

Translation

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Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2026 (Based on Japanese GAAP)

July 31, 2025

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 Stock exchange listings: Tokyo Stock Exchange
 Stock code: 9600
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 Scheduled date for dividend payment: None
 Supplementary materials for financial summaries: Yes
 Financial results briefing: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to June 30, 2025)

1) Consolidated operating results (Cumulative)

(Percentage indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2025	9,818	10.0	467	110.9	446	69.1	222	190.5
June 30, 2024	8,926	(2.8)	221	(66.3)	264	(62.4)	76	(82.5)

(Note) Comprehensive income For the three months ended March 31, 2026: 373 million yen (-%) For the three months ended March 31, 2025: (423) million yen (-%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	14.59	-
June 30, 2024	4.86	-

(Note) From the beginning of the first quarter of the current consolidated fiscal period, a change in accounting policy regarding the calculation method of retirement benefit obligations has been made at a subsidiary. The figures for the first quarter of the fiscal year ending March 2025 reflect the retrospective application of this change.

2) Consolidated financial positions

	Total assets	Equity	Equity to total assets ratio
	Million yen	Million yen	%
As of June 30, 2025	36,451	19,329	53.0
March 31, 2025	37,182	19,389	52.1

(Reference) Owner's equity 19,329 million yen for the first quarter of the fiscal year ending March 2026; 19,389 million yen for the fiscal year ended March 2025

(Note) From the beginning of the first quarter of the current consolidated fiscal period, a change in accounting policy regarding the calculation method of retirement benefit obligations has been made at a subsidiary. The figures for the fiscal year ending March 2025 reflect the retrospective application of this change.

2. Cash dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	At the end of the third quarter	Fiscal year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 28.00	Yen -	Yen 28.00	Yen 56.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		29.00	-	29.00	58.00

(Note) Presence or absence of revisions from the most recently announced dividend forecast: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2026	42,250	8.4	2,750	4.1	2,800	4.4	1,850	(18.1)	121.25

(Note) Correction of financial forecast from the most recent financial forecast: None

* Notes

1) Significant changes in the scope of consolidation during the period: None

2) Application of specific accounting for the consolidated quarterly financial statements: Yes

(Note) For details, please refer to the attached document on page 8, "2. Quarterly Consolidated Financial Statements and Main Notes 3) Notes on Quarterly Consolidated Financial Statements (Notes on Accounting Treatments Specific to the Preparation of Quarterly Consolidated Financial Statements)."

3) Changes in accounting policies, changes in accounting estimates, retrospective restatement

i) Changes in accounting policies due to revisions of accounting standards : None

ii) Changes in accounting policies other than i): Yes

iii) Changes in accounting estimates : None

iv) Retrospective restatement : None

(Note) For details, please refer to the attached document on page 8, "2. Quarterly Consolidated Financial Statements and Main Notes 3) Notes on Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policies)."

4) Number of shares issued (common stock)

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

As of June 30, 2025	15,475,524 shares
As of March 31, 2025	15,475,524 shares

ii) Number of treasury shares at the end of the period

As of June 30, 2025	217,902 shares
As of March 31, 2025	217,902 shares

iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	15,257,622 shares
Three months ended June 30, 2024	15,757,232 shares

*Review of attached consolidated quarterly financial statements by a certified public accountant or an audit firm: None

* Notes on the appropriate use of forecasts and other special items

(Cautionary Statement Regarding Forward-Looking Statements)

The forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a guarantee of their achievement. Actual results may differ significantly due to various factors.

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1. Overview of Operating Results, etc.

1) Overview of operating results for the quarter

During the three months ended June 30, 2025, the Japanese economy faced growing concerns over the negative impact on domestic business conditions following the announcement of new tariff policies by the United States in April 2025, resulting in increased uncertainty about the future. Furthermore, the prolonged conflict in Ukraine and the worsening situation in the Middle East have heightened geopolitical risks, causing continued instability in foreign exchange markets and persistent inflation both domestically and internationally. Under these circumstances, the business environment surrounding companies remains challenging.

In the information service industry to which our group (the Company, consolidated subsidiaries, and equity-method affiliates) belongs, system-related investments aimed at addressing labor shortages and improving operational efficiency among companies have continued. In addition, the advancement of cloud migration for existing systems and software, as well as the growing use of AI (artificial intelligence) and the expansion of IoT throughout society, have led to an increasing trend in demand for data center utilization.

In this economic environment, our group has formulated a three-year medium-term management plan, "Up Stage 2027," with the fiscal year ending March 2026 as the first year. In the final year, the fiscal year ending March 2028, we aim for "Net sales of 50 billion yen and a market capitalization of 50 billion yen." To achieve this goal, we have set four KPIs: "Net sales of 50,000 million yen, operating profit of 3,500 million yen, EBITDA of 6,500 million yen, and ROE of 13%." The entire group is working together to improve business performance and expand our business operations.

For the three months ended June 30, 2025, the results were as follows: Net sales were 9,818 million yen (up 10.0% YoY), operating profit was 467 million yen (up 110.9% YoY), ordinary profit was 446 million yen (up 69.1% YoY), and profit attributable to owners of parent was 222 million yen (up 190.5% YoY), resulting in increased sales and profits compared to the same period of the previous year.

The status of Net sales and gross profit by service for the three months ended June 30, 2025 is as follows.

[Information Processing Services]

Net sales for information processing services for the quarter were 4,116 million yen (up 16.1% YoY), and gross profit was 828 million yen (up 46.6% YoY), achieving a significant increase in profit. Demand for our core business, data center and cloud services, remains strong. We have reviewed the pricing of these services and worked to improve operational efficiency at our centers, resulting in improved profitability. Net sales for the contract calculation services for service stations ("SS", "gas stations"), which we have been engaged in since our founding, remained at the same level as the previous year. Inquiries for "Propanet," a sales management service for propane gas sales companies, have been strong, and overall, contract calculation services saw an increase in profit compared to the same period last year. Mailing services also recorded higher sales and profits, supported by a steady increase in new projects and the addition of print-on-demand services acquired from another company in the previous fiscal year, which contributed to a more diversified revenue structure.

[System Development Services]

Net sales for the System Development Services in the current quarter were 5,277 million yen (up 3.9% YoY), and gross profit was 1,141 million yen (up 12.1% YoY). Although revenue from development projects for the distribution and energy industries did not grow, there was strong demand for system development projects in sectors where our group has strengths, such as finance and the space and defense industries. In addition, large-scale development projects for the transportation services industry progressed smoothly, resulting in favorable revenue trends for this service. Furthermore, issues such as development delays in certain projects that occurred in the previous period have already been resolved through the strengthening of our internal management system, contributing to improved business performance.

[Product sales]

With the smooth progress of equipment sales accompanying system upgrades for existing customers, net sales for the quarter increased to 423 million yen (up 41.6% YoY). However, due to changes in the composition of the equipment sold, gross profit decreased to 98 million yen (down 1.8% YoY).

Net sales and gross profit by service

		Fiscal year ended March 31, 2025 First quarter Cumulative period	Fiscal year ending March 31, 2026 First quarter Cumulative period	Year-on-year comparison	
				Increase (decrease)	rate of change
Information processing services	Net sales	Million yen 3,546	Million yen 4,116	Million yen 569	% 16.1
	Gross profit	565	828	263	46.6
System development services	Net sales	5,080	5,277	197	3.9
	Gross profit	1,018	1,141	123	12.1
Product sales	Net sales	299	423	124	41.6
	Gross profit	100	98	(1)	(1.8)
Total	Net sales	8,926	9,818	891	10.0
	Gross profit	1,683	2,068	384	22.9

Operating profit, ordinary profit, profit attributable to owners of parent

	Fiscal year ended March 31, 2025 First quarter Cumulative period		Fiscal year ending March 31, 2026 First quarter Cumulative period		Year on year	
	Amount	Profit margin	Amount	Profit margin	Increase (decrease)	rate of change
Operating profit	Million yen 221	2.5	Million yen 467	% 4.8	Million yen 245	% 110.9
Ordinary profit	264	3.0	446	4.5	182	69.1
Profit attributable to owners of parent	76	0.9	222	2.3	145	190.5

2) Overview of financial positions for the quarter

Total assets at the end of the first quarter consolidated accounting period were 36,451 million yen, a decrease of 730 million yen compared to the end of the previous consolidated fiscal year. The main factors for this were an increase in 'Investment securities' and 'Work in process,' but a decrease in 'Notes and accounts receivable - trade, and contract assets,' among others.

Net assets amounted to 19,329 million yen, and the equity to total assets ratio was 53.0%.

3) Explanation regarding forward-looking statements such as consolidated forecasts

There are no changes to the full-year forecasts announced on May 9, 2025.

2. Quarterly Consolidated Financial Statements and Main Notes (1) Quarterly Consolidated Balance Sheet

(Unit: Thousands of yen)

	Previous fiscal year (March 31, 2025)	For the three months ended (June 30, 2025)
Assets		
Current assets		
Cash and deposit	4,736,320	4,909,679
Notes and accounts receivable - trade, and contract assets	7,350,982	6,135,980
Merchandise and finished goods	88,811	63,142
Work in process	101,690	278,893
Raw materials and supplies	133,344	100,044
Others	636,279	897,872
Allowance for doubtful accounts	(248)	(120)
Total current asset	13,047,180	12,385,492
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	10,460,513	10,883,121
Land	2,950,519	2,950,519
Other (net)	2,406,661	1,872,474
Total property, plant and equipment, net	15,817,694	15,706,115
Intangible assets		
Goodwill	254,514	242,471
Software	1,843,864	1,715,273
Other	381	381
Total intangible assets	2,098,760	1,958,126
Investment Other assets		
Investment securities	3,674,565	3,880,986
Retirement benefit assets	1,648,903	1,658,377
Other	896,133	863,646
Allowance for doubtful accounts	(1,150)	(1,116)
Total investment and other assets	6,218,451	6,401,893
Total non-current assets	24,134,907	24,066,135
Total assets	37,182,088	36,451,628

(Unit: Thousands of yen)

	Previous fiscal year (March 31, 2025)	For the three months ended (June 30, 2025)
Liabilities		
Current liabilities		
Trade payables	2,074,288	2,303,857
Short-term borrowings	3,130,942	2,889,051
Income taxes payable	510,059	246,617
Provision for bonuses	1,068,059	750,749
Provision for loss on orders received	8,315	2,234
Asset retirement obligations	14,347	15,911
Others	3,853,392	4,344,420
Total current liabilities	10,659,405	10,552,842
Non-current liabilities		
Long-term borrowings	6,256,776	5,678,409
Asset retirement obligations	212,847	213,665
Other	663,097	676,989
Total non-current liabilities	7,132,720	6,569,064
Total liabilities	17,792,125	17,121,906
Net assets		
Shareholders' equity		
Share capital	3,203,992	3,203,992
Capital surplus	1,759,937	1,759,937
Retained earnings	14,031,646	13,826,998
Treasury shares	(396,497)	(396,497)
Total shareholders' equity	18,599,079	18,394,431
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	552,632	689,074
Remeasurements of defined benefit plans	238,250	246,215
Total accumulated other comprehensive income	790,882	935,289
Total net assets	19,389,962	19,329,721
Total liabilities and net assets	37,182,088	36,451,628

2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)

(Unit: Thousands of yen)

	For the three months ended (April 1, 2024 to June 30, 2024)	For the three months ended (April 1, 2025 to June 30, 2025)
Net sales	8,926,574	9,818,479
Cost of sales	7,242,581	7,749,661
Gross profit	1,683,992	2,068,818
Selling, general and administrative expenses	1,462,314	1,601,241
Operating profit	221,678	467,577
Non-operating income		
Interest income	0	37
Dividend income	26,672	28,320
Subsidy income	-	12,855
Gain on investments in investment partnerships	29,664	-
Other	3,952	3,717
Total non-operating income	60,289	44,930
Non-operating expenses		
Interest expense	11,410	21,444
Loss on investments in investment partnerships	-	33,913
Share of loss of investments accounted for using equity method	6,192	7,374
Other	211	3,198
Total non-operating expenses	17,814	65,930
Ordinary profit	264,152	446,577
Extraordinary income		
Gain on sale of non-current assets	-	999
Total extraordinary income	-	999
Extraordinary losses		
Loss on sale of non-current assets	-	10,675
Loss on retirement of fixed assets	5,410	0
Loss related to relocation of headquarters	53,877	-
Total extraordinary losses	59,287	10,675
Net income before income taxes	204,865	436,901
Income taxes	128,258	214,335
Net income	76,607	222,565
Profit attributable to owners of parent	76,607	222,565

(Quarterly Consolidated Statement of Comprehensive Income)

(Unit: Thousands of yen)

	For the three months ended (April 1, 2024 to June 30, 2024)	For the three months ended (April 1, 2025 to June 30, 2025)
Net income	76,607	222,565
Other comprehensive income (loss), net of tax		
Valuation difference on available-for-sale securities	(503,580)	136,441
Remeasurements of defined benefit plans, net of tax	3,665	14,897
Other comprehensive income, net of tax	(499,914)	151,339
Comprehensive income	(423,307)	373,905
Profit attributable to		
Quarterly comprehensive income attributable to owners of the parent	(423,307)	373,905
Quarterly comprehensive income attributable to non-controlling interests	-	-

3) Notes to the quarterly consolidated financial statements

(Notes regarding the assumption of a going concern)

There are no applicable items.

(Notes in case of significant changes in the amount of shareholders' equity)

There are no applicable items.

(Notes on accounting treatments specific to the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

With regard to income tax expenses, the effective tax rate after applying tax effect accounting to the pre-tax net income for the consolidated fiscal year including the first quarter of the current fiscal year is reasonably estimated, and the estimated effective tax rate is applied to the pre-tax net income to calculate the tax expenses.

(Notes on changes in accounting policies)

(Change in the method of calculating retirement benefit obligations)

From the first quarter of the current consolidated fiscal period, our consolidated subsidiary, Software Control Co., Ltd., has changed its method of calculating retirement benefit obligations from the simplified method to the standard method. This change was made because, in recent years, the number of employees at Software Control Co., Ltd. has been increasing, and there is a possibility of further increases in personnel in response to future changes in the business environment. On this occasion, the reliability of actuarial estimates related to retirement benefits was reviewed, and it was determined that adopting the standard method would improve the accuracy of retirement benefit obligation calculations and enable appropriate reflection of retirement benefit expenses in the profit and loss calculation for the period.

The change in the accounting policy has been applied retrospectively, and the consolidated financial statements for the previous first quarter cumulative period and the previous consolidated fiscal year have been restated to reflect the retrospective application.

As a result, compared to before the retrospective application, operating profit, ordinary profit, and income before income taxes for the previous first quarter consolidated cumulative period each decreased by 60 thousand yen, and net income and profit attributable to owners of parent decreased by 38 thousand yen, respectively.

In addition, as the cumulative effect amount was reflected in the net assets at the beginning of the previous consolidated fiscal year, the beginning balance of retained earnings for the previous fiscal year increased by 57,615 thousand yen. At the end of the previous consolidated fiscal year, the retirement benefit asset increased by 119,875 thousand yen, "Other" under non-current liabilities increased by 42,340 thousand yen, retained earnings increased by 70,601 thousand yen, and remeasurements of defined benefit plans increased by 6,932 thousand yen.

Note that Net assets per share for the previous consolidated fiscal year increased by 102.66 yen, while Basic earnings per share decreased by 0 yen.

(Notes on the quarterly consolidated statement of cash flows)

The quarterly consolidated statement of cash flows for the three months ended is not prepared. The amounts of depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended are as follows.

	For the three months ended (April 1, 2024 to June 30, 2024)	For the three months ended (April 1, 2025 to June 30, 2025)
Depreciation	577,703 thousand yen	569,142 thousand yen
Amortization of goodwill	7,407	12,043

(Notes on segment information, etc.)

[Segment Information]

For the three months ended June 30, 2024 and for the three months ended June 30, 2025

Our group provides comprehensive services ranging from the planning and development of information systems to post-operation support, maintenance, and upkeep, and manages these as a single business segment. Therefore, segment information is omitted.