

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 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 file Quarterly Securities Report: February 7, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2023 (from April 1, 2023 to December 31, 2023)

(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, 2023	28,213	10.6	2,233	65.1	2,291	65.2	1,501	76.5
Nine months ended December 31, 2022	25,520	12.8	1,352	(11.9)	1,386	(16.8)	850	(23.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	93.92		–	
Nine months ended December 31, 2022	53.23		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2023	35,019		18,688		53.4	
As of March 31, 2023	32,630		17,581		53.9	

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, 2023	–	24.00	–	24.00	48.00
Year ending March 31, 2024	–	26.00	–		
Year ending March 31, 2024 (Forecast)				26.00	52.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	37,700	7.7	2,750	29.2	2,900	33.3	2,020	50.3	126.37

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(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: No
- 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, 2023	16,242,424 shares	As of March 31, 2023	16,242,424 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	257,648 shares	As of March 31, 2023	257,521 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, 2023	15,984,849 shares	Nine months ended December 31, 2022	15,982,279 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	2,310,183	4,124,048
Notes and accounts receivable - trade, and contract assets	7,287,412	6,649,835
Merchandise and finished goods	43,597	44,586
Work in process	110,797	204,489
Raw materials and supplies	48,832	86,959
Other	445,580	552,604
Allowance for doubtful accounts	(370)	(226)
Total current assets	10,246,033	11,662,299
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,362,384	10,169,761
Land	2,966,336	2,959,099
Other, net	1,622,800	1,527,963
Total property, plant and equipment	14,951,521	14,656,825
Intangible assets		
Goodwill	165,433	143,211
Software	1,895,013	2,162,175
Other	33,153	33,253
Total intangible assets	2,093,600	2,338,640
Investments and other assets		
Investment securities	3,566,869	4,555,039
Retirement benefit asset	907,910	946,433
Other	892,639	888,983
Allowance for doubtful accounts	(28,259)	(28,294)
Total investments and other assets	5,339,159	6,362,162
Total non-current assets	22,384,280	23,357,628
Total assets	32,630,314	35,019,927

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,743,329	2,052,026
Short-term borrowings	3,068,448	4,756,168
Income taxes payable	282,283	537,851
Provision for bonuses	963,633	419,696
Provision for loss on orders received	460	44,986
Asset retirement obligations	–	44,409
Other	3,236,386	4,300,222
Total current liabilities	9,294,540	12,155,360
Non-current liabilities		
Long-term borrowings	5,239,226	3,513,550
Retirement benefit liability	42,020	56,734
Asset retirement obligations	190,961	158,689
Other	281,746	447,344
Total non-current liabilities	5,753,953	4,176,318
Total liabilities	15,048,493	16,331,678
Net assets		
Shareholders' equity		
Share capital	3,203,992	3,203,992
Capital surplus	3,147,381	3,147,381
Retained earnings	11,161,262	11,863,334
Treasury shares	(304,545)	(304,764)
Total shareholders' equity	17,208,090	17,909,944
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	526,977	929,320
Remeasurements of defined benefit plans	(153,248)	(151,015)
Total accumulated other comprehensive income	373,729	778,304
Total net assets	17,581,820	18,688,248
Total liabilities and net assets	32,630,314	35,019,927

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, 2022	Nine months ended December 31, 2023
Net sales	25,520,202	28,213,091
Cost of sales	20,382,684	22,004,053
Gross profit	5,137,518	6,209,037
Selling, general and administrative expenses	3,785,055	3,975,763
Operating profit	1,352,463	2,233,274
Non-operating income		
Interest income	22	5
Dividend income	48,721	64,906
Gain on investments in investment partnerships	5,413	2,778
Other	26,160	27,051
Total non-operating income	80,317	94,741
Non-operating expenses		
Interest expenses	32,635	26,690
Share of loss of entities accounted for using equity method	515	624
Commission expenses	11,569	8,386
Other	1,080	400
Total non-operating expenses	45,800	36,101
Ordinary profit	1,386,979	2,291,914
Extraordinary income		
Gain on sale of non-current assets	–	5,644
Gain on sale of investment securities	8,027	–
Total extraordinary income	8,027	5,644
Extraordinary losses		
Loss on cancellation of leases	–	1,627
Loss on retirement of non-current assets	481	110
Loss on valuation of investment securities	49,999	–
Loss on sale of non-current assets	20,019	–
Total extraordinary losses	70,500	1,738
Profit before income taxes	1,324,506	2,295,820
Income taxes	473,767	794,504
Profit	850,738	1,501,315
Profit attributable to owners of parent	850,738	1,501,315

Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	850,738	1,501,315
Other comprehensive income		
Valuation difference on available-for-sale securities	(191,382)	402,342
Remeasurements of defined benefit plans, net of tax	(20,797)	2,232
Total other comprehensive income	(212,180)	404,575
Comprehensive income	638,558	1,905,891
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	638,558	1,905,891
Comprehensive income attributable to non-controlling interests	-	-