



**Briefing Materials
for Financial Results**
Fiscal Year Ended March 2024

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

May 16, 2024

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Summary for FY Mar 2024



Net sales

37,763 million Yen

YoY change

+2,774 million Yen

+7.9%

Operating profit

2,887 million Yen

YoY change

+758 million Yen

+35.6%

Net profit attributable to owners of parent

2,197 million Yen

YoY change

+854 million Yen

+63.6%

ROE

11.7%

YoY change

+4.0 points

Net sales recorded a significant YoY increase and achieved a record high.

- Our Information Processing Services are expanding with cloud services, Commissioned calculation services for gas stations is progressing smoothly, and Mailing Services have recovered.“
- Our System Development Services have mainly achieved favorable progress in development for the financial industry. However, the space-related sector underperformed the company's initial expectations due to delays in rocket launches.

Operating profit significant increased

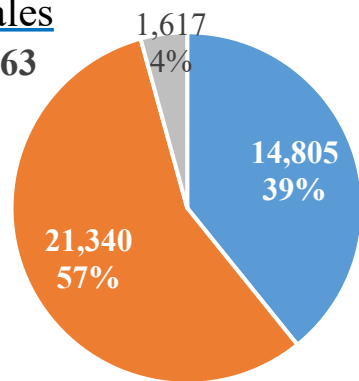
- Gross profit increased despite the ongoing high costs due to soaring electricity prices, as price revisions and cost control measures proved effective.
- As a result of improved profitability, operating was able to achieve a significant increase, absorbing the increase in selling, general, and administrative expenses such as personnel costs.

Net profit attributable to owners of parent rose approximately 63.6% YoY

- Net income for the current period exceeded the initial forecast, achieving a significant increase of +63.6% compared to the previous period.
- The net profit was positively affected by approximately 200 million Yen from the sale of investment securities.
- ROE (Return on Equity) improved significantly by +4 points compared to the previous period, reaching 11.7%.

Net sales

37,763



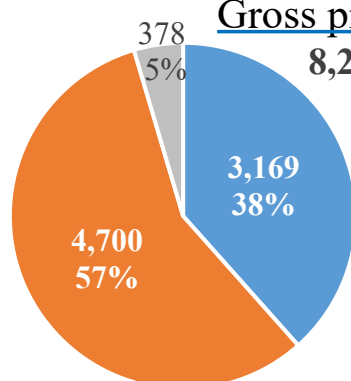
Breakdown by service

Unit: million Yen

- Information processing services
- System development services
- Product sales

Gross profit

8,248

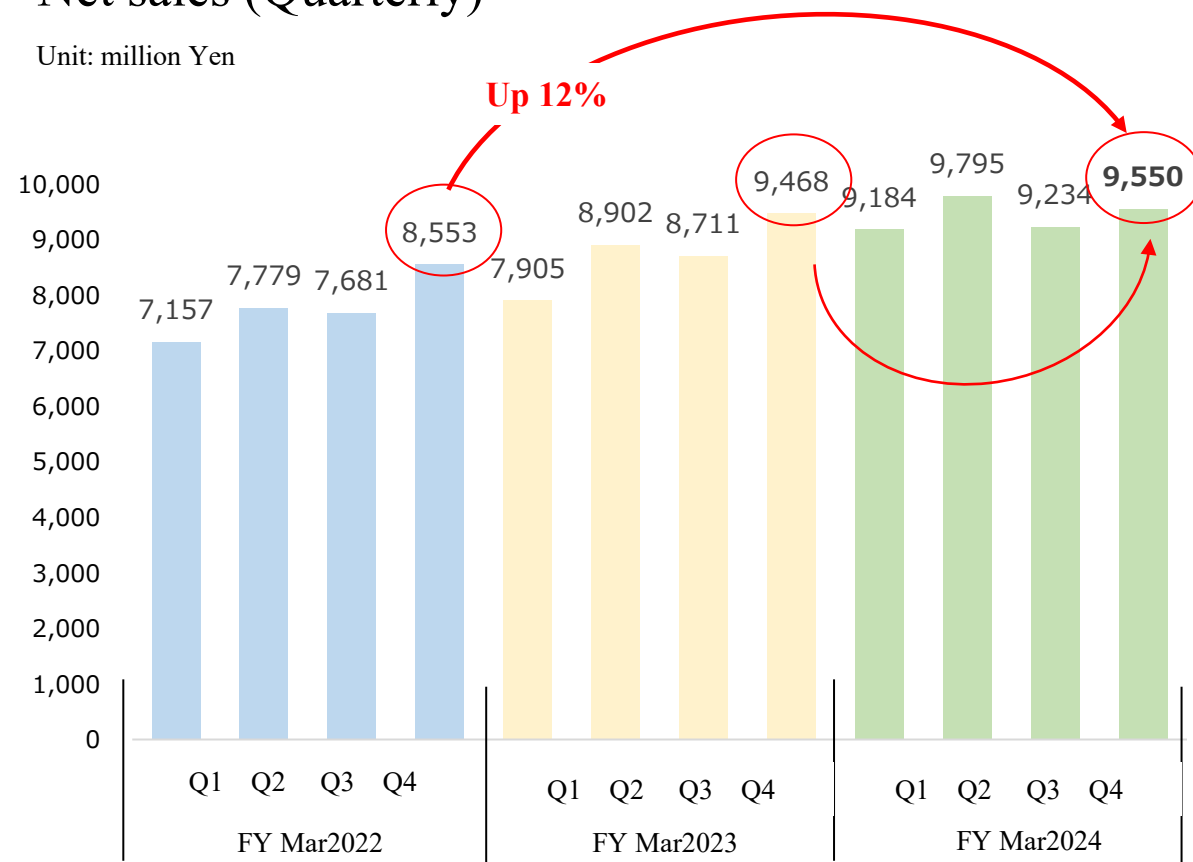


Note: Amounts are rounded down to the nearest million Yen, and the rate of year-on-year change is rounded to the first decimal place.

Summary of quarterly earnings

Net sales (Quarterly)

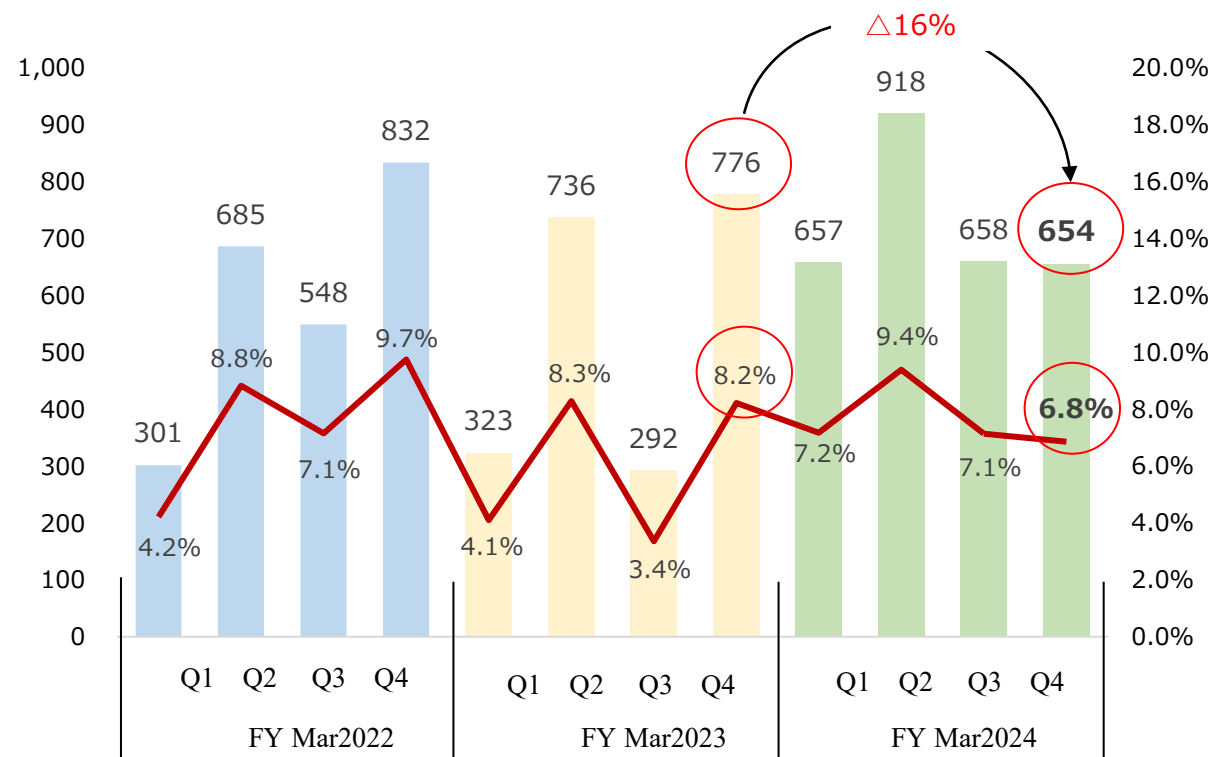
Unit: million Yen



Operating profit (Quarterly)

Unit: million Yen

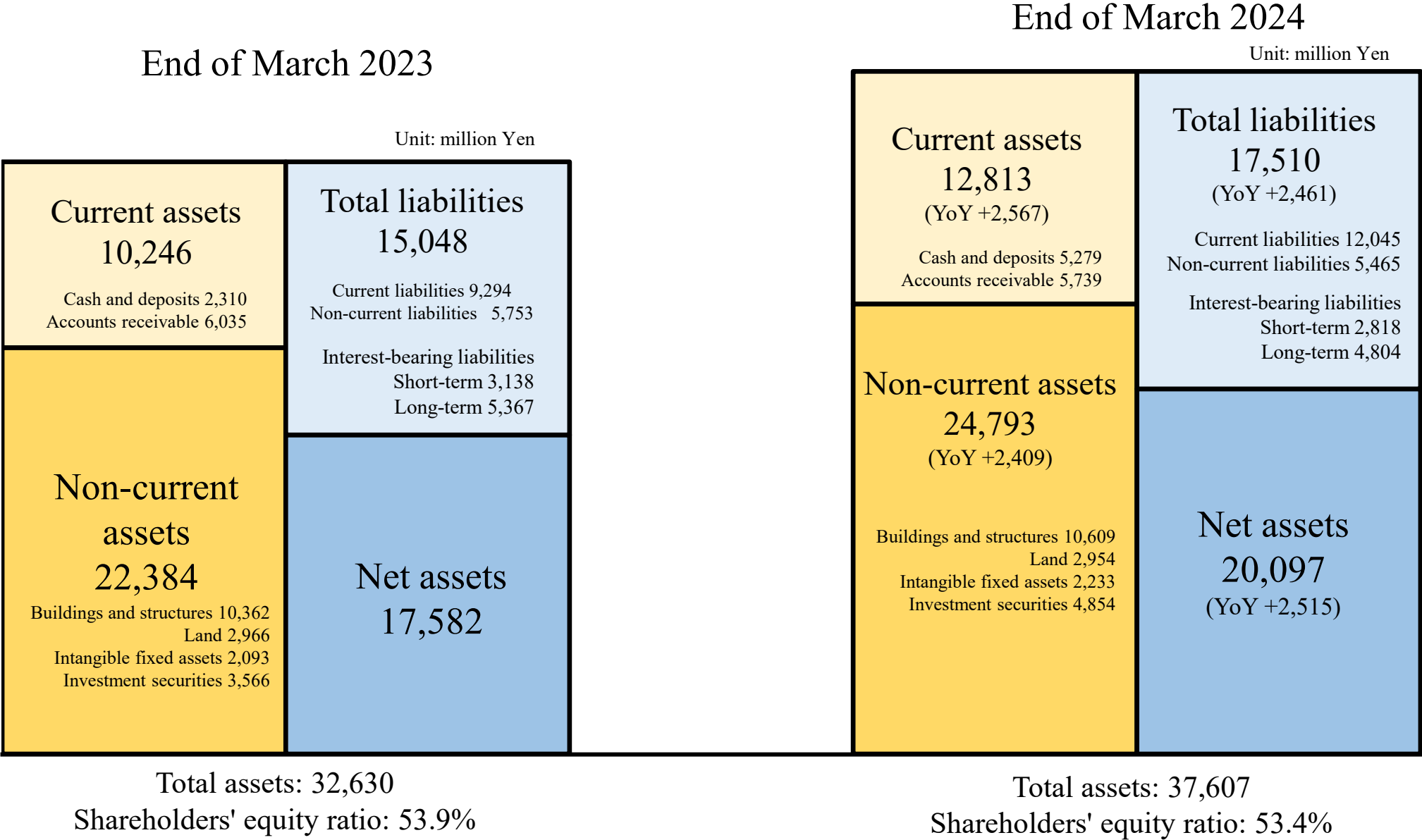
The red line shows the Operating profit rate



Q4 FY2024: Quarterly Net sales are flat, and Operating profit is down compared to the same period last year.

- Information processing services are improving in profitability and progressing smoothly in Q4.
- While system development services are performing well in sectors like finance, a delay in a development project has led to a decrease in quarterly operating profit compared to the same period last year, resulting in a lower profit margin.

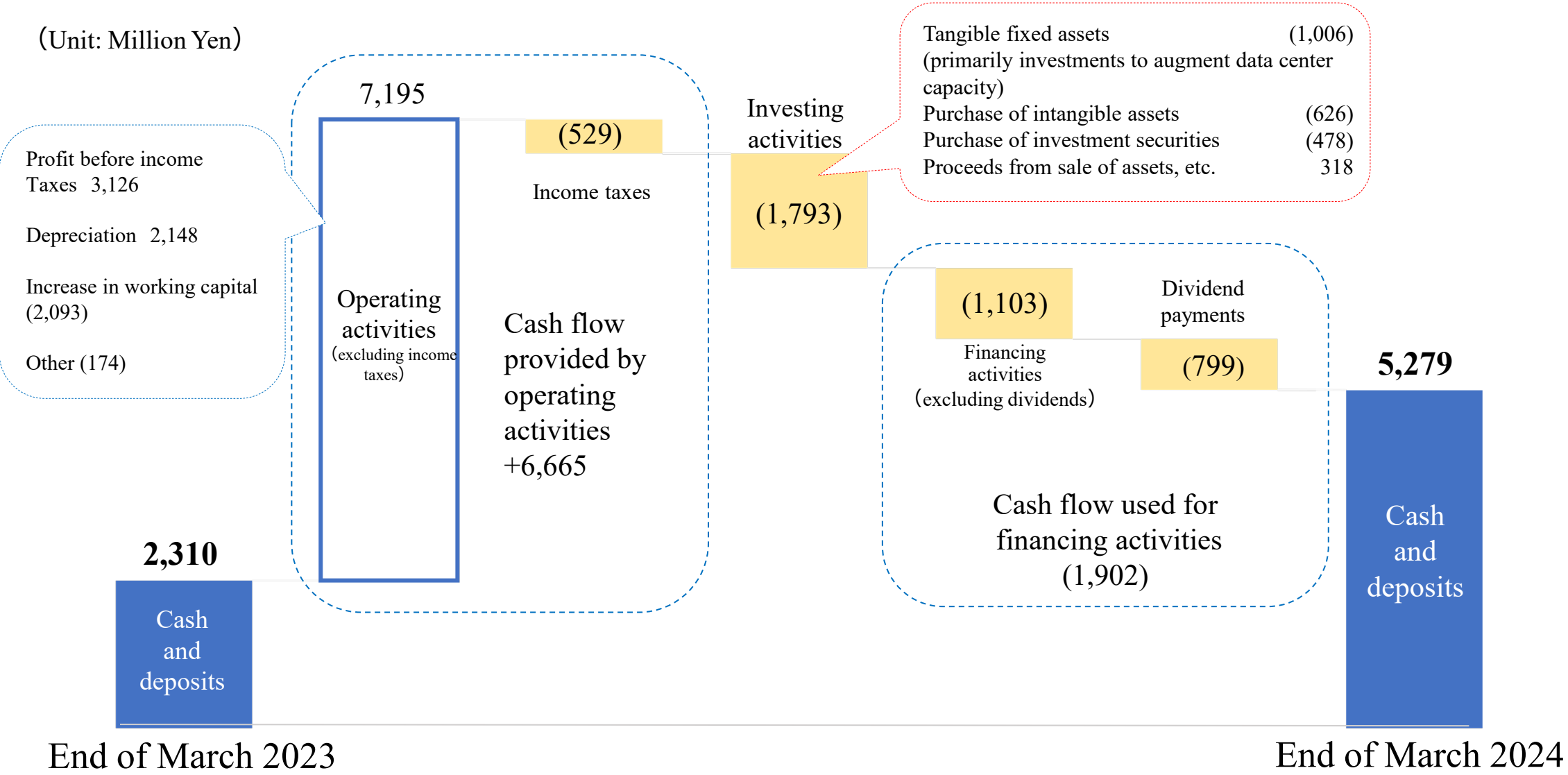
Summary of consolidated balance sheet



Summary of Consolidated Cash Flow



(Unit: Million Yen)



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

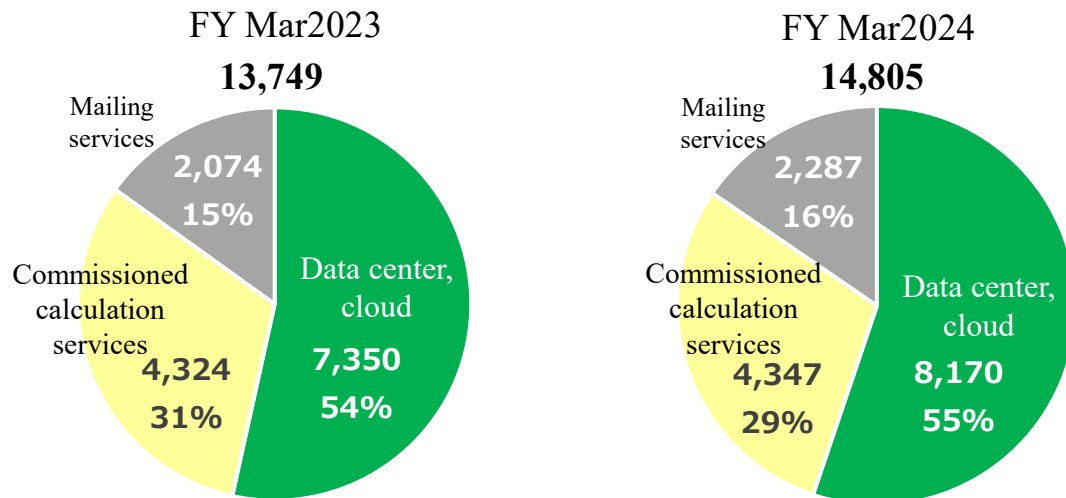
- ✓ Platform for sales management and fee settlement for SS (Gas stations) (share of over 30% in Japan)
- ✓ Platform for fee settlement compatible with smart meters for propane gas businesses (brand name: PROPANET)

Mailing services

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

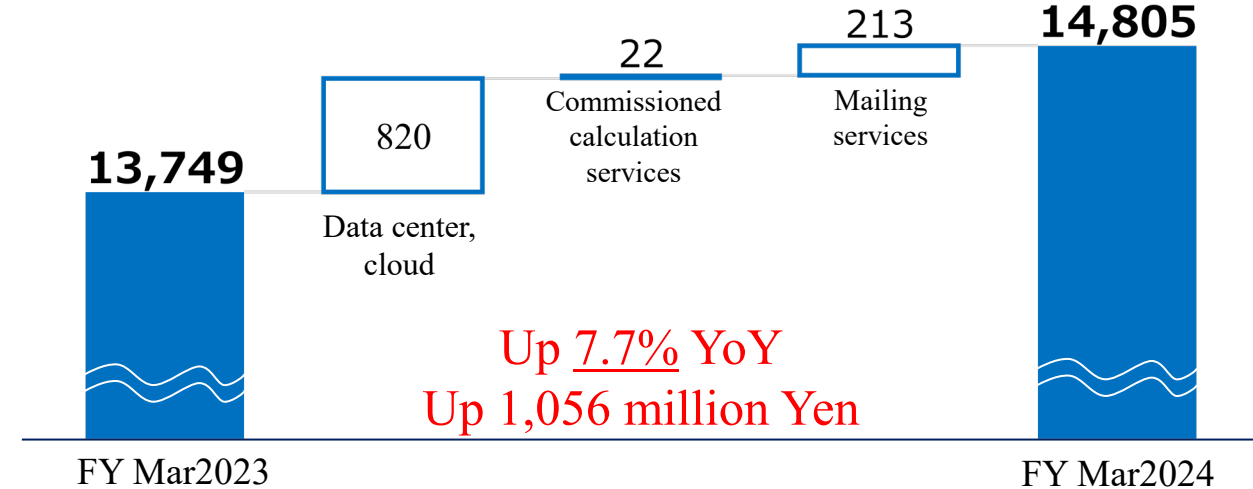
Net sales by service

Unit: million Yen



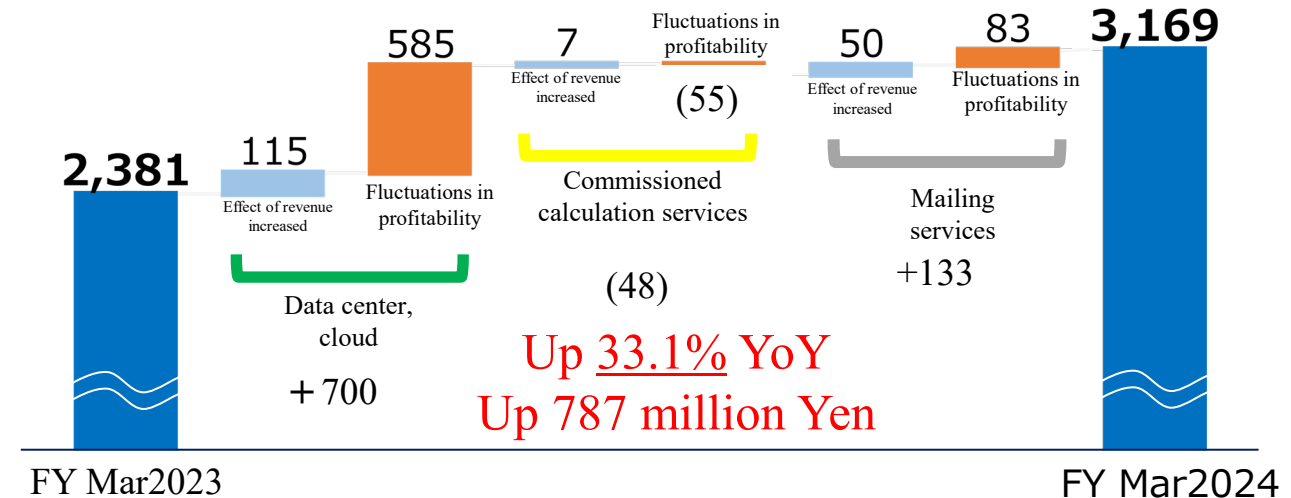
Factors behind changes in net sales

Unit: million Yen



Factors behind changes in gross profit

Unit: million Yen



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 for energy industry-related companies
- ✓ System for financial institutions
- ✓ System for transportation system-related companies
- ✓ Space-related systems (commissioned development, inspection / tests and operation / evaluation analysis)
- ✓ System for the distribution industry, general companies, and manufacturers
- ✓ security-related system
- ✓ System for communication businesses
- ✓ Embedded control related system

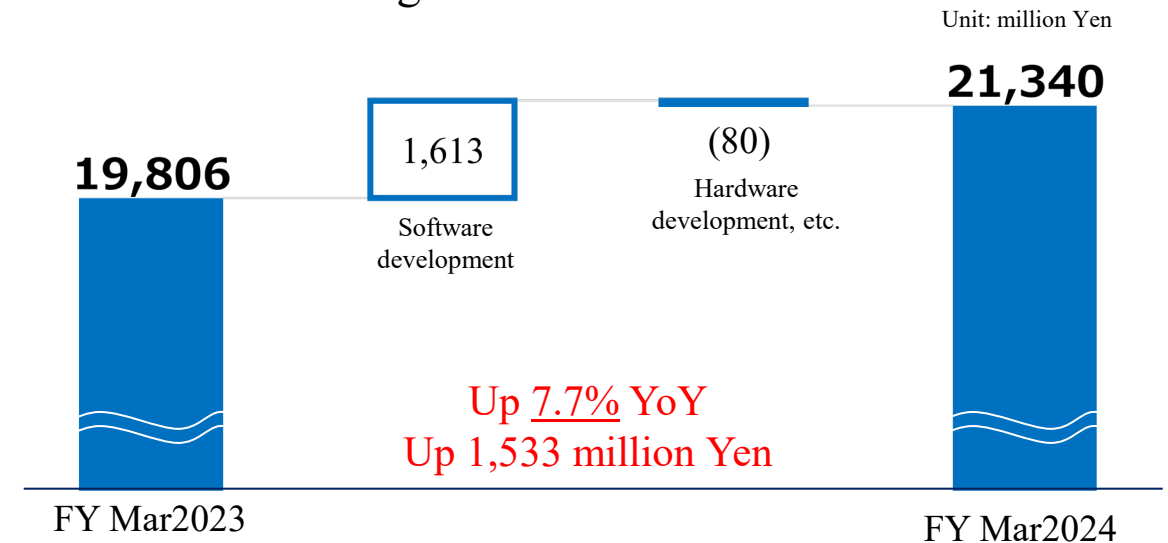
System product development

- ✓ Financial products (unsecured loan systems: Loan Ranger UC, costing systems for financial institutions: ABC Financial, 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.)

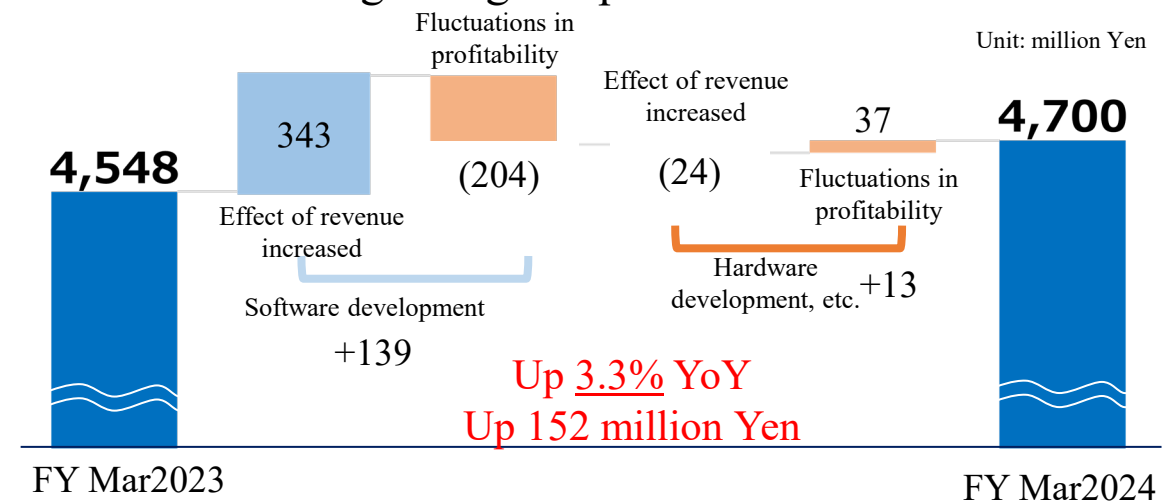
Net sales by service

Net sales (million Yen)	FY Mar2023	FY Mar2024	Rate of change
Software development	17,852	19,466	9.0%
Hardware, etc.	1,954	1,873	(4.1%)

Factors behind changes in net sales



Factors behind changes in gross profit

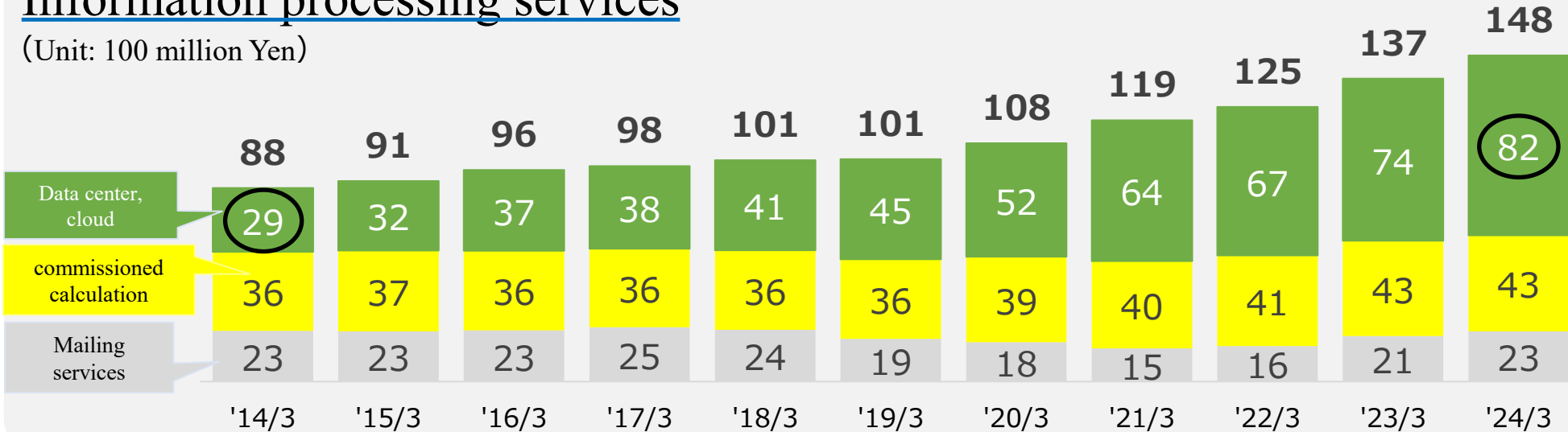


Note: Amounts for net sales, gross profit and changes for each are rounded down to the nearest million Yen. The rate of year-on-year change is rounded to the first decimal place. Totals, breakdowns and changes may not match due to rounding.

Trends in net sales by service

Information processing services

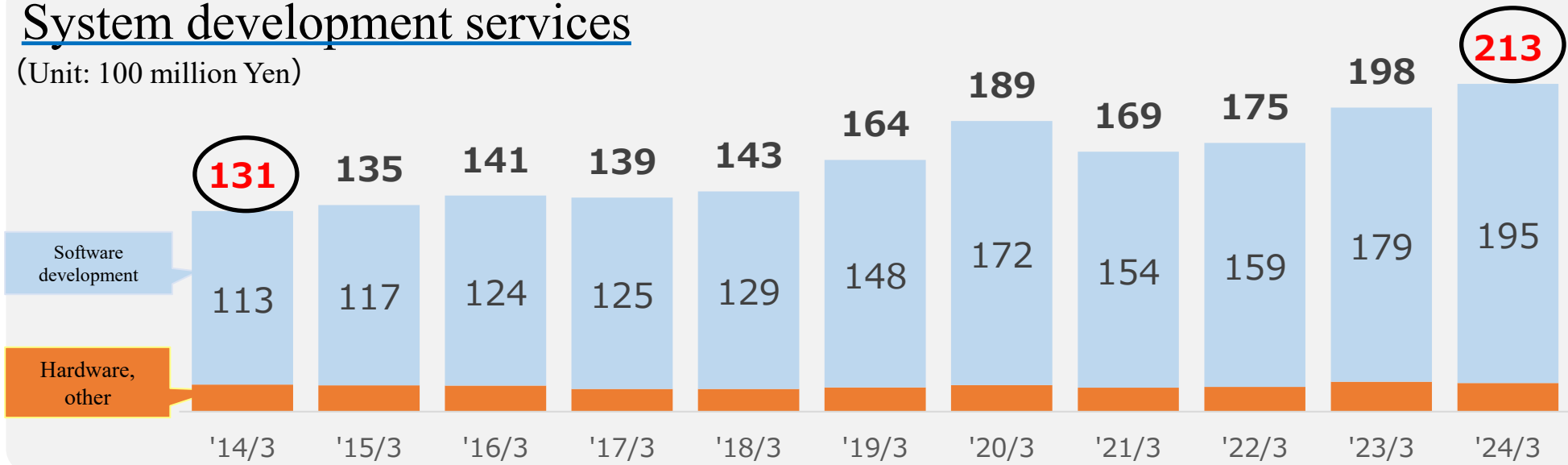
(Unit: 100 million Yen)



Data center and cloud services grew **2.8 times** over in 11 years

System development services

(Unit: 100 million Yen)



System development services grew **1.6 times** over in 11 years

Earnings forecasts for fiscal year ending in March 2025

inet

We forecast 40,420 million Yen in net sales, 3,250million Yen in Operating Income, 2,625million Yen in Net profit.
The effect on Net profit from the sale of investment securities:+200m.Yen(FY Mar2024),+450m.Yen(FY Mar2025)

(Unit: Million Yen)	FY Mar2024 Actual	FY Mar2025 Earnings forecasts	YoY rate of change
Net sales	37,763	40,420	7.0%
Operating profit	2,887	3,250	12.6%
Ordinary profit	2,935	3,225	9.9%
Net profit attributable to owner of parent	2,197	2,625	19.4%
Operating profit rate	7.6%	8.0%	+ 0.4points
Ordinary profit rate	7.8%	8.0%	+0.2points
Net profit rate	5.8%	6.5%	+0.7points

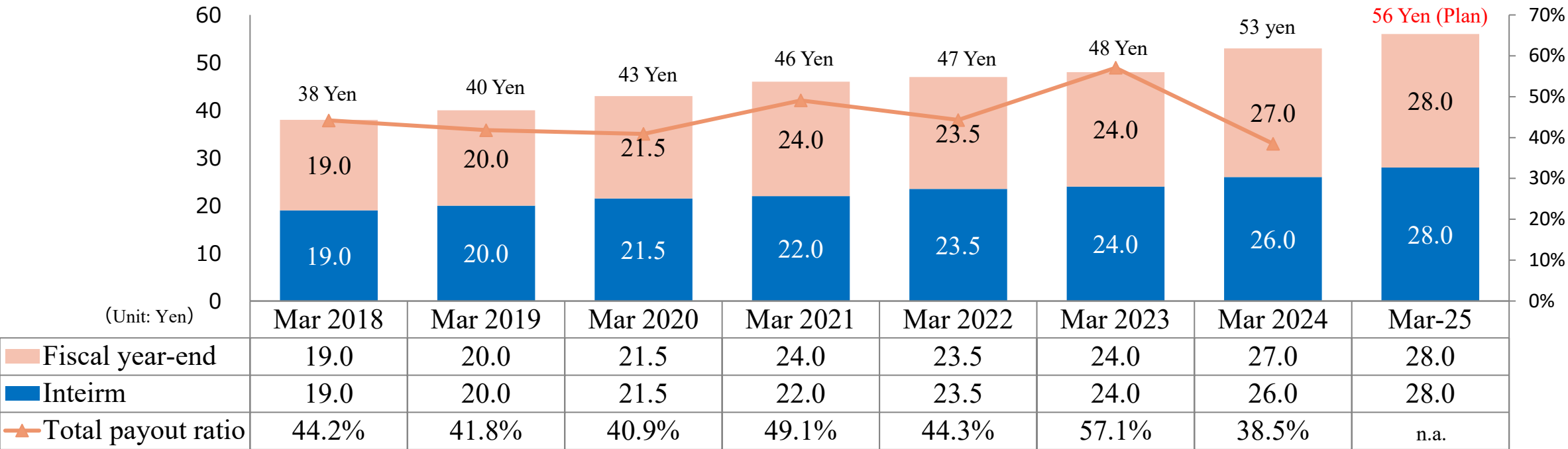
Note: Amounts are rounded down to the nearest million Yen, and the rate of year-on-year change is rounded to the first decimal place.

Shareholder Returns

Dividends for March 2024: 27 Yen in dividends per share (annual dividends of 53 Yen)
Annual dividends per share were increased for 12 straight fiscal years.

Plans for annual dividends in fiscal year ending in March 2025
Annual dividends per share of 56 Yen, up 3 Yen YoY, aiming for the 13th straight fiscal year of higher dividends

Shareholder Return Policy
Our aim is to have a total payout ratio of over 40%, to continue with stable dividends while retaining earnings to prepare for future capital needs.



Earnings in FY2024



(Unit: Million Yen)	FY Mar2023		FY Mar2024		YoY change		Relative to forecasts (Released on May 9, 2023)	
	Amount	Relative to sales	Amount	Relative to sales	Change	Rate of change	Change	% achieved
Net sales	34,988	100.0%	37,763	100.0%	2,774	7.9%	63	100%
Cost of sales	27,814	79.5%	29,515	78.2%	1,700	6.1%	--	--
Gross profit	7,174	20.5%	8,248	21.8%	1,073	15.0%	--	--
SG&A expenses	5,044	14.4%	5,360	14.2%	315	6.3%	--	--
Operating profit	2,129	6.1%	2,887	7.6%	758	35.6%	137	105%
Ordinary profit	2,175	6.2%	2,935	7.8%	760	34.9%	35	102%
Net profit attributable to owners of parent	1,343	3.8%	2,197	5.8%	854	63.6%	177	109%

Note: Amounts are rounded down to the nearest million Yen, and relative to sales, rate of changes and % achieved are rounded to the first decimal place.

Quarterly earnings in FY2024



(Unit: Million Yen)	Q1		Q2		Q3		Q4	
	Amount	Relative to sales	Amount	Relative to sales	Amount	Relative to sales	Amount	Relative to sales
Net sales	9,184	100.0%	9,795	100.0%	9,234	100.0%	9,550	100.0%
Cost of sales	7,155	77.9%	7,594	78.6%	7,255	78.6%	7,511	78.6%
Gross profit	2,028	22.1%	2,201	21.4%	1,980	21.4%	2,039	21.4%
SG&A expenses	1,371	14.9%	1,282	14.3%	1,322	14.3%	1,385	14.5%
Operating profit	657	7.2%	918	7.1%	658	7.1%	654	6.8%
Ordinary profit	702	7.6%	898	7.5%	691	7.5%	644	6.7%
Net profit attributable to owners of parent	438	4.8%	603	5.0%	460	5.0%	696	7.3%

Note: Amounts are rounded down to the nearest million Yen, and relative to sales are rounded to the first decimal place.

Earnings in FY Mar2024 by service



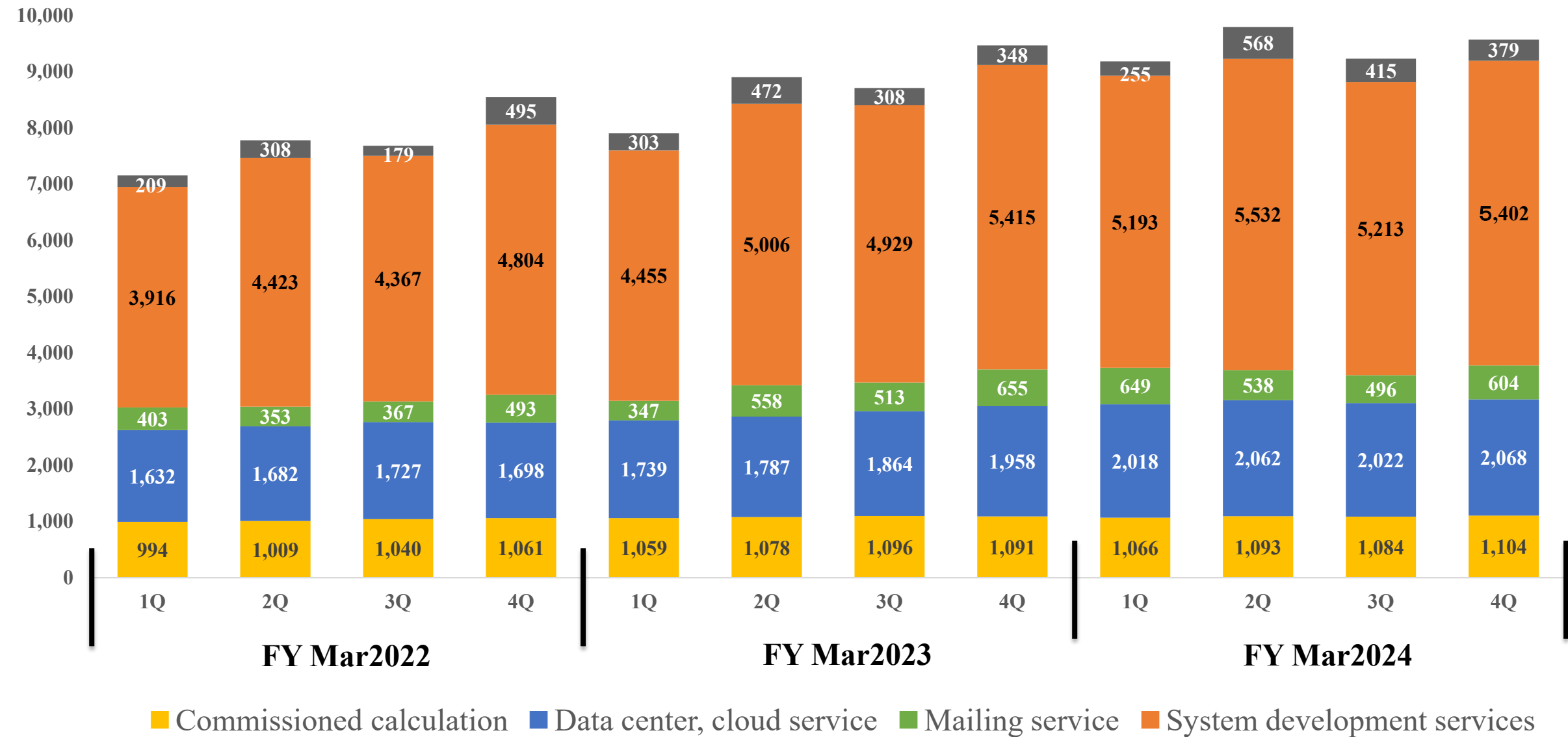
(Unit: million Yen)		FY Mar2023		FY Mar2024		YoY change	
		Amount	Profit rate	Amount	Profit rate	Change	Rate of change
Information processing services	Net sales	13,749	--	14,805	--	1,056	7.7%
	Gross profit	2,381	17%	3,169	21%	787	33.1%
	Operating profit*	245	2%	979	7%	733	298.4%
System development services	Net sales	19,806	--	21,340	--	1,533	7.7%
	Gross profit	4,548	23%	4,700	22%	152	3.3%
	Operating profit*	1,855	9%	1,755	8%	(100)	(5.4%)
Product sales	Net sales	1,432	--	1,617	--	184	12.9%
	Gross profit	243	17%	378	23%	134	55.0%
	Operating profit*	28	2%	153	9%	124	441.9%
Total	Net sales	34,988	--	37,763	--	2,774	7.9%
	Gross profit	7,174	21%	8,248	22%	1,073	15.0%
	Operating profit*	2,129	6%	2,887	8%	758	35.6%

*The Operating profit is an estimated reference figure.

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

Changes in quarterly net sales by service

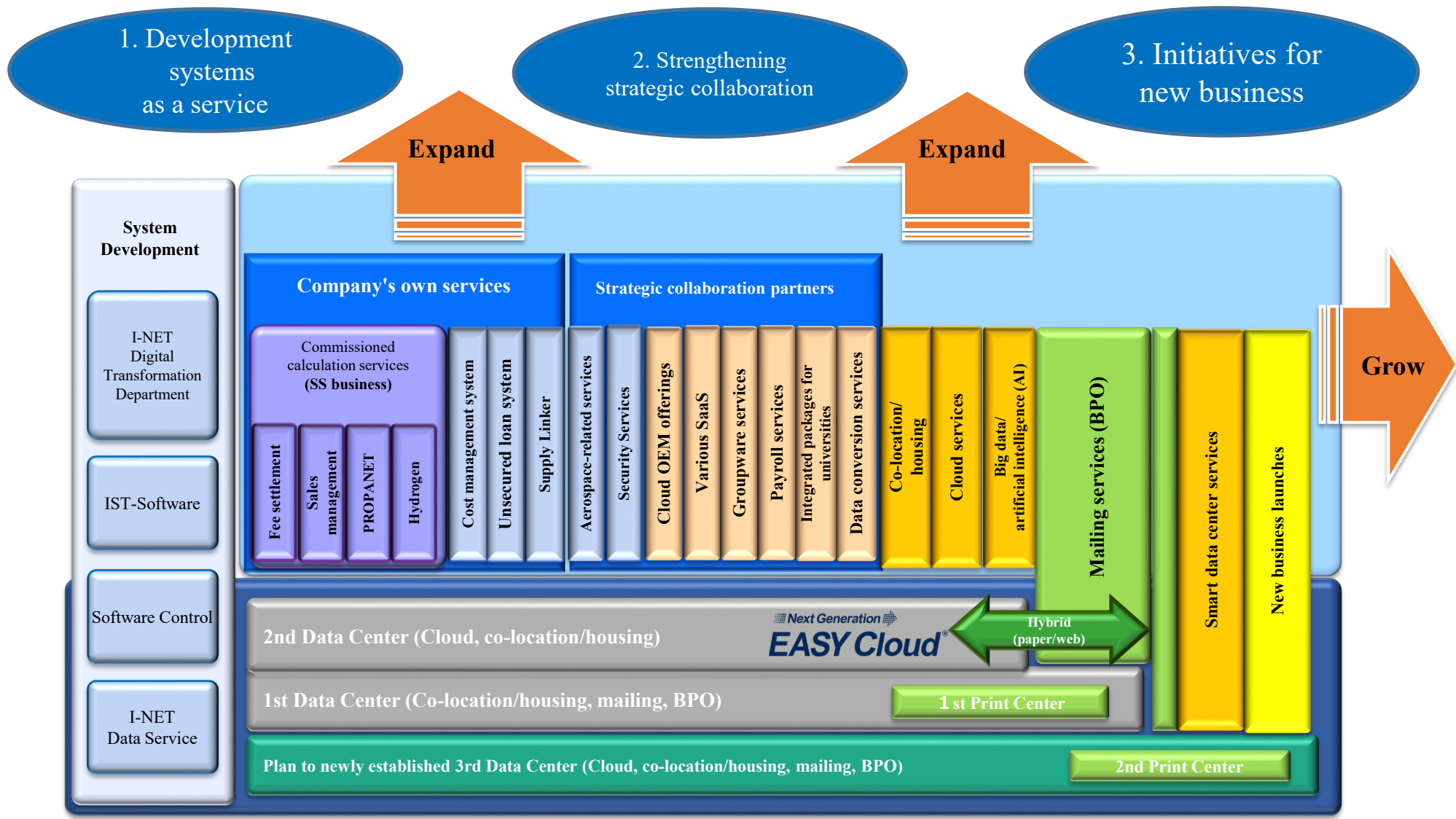
Unit: million Yen



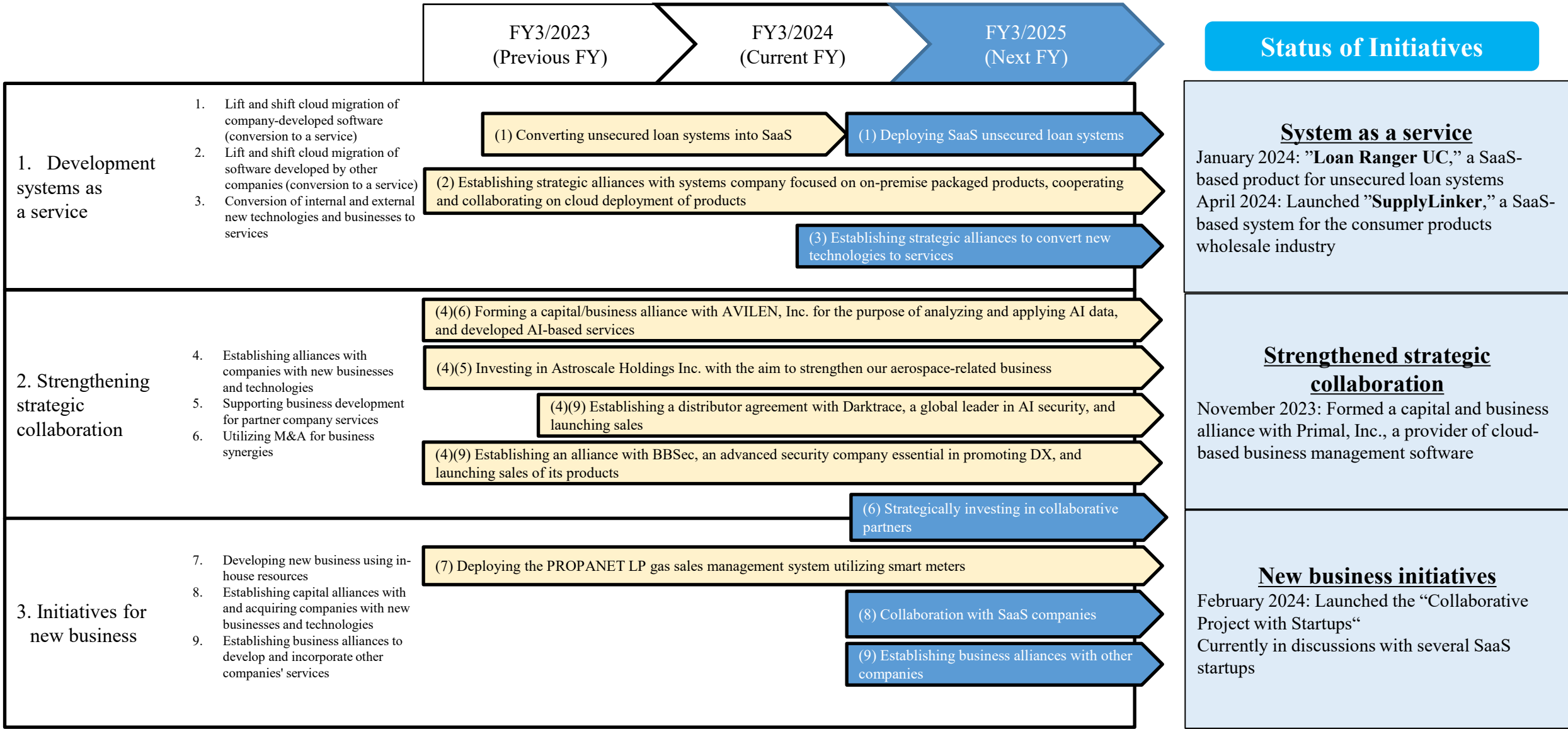
Note: Amounts are rounded down to the nearest million Yen, and the totals may not match.

Business strategies : Platform strategies

Regardless of how society changes, the Group will **expand business** with and **grow the number** of services and partners on our platforms in a way adapted to these changes.



Business strategies : Driving the Three-Arrows



Business Strategy: Toward the establishment of a new “3rd Data Center”

Reasons to consider opening a new data center

(1) To meet high demand

Existing centers are increasingly operating at capacity.

(2) To respond to the latest technologies

Supporting the introduction of high-function servers for generative AI, including GPU servers



2nd Data Center

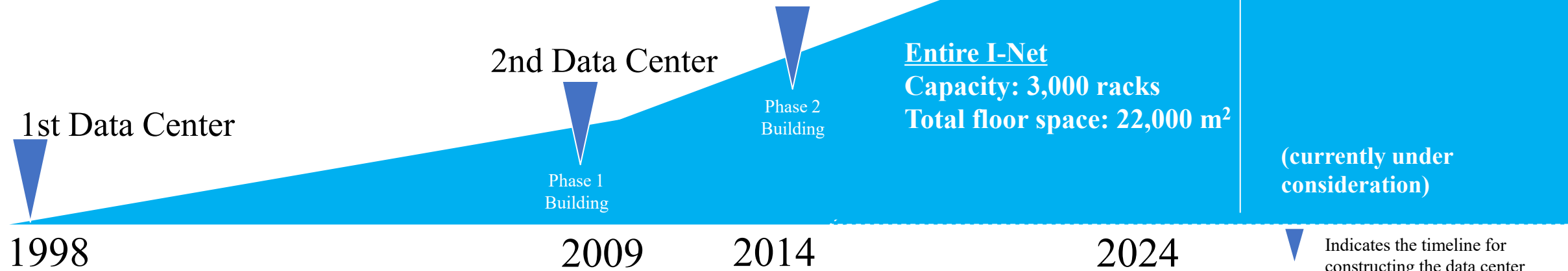
Current status of considerations

(1) Multiple candidate sites

(2) Leasing and M&A under consideration

(3) Use of the BPO center

Note: No decisions have been made at this time.



Endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations Achieve carbon neutrality by 2040

I-NET Group, in its earnest efforts to address global environmental issues, has expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We aim to achieve zero greenhouse gas emissions throughout the Group value chain by fiscal 2040.

Our first step toward this goal is to convert some of the electricity used in our data centers to electricity derived from renewable energy sources.

By fiscal 2030, we expect to reduce the Group's greenhouse gas emissions (equivalent to Scopes 1 and 2) by more than 50% compared to fiscal 2022.



Participation in the TCFD Consortium

I-NET has joined the TCFD Consortium on September 2023, a forum for discussion between companies and financial institutions that endorse the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Through our participation in the Consortium, we will strengthen our efforts to analyze and address the business risks and opportunities brought by climate change and disclose information related to these efforts.



Note: As part of its earnest efforts to address global environmental issues, the I-NET Group declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in August 2023.



I-NET co-sponsored *Tomoiki Cinema*, a movie-viewing event for children with medical needs and others promoted by Kanagawa Prefecture

Tomoiki Cinema, sponsored by the Kanagawa Prefectural Government and co-sponsored by I-NET, was held on December 27, 2023.

A family with a child under medical care said, “I want to show my child a movie in a movie theater. That's my dream.” This initiative was realized through this single message. To support this initiative, we provided blankets as a small contribution to the participants.



Held a data center field trip for children

I-NET held a field trip to a data center as a summer vacation event for children. The event was aimed at encouraging children, the leaders of the future, to gain an interest in IT. As part of this initiative, we presented children with illustrated pamphlets about data centers and held a field trip to I-NET's own data center for elementary school children and their parents.



Encouraging the employment of disabled people : I-NET Data Service

In April 2009, I-NET established a special subsidiary (authorized by the Minister of Health, Labour and Welfare) with the aim of encouraging the employment of disabled people.

※ There are 598 special subsidiaries in Japan and 50 in Kanagawa prefecture (as of June 1, 2023), and I-Net Data Service is one of them.

■ Main tasks



Data entry



Scanning



Light work



Preparation of business cards, etc.



Childcare support website: Working Moms Supporter

“Working Moms Supporter” was set up and is run as a search site for childcare centers that uses open data for Yokohama City.



Revamped in June 2022,
and a parenting blog is also posted on the website.



ESG and SDGs initiatives (social contributions)

Inet Foundation carries out ESG activities and gives back to society by supporting social activities that contribute to the development of the local society.

Achievements since founding

FY23: 29 organizations

FY22: 27 organizations

FY21: 22 organizations

The foundation carries out the following projects in the Kanagawa Prefecture region

(1) Projects to support and provide subsidies or to assess and award the sustainability and activities of organizations that carry out activities related to the following:

- Sound training and education of children and youth
- Sound mental and physical development through sports
- Improve public sanitation
- Environmental conservation and infrastructure
- Sound development of local community

(2) Projects needed to achieve other objectives with public benefit

公益財団法人 アイネット地域振興財団



神奈川のよりよい地域社会の発展を応援します。

私たちは、神奈川のさまざまな社会貢献活動を支援、助成することを目的に設立された財団です。



Inet Foundation was established by Noriyoshi Ikeda, I-NET's founder, to support and aid the sustainable activities of organizations carrying out activities contributing to society in Kanagawa Prefecture (activities aimed at providing public benefit). In March 2019, it was formed as a general foundation, and was authorized as a public interest corporation by Kanagawa Prefecture in January 2020.

Link for foundation's website: <https://www.inet-found.or.jp/>

ESG and SDGs initiatives (Diversity)



Based on our belief that employees are management’s greatest asset, we believe that the mental and physical health of employees is the foundation for ongoing improvements in corporate value, and we pursue health management accordingly.
We are making workstyle reforms to create a work environment in which everyone can exercise their skills with peace of mind.

Hatarakueru 2024

Awarded the highest level for
Company with Best Benefits (General)



Certified by Hatarakueru
Implementation Committee

White 500

(certified for sixth year in a row)



Certified by Ministry of Economy,
Trade, and Industry

PRIDE Index 2023

Earned highest rank of Gold



Sponsored by work with Pride

Main health-related initiatives

- Declared health management
- HR Department, Health Support Office and Health Insurance Association worked together



Platinum Kurumin

Certified by Ministry of Health,
Labour and Welfare



Eruboshi

Certified by Ministry of Health,
Labour and Welfare



Hybrid-type system company providing information processing services (stock-type business) using our own data centers and system development services (flow-type business).

- Trade name: I-NET Corp.
- Headquarters: 13F YOKOHAMA SYMPHOSTAGE West Tower
5-1-2 Minatomirai Nishi-ku Yokohama, Kanagawa
- Founder: Noriyoshi Ikeda
- Representative: Tomomichi Saeki, Representative Director and Executive President
- Number of employees: 1,774 (consolidated), 1,013 (non-consolidated) As of April 1, 2024
- Business offices, branches, data centers:
Tokyo office, Sapporo branch, Sendai branch, Chubu branch, Osaka branch, Chu-Shikoku Branch, Fukuoka branch
- Founded: April 22, 1971
- Capital: 3,203 million yen



Headquarters(Yokohama)



No.1 Data Center



No.2 Data Center

History

1971

- Founded Fuji Consult Co., Ltd., forerunner of I-NET Corp.
- Started commissioned calculation business for service stations (SS); founding business



1976

- Became the regional designated settlement center for Idemitsu Kosan Co., Ltd. and Kyodo Oil Co., Ltd. (now ENEOS Corporation)

1977

- In addition to developing a mobile POS system, designated as the national settlement center for Exxon Mobil (now ENEOS Corporation)

1971

1977

- Introduced own mainframe

1980

- Started business making POS cards for SS

1981

1983

- Developed a comprehensive online system for oil sales operations (SSTOLS)

1985

- Developed a credit card system linked to ExxonMobil and started online operations for SS nationwide

1987

- Developed regional comprehensive credit system (CC21)

1991

- Started the sealing and enclosing business

1995

- Opened stores

1997

- Listed on the Second Section of Tokyo Stock Exchange Market
- Designated as the national settlement center for Mitsubishi Oil Co., Ltd. (now ENEOS Corporation) and became a network center (NX Information Center)

1998

- Operation started at the No.1 Data Center - stage I building; company's own data center



1983

- Became the regional designated settlement center for Showa Shell Co., Ltd. (now Idemitsu Kosan Co., Ltd.)

1985

- Designated as the national settlement center for Kygnus Sekiyu K.K.
- Assigned all aspects of the mobile credit processing operations from Exxon Mobil (now ENEOS Corporation)

1988

- Designated as the national settlement center for Mitsui Sekiyu Co., Ltd. (now ENEOS Corporation)
- Designated as the national settlement center for Tonen General Sekiyu K.K. (now ENEOS Corporation)

2001

- Merged with Soft Science Co., Ltd. Business extended to space industry sector, control and prevention technology field

2002

- Completed the No.1 Data Center - stage II building



2003

- Designated as the accounting calculation center for Kyushu Oil Co., Ltd. (now ENEOS Corporation)

2006

- Listed on the First Section of Tokyo Stock Exchange Market



- Merged two consolidated subsidiaries (Japan IST Co., Ltd. and Software CO., Ltd.), and founded Software Co., Ltd. anew

ist ISTsoftware Co., Ltd.

2001

1994

- Began operating new comprehensive online system for oil sales operations (NEW SS-TOLS)

2001

- Expanded scope to include space and control and prevention operations

2009

- Established I-NET DATA SERVICE CORP. (special subsidiary to employ disabled persons)
- Operation started at the No.2 Data Center - stage I building



2011

2009

- Became one of the first in the industry to start a cloud business

2012

- Began services at Inet north* data center in the Hokkaido region

2013

- Started service of new cloud service "Dream Cloud**" in the big data era

Dream Cloud
Bring innovation to your working style

2014

- Received assignment as the designated accounting calculation center from Taiyo Oil Company, Limited
- Started operation of the No.2 Data Center - stage II building



2017

- Established a drone airfield "Dream Drone Flying Field" in Kimitsu City, Chiba



2017

- Launched and started operation of the website "Working Moms Supporter" to search for childcare facilities and started its operation

2018

- Made Software Control Corporation a consolidated subsidiary

株式会社ソフトウェアコントロール
Software Control Corporation

2019

- In March 2019, founder Noriyoshi Ikeda established the NPO Ikeda Aid Foundation. In January 2020, the foundation was authorized as a public interest foundation and its name was changed to the Inet Foundation

2021

- 50th anniversary of founding



2022

- Transitioned to the Prime Market of the Tokyo Stock Exchange

2021

2017

- Started operation of the Data Center "Inet west**" expanding in Kansai area

2018

- Started AI cloud service development

2015

- Started operation of Data Center "Inet east**" expanding in Chubu area
- Started development of the next-generation cloud platform "Next Generation EASY Cloud**"

Next Generation
EASY Cloud

2016

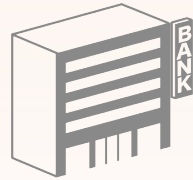
- Started providing new lineups of virtual desktop service "VIDAAS**" — "VIDAAS" by Horizon View* and "VIDAAS" by Horizon DaaS

- Entered the drone IoT platform business

Service

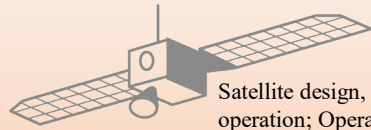
System development services

Cost of sales management and loan systems for financial institutions



Product management, e-money and credit card point management

Additional services to improve the functions of smart phones and car navigation systems



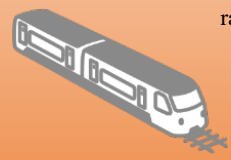
Satellite design, survey and operation; Operation of asteroid probes



System development in areas such as manufacturing and sales



Development of reservation systems for airline companies and railway-related systems



Design and development of medical equipment such as diagnostic devices as well as home medical equipment

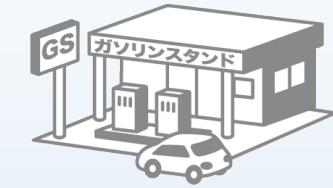


Total security solutions to reinforce security measures

Information processing services

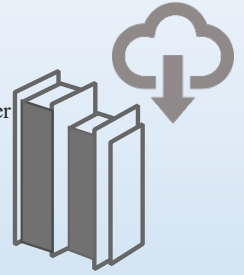


Management, smart meter and settlement systems for propane gas companies

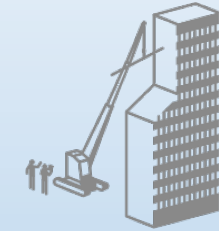


Calculation and settlement cloud services for SS

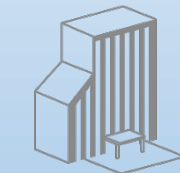
Wide-ranging cloud services provided using I-NET's own data center



Digital management of design and construction plans



Printing, enclosing and mailing tax payment notifications



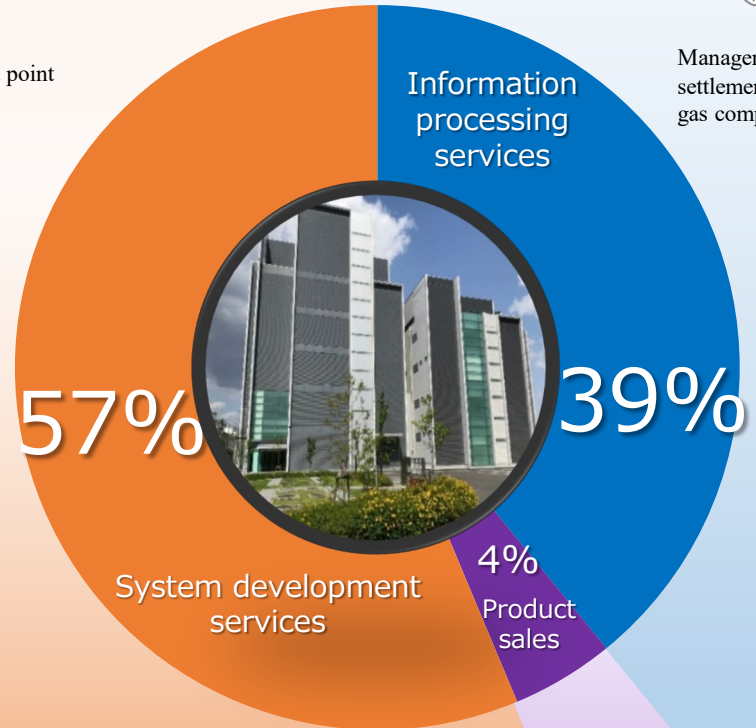
Conscientious processing at data center of important notifications such as tax payments and pensions



Sales of equipment ancillary to services

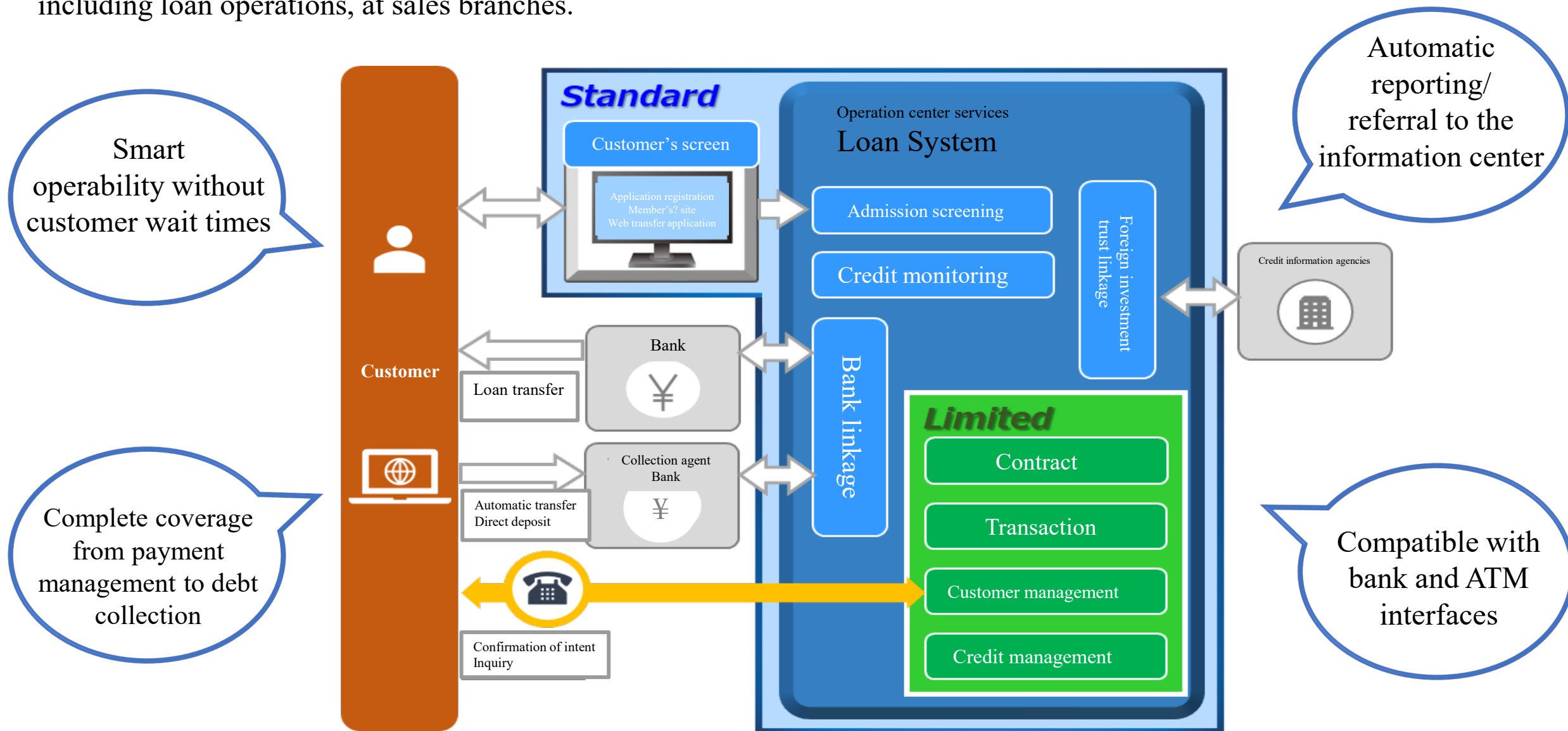


Call center operations and data entry work



Service Highlight: Loan Ranger UC

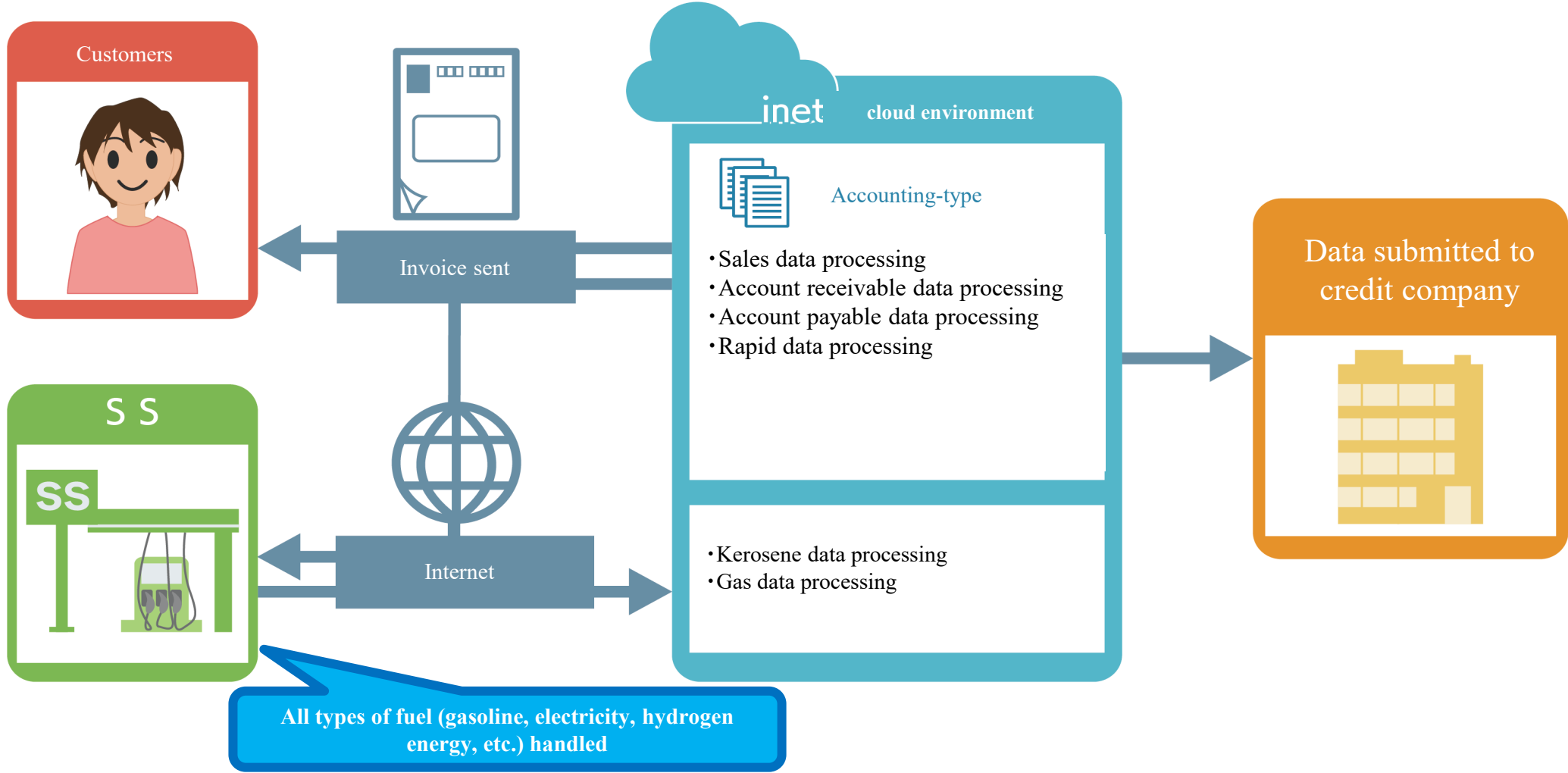
An integrated card loan financing system for banks and non-banks provides powerful support for all operations, including loan operations, at sales branches.



Services (Service station)

Platform for the energy companies that support social infrastructure

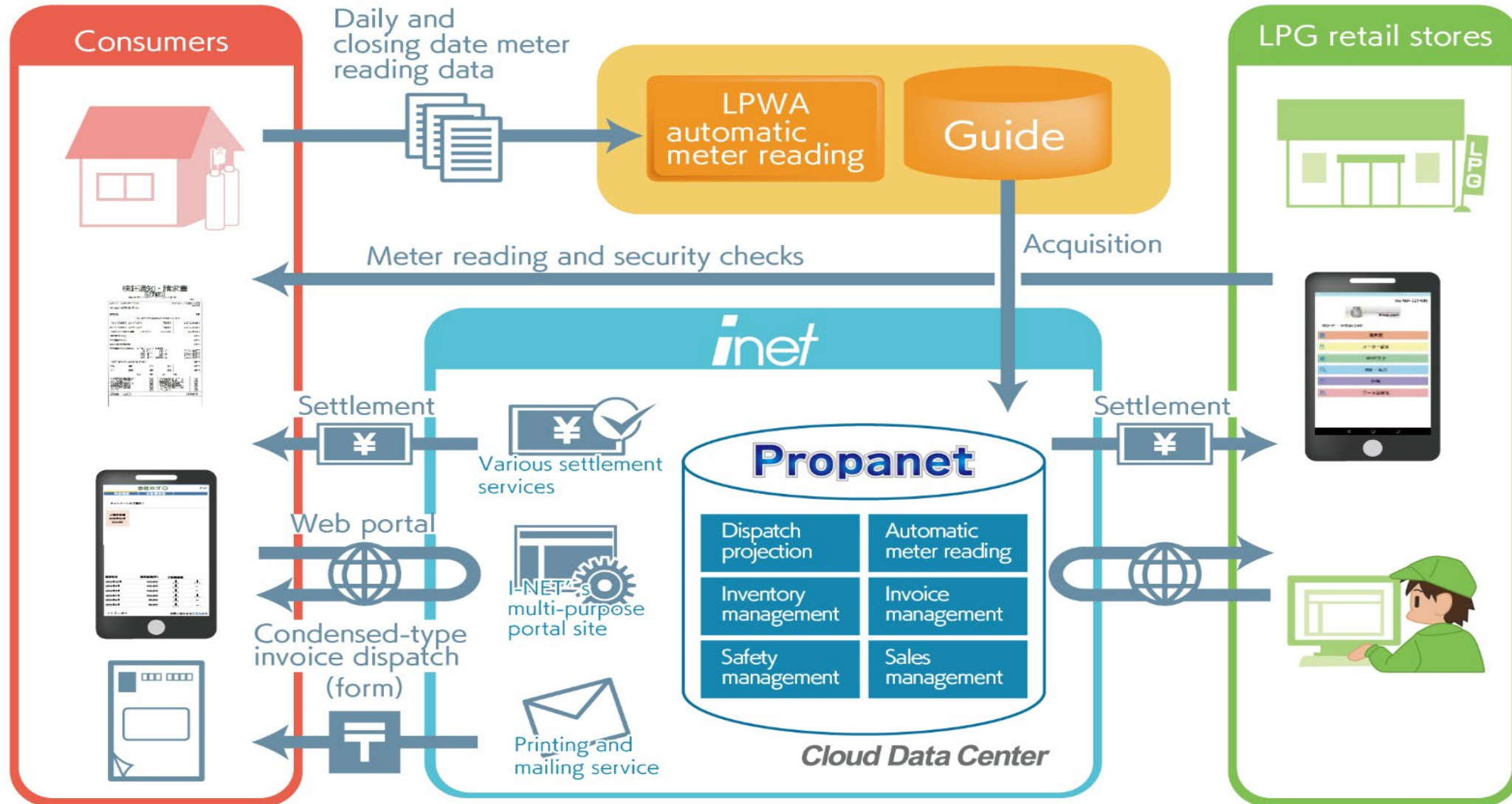
I-NET has an over-30% share of Japan's sales management and payment systems for gasoline stations



Gasoline sellers (ENEOS, Idemitsu Showa Shell, Kygnus Sekiyu, Taiyo Seikyu), commercial firms (Itochu Enex, Mitsubishi Corporation Energy, Marubeni Energy, San-Ai Obbli), retailers

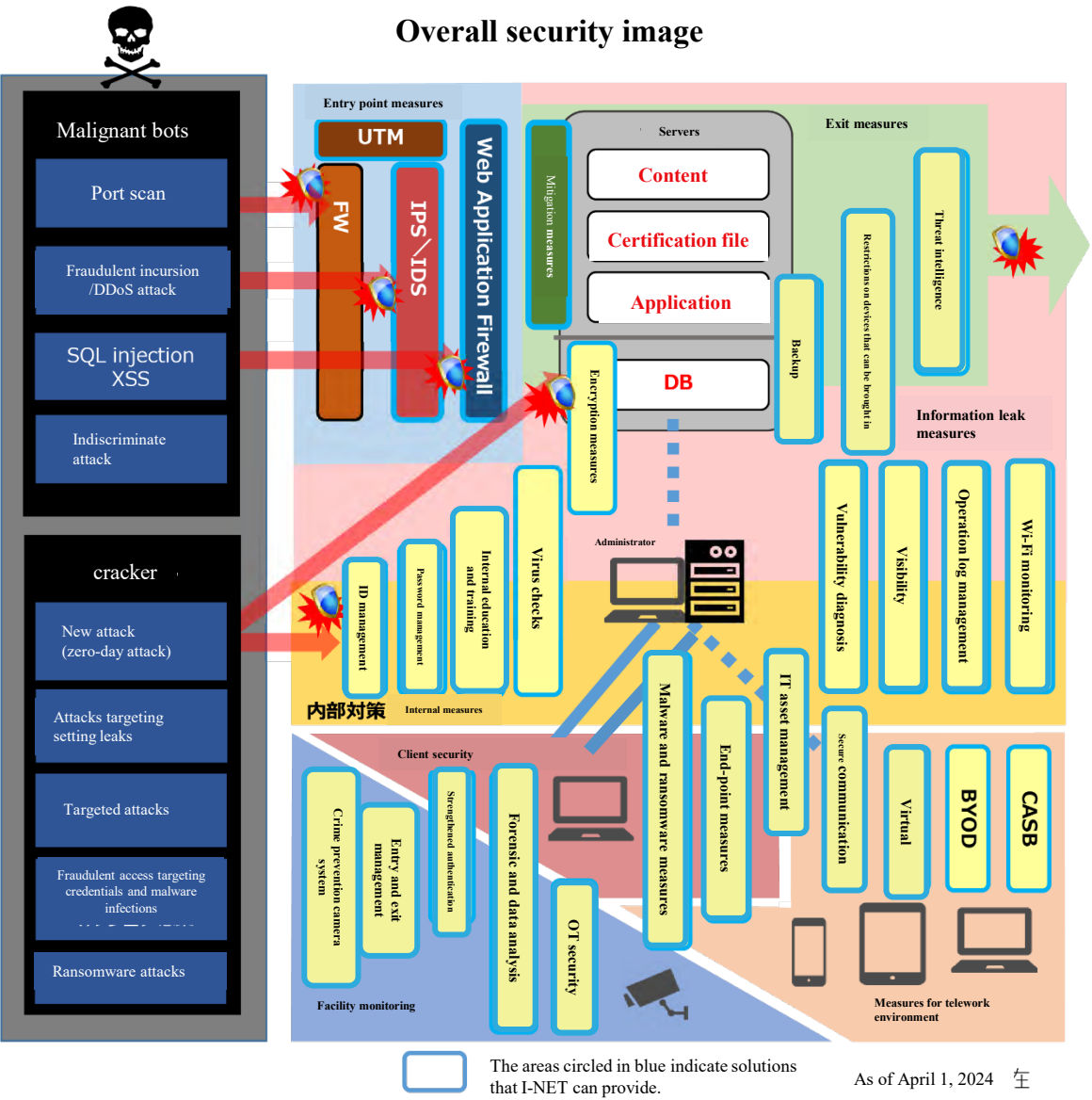
Services (Propanet)

Platform for energy industry supporting social infrastructure
Sales management and payment system for LP gas companies



Services (Security)

Diverse security products provided, customers' current status analyzed and the optimal plan presented



Security videos are now available on IRTV*.
(Japanese only)

<https://irtv.jp/channel/14063>

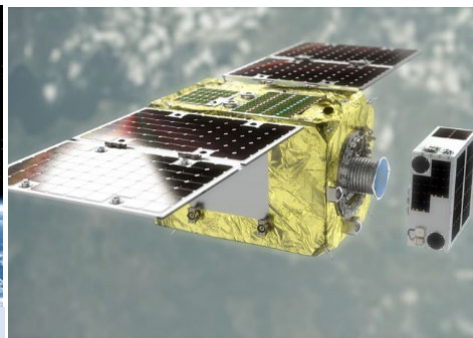
*IRTV is a video medium operated by IR Robotics Inc. that showcases business models and visions, connecting investors and companies through "video."

Satellite system design, assembly, and operation contractor with 46 years of experience

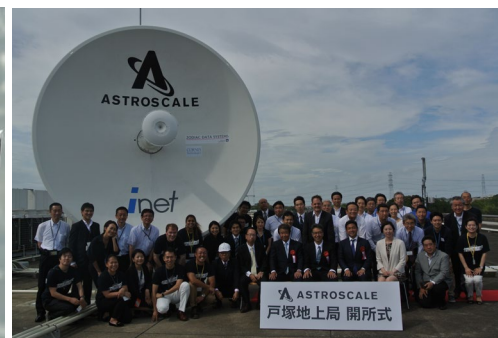
- Design, control program development, manufacturing and assembly, inspection and testing, launch support, operation, and data processing
- Achievements: Hayabusa, Hayabusa 2, and more. Most recently, participated in satellite development for Institute for Q-shu Pioneers of Space, Inc. and Astroscale



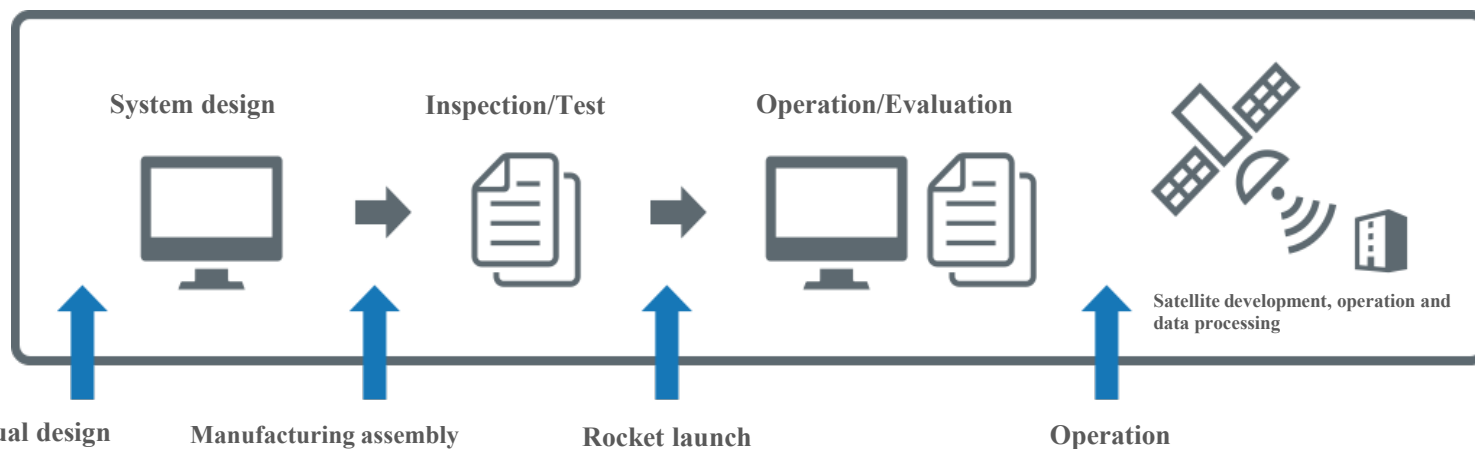
Asteroid detector Hayabusa



Experimental satellite
for space debris removal



Landing station operation (※Located
on I-NET site)



We support system design, inspection/test and operation/evaluation of artificial satellites and probes.



A video about our space business is now available on YouTube on IRTV*. (Japanese only)

<https://www.youtube.com/watch?v=3wkpYZEBvH8>

*IRTV is a video medium operated by IR Robotics Inc. that showcases business models and visions, connecting investors and companies through “video.”

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