of tax	744	(3,267)
Total other comprehensive income	233,482	(506,847)
Comprehensive income	671,579	(430,201)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	671,579	(430,201)
Comprehensive income attributable to non-controlling interests	—	—