



October 31, 2016

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## Financial Results of the Second Quarter ended September 30, 2016 (Japanese Accounting Standards)

Scheduled date for commencement of dividend payment – December 5, 2016  
 Scheduled date for submission of the quarterly report – November 10, 2016  
 Supplemental material on quarterly results: Yes  
 Presentation on quarterly results: Yes (for institutional investors and financial analysts)

(Values less than ¥1 million are omitted)

### 1. Consolidated performance for the first two quarters of the fiscal year ending March 2017 (April 1, 2016 - September 30, 2016)

#### (1) Consolidated business performance (accumulated)

(Percentage figures are changes from the corresponding quarters in the previous fiscal year)

|                             | Net sales |     | Operating income |      | Ordinary income |      | Quarterly profit attributable to owners of parent company |      |
|-----------------------------|-----------|-----|------------------|------|-----------------|------|---|------|
|                             | ¥ mil.    | %   | ¥ mil.           | %    | ¥ mil.          | %    | ¥ mil.  | %    |
| 2nd Quarter March 2017 term | 12,268    | 2.4 | 926              | 13.5 | 886             | 14.2 | 589   | 24.5 |
| 2nd Quarter March 2016 term | 11,975    | 7.5 | 816              | 19.8 | 775             | 17.8 | 473   | 19.8 |

Note: Comprehensive income: 2nd Quarter March 2017 term: ¥691 million, (61.6%), 2nd Quarter March 2016 term: ¥428 million, ((2.4)%)

|                             | Quarterly basic earnings per share | Quarterly diluted earnings per share |
|-----------------------------|------------------------------------|--------------------------------------|
|                             | ¥ --,--                            | ¥ --,--                              |
| 2nd Quarter March 2017 term | 37.09                              | —                                    |
| 2nd Quarter March 2016 term | 29.43                              | —                                    |

\*Common shares in inet were split at a ratio of 1:1.1 on October 1, 2016. Net income per share for FY 2016 are shown based on post-split assumption.

#### (2) Consolidated financial conditions

|                             | Total assets | Net assets | Equity-to-asset ratio |
|-----------------------------|--------------|------------|-----------------------|
|                             | ¥ mil.       | ¥ mil.     | %                     |
| 2nd Quarter March 2017 term | 25,514       | 12,223     | 47.9                  |
| March 2016 term             | 25,110       | 11,793     | 47.0                  |

(Reference) Equity capital: 2nd Quarter March 2017 term: ¥12,223 million, March 2016 term: ¥11,793 million

### 2. Dividend position

|                            | Dividend per share |           |           |          |         |
|----------------------------|--------------------|-----------|-----------|----------|---------|
|                            | End of 1Q          | End of 2Q | End of 3Q | Year-end | Annual  |
|                            | ¥ --,--            | ¥ --,--   | ¥ --,--   | ¥ --,--  | ¥ --,-- |
| March 2016 term            | —                  | 17.00     | —         | 17.00    | 34.00   |
| March 2017 term            | —                  | 18.00     | —         | —        | —       |
| March 2017 term (forecast) | —                  | —         | —         | 18.00    | 36.00   |

Note: Revision from most recently announced dividend forecast: No

\*Common shares in inet were split at a ratio of 1:1.1 on October 1, 2016. The annual dividends for FY2016 shown herein are pre-split figures.

### 3. Consolidated performance forecast for the fiscal year ending March 2017 (April 1, 2016 – March 31, 2017)

(Percentage figures are changes from the previous fiscal year)

|                  | Net sales |     | Operating income |     | Ordinary income |     | Net income |      | Basic earnings per share |
|------------------|-----------|-----|------------------|-----|-----------------|-----|------------|------|--------------------------|
|                  | ¥ mil.    | %   | ¥ mil.           | %   | ¥ mil.          | %   | ¥ mil.     | %    | ¥ --,--                  |
| Full fiscal year | 25,700    | 5.2 | 2,050            | 6.8 | 1,950           | 6.1 | 1,280      | 14.8 | 80.50                    |

Note: Revision from most recently announced performance forecast: No

\*Common shares in inet were split at a ratio of 1:1.1 on October 1, 2016. Forecast consolidated net income per share is calculated based on the post-split number of outstanding shares.

#### 4. Notes

- (1) Significant transfers of subsidiaries during period (transfer of specific subsidiaries that will effect changes to the scope of consolidation) – No
- (2) Application of accounting specific to the preparation of quarterly consolidated financial statements – Yes
- (3) Changes in accounting policies, changes in accounting estimates and restatements
  - 1) Changes in accounting policies due to revisions of accounting standards, etc.: No
  - 2) Changes in accounting policies other than 1): Yes
  - 3) Changes in accounting estimates: No
  - 4) Restatements: No
- (4) Number of issued shares (common stock)
  - 1) Number of shares issued and outstanding as of the end of period (incl. treasury stock):  
2nd Quarter March 2017 term: 16,242,424 shares, March 2016 term: 16,242,424 shares
  - 2) Number of shares of treasury stock as of the end of period:  
2nd Quarter March 2017 term: 341,041 shares, March 2016 term: 341,041 shares
  - 3) Average number of shares over period (accumulated to the end of the quarter):  
2nd Quarter March 2017 term: 15,901,449 shares, 2nd Quarter March 2016 term: 16,092,254 shares

\*Common shares in inet were split at a ratio of 1:1.1 on October 1, 2016. The number of outstanding common shares in FY2016 is shown based on post-split assumption.

\*Indications related to implementation status of quarterly review procedures

Quarterly review procedures based on the Financial Instruments and Exchange Act do not apply to this quarterly financial summary. At the time of release of this document, quarterly review procedures based on the Financial Instruments and Exchange Act are in progress with regard to the quarterly financial statements.

\*Notes concerning the appropriate utilization of performance forecasts, other items requiring special attention

Matters concerning the future including performance forecasts that are indicated in this document are derived from judgments based on information available to I-NET CORP. at the time of announcement of this document. Consequent deviation from predicted values may occur due to changes in conditions arising from indeterminable internal or external factors.