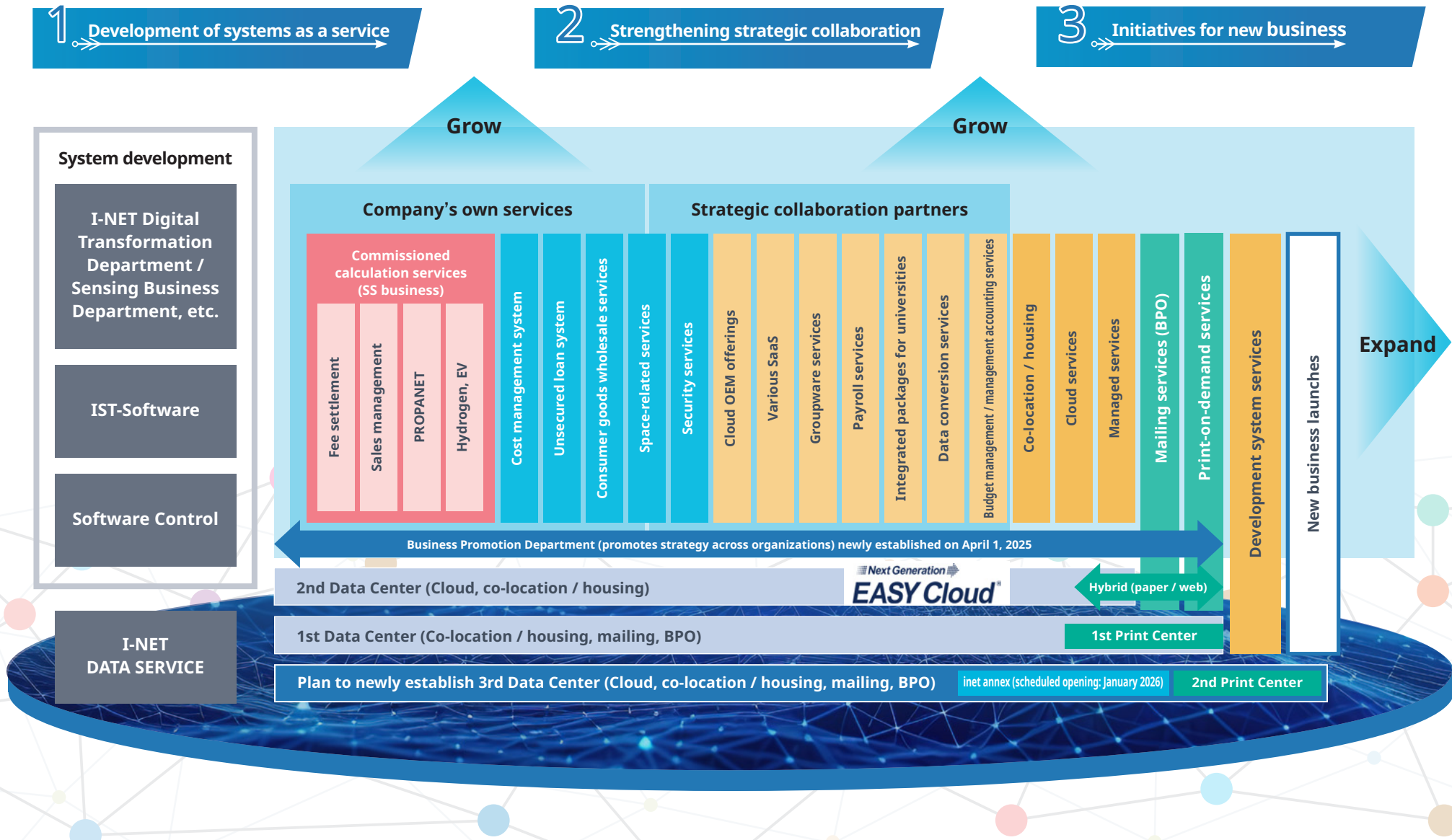


Business Strategy

Platform Strategy—Expand and grow business strategy

Regardless of how society changes, the Group will aim for further growth by expanding our business and increasing the number of services and partners on our platforms in a way that adapts to these changes. We will continue to incorporate a variety of services and partners in line with changing times, while advancing strategic investments, partnerships, support for startups, and collaborations.

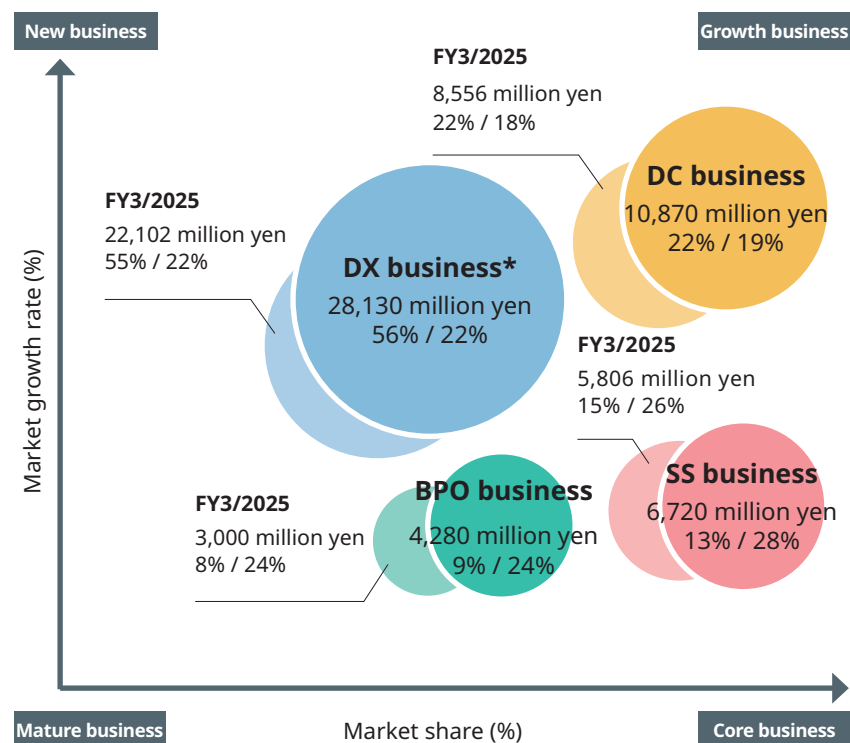




Business Strategy

Business portfolio

Business portfolio analysis



*DX business includes the Sensing Business Department and Group companies

Overview of each business

Business name	Business overview (Figures are for FY3/2025)	Business strategy for the forthcoming three years	Targets for FY3/2028
Commissioned calculating business (SS business)	Commissioned calculating business for the energy industry Net sales: 5.8 billion yen Gross profit: 1.5 billion yen	<ul style="list-style-type: none"> Increasing market share through growing customer base Supporting DX for the energy industry Expanding petroleum wholesaler and trading firm business 	Commissioned calculating business for the energy industry Net sales: 6.7 billion yen Gross profit: 1.9 billion yen
Data center and cloud businesses (DC business)	Data center business Leasing server racks, providing cloud infrastructure Net sales: 8.6 billion yen Gross profit: 1.6 billion yen	<ul style="list-style-type: none"> Expanding managed service offerings Providing security services Building new platform services Collaborating with SaaS and reseller companies 	Data center business Leasing server racks, providing cloud infrastructure Net sales: 10.9 billion yen Gross profit: 2.0 billion yen
Mailing services, printing business (BPO business)	Information data processing, printing/ mailing services business Net sales: 3.0 billion yen Gross profit: 0.7 billion yen	<ul style="list-style-type: none"> Expanding print-on-demand (POD) services Cross-selling for data center services 	Information data processing, printing/ mailing services business Net sales: 4.3 billion yen Gross profit: 1.0 billion yen
System development business (DX business)	System commissioned development, SES business Net sales: 10.6 billion yen Gross profit: 2.4 billion yen	<ul style="list-style-type: none"> Securing and developing system development human resources Strengthening collaboration with business partners Expanding recurring business projects for Company's own services 	System commissioned development, SES business Net sales: 13.4 billion yen Gross profit: 3.1 billion yen
System development business (Group companies) (DX business)	System commissioned development business Net sales: 11.5 billion yen Gross profit: 2.4 billion yen	<ul style="list-style-type: none"> Providing comprehensive services in key areas Expanding direct-to-consumer transactions Securing human resources and strengthening human resources development 	System commissioned development business Net sales: 14.7 billion yen Gross profit: 3.1 billion yen
Entire Group (total of above)	Net sales: 39.0 billion yen Gross profit: 8.3 billion yen *After Group consolidation adjustments	Increasing sales by 28% over three years Maintaining and improving profit margins	Net sales: 50.0 billion yen Gross profit: 11.1 billion yen



Medium-term Management Plan “Up Stage 2027”

The founder of our Company, Noriyoshi Ikeda, paved the way for our future based on the slogan “Up Stage, Up Player” in order to achieve further growth for the Company. In order to once again inherit our founder’s ideas and demonstrate our determination to achieve sustained growth, we have decided to name our new Medium-term Management Plan “Up Stage 2027” as we look ahead to FY2027 (fiscal year ending March 2028).

Basic policy

Achieve a sustainable digital society

Enhance information processing infrastructure and promote digital transformation

- (1) Enhance cloud services and AI adoption to provide clients with the benefits of digital transformation!
- (2) Provide system development and infrastructure services with high added-value for a more affluent society!

Expand/optimize our data center business

- (1) Promote energy saving/green data centers (achieve carbon neutrality by 2040)
- (2) Enhance our data center capacity and capability, achieve our 3rd Data Center

Develop human resources, enhance our organization

- (1) Develop the next-generation of human resources and management candidates
- (2) Develop and secure system development personnel/AI professionals, infrastructure personnel, and human resources in the field of security
- (3) Achieve improved productivity and optimization by promoting human resource diversity and female participation

A company needed by society

- (1) As a company that provides infrastructure to society, continue to provide the optimal services required by society
- (2) Do not forget to thank society, and give back/contribute to the local community in order to promote co-existence with society

Numerical targets (FY3/2028)

Net sales **50.0 billion yen**
Market capitalization **50.0 billion yen (at end of year)**

Net sales
50.0 billion yen

Information processing services: 20.0 billion yen
 System development services: 27.5 billion yen
 Device sales: 2.5 billion yen

Operating profit
3.5 billion yen

Operating profit margin: 7.0%

EBITDA
 (Earnings Before Interest, Taxes, Depreciation and Amortization)
6.5 billion yen

EBITDA margin: 13.0%

ROE
13%

ROE (return on equity): 13% or higher

Planned totals (FY3/2028)

(Unit: millions of yen)	FY3/2025 (Results)	FY3/2028 (Plan)	Growth rate
Net sales	38,987	50,000	128%
Operating profit	2,640	3,500	133%
EBITDA	4,918	6,500	132%
ROE	11.5%	13.0%	+1.5p
Operating profit margin	6.8%	7.0%	+0.2p

Aim for an annual average of 8.6% growth in net sales and achieve 50.0 billion yen in the final year of the plan.

In terms of operating profit and EBITDA, achieve growth that surpasses that for net sales.

Despite the heavy burden of depreciation for additional data centers and expanded capacity, improve profitability in order to improve both ROE and operating profit margin.

Sustainability targets

Environment

- Switch the electricity used at our in-house data centers to 50% renewable energy by FY2030 (currently 25% as of March 31, 2025)
- Achieve carbon neutrality by FY2040

Society

- Raise the Group’s employment rate for people with disabilities to 3.2% by end of March 2028 (average of 3.0% in the fiscal year ended March 2025)
- Increase percentage of women in management positions to 18.0% by end of March 2028 (10.4% as of the end of March 2025)
- Expand special subsidiary I-NET DATA SERVICE (both in terms of personnel and business scope)

Governance

- Achieve management with an awareness of capital costs (reduce policy stock holdings, etc.)
- Enhance Group governance, improve management/monitoring function
- Develop the next generation of managers and corporate human resources



Department Profiles (As of April 2025)

Business Promotion Department

Business Content

The Business Promotion Department was newly established in April 2025 to steer I-NET's all-company business growth. It is mainly in charge of sales, marketing, solution planning and development, and partner collaboration. Based on synergy with I-NET's engineering and service departments, this department plays an important role in solving the issues facing customers.

Net sales

Establishment in April 2025 → Fiscal year ending March 2028 (planned) **0.7 billion yen**



Satoshi Ema

Head of Business Promotion Department

Our challenge is to combine I-NET's strengths to expand business domains

We are now living in an age of unpredictable difficulties and major transformations, such as the wave of digital transformation (DX), the social implementation of artificial intelligence (AI), and demands for sustainability. In such an age, the issues facing customers are becoming increasingly complex and diverse, and information technology has a greater role to play than ever.

I-NET's biggest strength is our foundation of robust data centers of the highest class in Japan. On top of that, our overall capability lies in being able to offer one-stop services covering everything from flexible cloud services to the development and operation of systems that fit the work of customers. Furthermore, we can boast an impartiality as an independent system integrator not bound by any specific maker and a technological capability cultivated over more than half a century since our founding.

In addition to the business development fostered heretofore on the basis of function-specific business domains (data center business, BPO business, system development business, etc.), the Business Promotion Department was newly established with the aim of expanding business through a market approach with a close eye on each business's market. Our aim is to combine I-NET's strong business base organized along function-specific lines in a cross-functional manner and expand business domains through a market strategy based on the business scenario for each business, such as local governments, healthcare, education, manufacturing, and logistics and services.

Co-creating value as "your best business partner"

Moreover, not stopping at the deepening of existing businesses, we are boldly challenging the creation of new services and solutions and so on combining, for example, space satellite data and drones. Through these innovative initiatives, we aim to yield new business opportunities for customers and in turn to contribute to the development of society as a whole. Such value creation cannot be achieved without co-creation with many excellent partner companies, so going forward we will continue to actively promote open alliances.

The Business Promotion Department is a place where diverse human resources brimming with a spirit of challenge can shine. Fusing the passion of young staff with the knowledge and experience of veteran staff, our united team is committed to bringing about the success of customers. It is this culture that is the driving force behind our growth.

We promise to continue being "your best business partner," getting closer than any others to customers standing on the front lines of change and helping them solve their problems by using the cutting-edge technology possessed by I-NET and partner companies.



Department Profiles (As of April 2025)

Service Stations Department

Business Content

In addition to providing account-based system services and credit processing and payment services for 6,000 service stations (SS) across Japan and smart meter sales management system services for propane gas distributors, our department conducts call center and credit card center operations on consignment from petroleum wholesalers and trading companies.

Net sales

Fiscal year ended March 2025 **5.8 billion yen** → Fiscal year ending March 2028 (planned) **6.7 billion yen**



Naotaka Minorikawa

Head of Service Stations Department

Our core commissioned calculation services remained steady due to our efforts to promote the transition to cloud services

In the fiscal year ended March 2025, our core commissioned calculation services remained steady, owing to an increase in changeovers from in-house systems to our cloud services in the previous fiscal year. Moreover, the amount of credit payments we handled through those commissioned calculation services grew for the third consecutive year to exceed 30.0 billion yen for the first time on a full-year basis, thereby contributing to our fee income growth. Another major factor behind the steady trend in those services was the growth in orders received for PROPANET, our smart meter sales management system for propane gas distributors.

Conversely, due to an increase in our amortization burden resulting from development efforts to improve the functions of the in-house core systems we provide to service stations and cost overruns for certain system development endeavors, our cost of sales rose, which served to push down profits. Additionally, while the performance of our system product sales services remained steady due largely to special demand for the replacement of change dispensers to accommodate the redesign of yen bills, our system development services ended up performing poorly due to orders received for development accompanying the integration of petroleum wholesalers also coming full circle. As a result of the above, we recorded a decline in both revenue and profit for the full fiscal year.

Expanding sales of our system for propane gas with the aim of realizing a second earnings pillar

In the next fiscal year, for commissioned calculation services, we will first push forward with price pass-through, a challenge of ours in the previous fiscal year, and work to improve earnings. Simultaneously, we will continue to strongly promote proposals for changing over to I-NET cloud services to customers who use in-house systems. Additionally, we will endeavor to expand call center operations currently commissioned to us by petroleum wholesalers and commence initiatives aimed at the receipt of new orders for such operations. In particular, we will focus on the expansion of sales of our PROPANET system for propane gas distributors, which we have been working on as a priority measure in order to establish that system as a second earnings pillar. We will expand our sales personnel for that purpose and strive to diversify earnings and increase revenue with PROPANET and the SS business as our dual pillars in the information service segment as we aim to double the number of new business partners over that of the previous fiscal year.

At the same time, for system development services, we will aim to increase revenues with our primary focus on expanding development services accompanying the aforementioned new orders received for PROPANET and the proposal of new development projects to petroleum wholesalers and trading companies. In terms of cost management, having learned from the lesson of the cost overruns that occurred in the previous fiscal year, we will endeavor to implement project management thoroughly and reinforce our structure and work toward securing appropriate profit. Lastly, in addition to the expansion of our propane gas business to supplement our business centered on service stations, which is trending downward in the long term, we are looking at the development of new services aimed at the energy industry and will also strive to create new business as we move forward.



Department Profiles (As of April 2025)

Digital Transformation Department

Business Content

To fulfill the digital transformation (DX) needs of our varied customers, we provide a diverse range of DX solutions, including business automation and digitalization, employing data to improve operations, and system implementation and development. Through these means we help to create new businesses and business models, as well as enhance corporate competitiveness and achieve sustainable growth.

Net sales

Fiscal year ended March 2025 **7.6 billion yen** → Fiscal year ending March 2028 (planned) **9.0 billion yen**



Shinichi Koyama

Head of Digital Transformation Department

Helping to create new businesses through digital transformation

The Digital Transformation (DX) Department comprises four divisions: the FinTech Solutions Division, the Public and Retail Business Division, the Enterprise Business Division, and the IT Innovations Division. We are working on providing advanced solutions as a partner that responds precisely to the increasingly diverse and sophisticated DX needs of our customers, and supports sustainable growth and transformation at their companies.

The DX Department's mission is to contribute toward boosting our customers' competitiveness and the creation of new value through the automation and digitalization of business processes, and by improving operations through the use of data. We have cultivated an extensive record and expertise. Based on this, by integrating the strengths of our business divisions, we are proactively promoting the development of new solutions and services.

Specifically, we deal with customers in a wide range of industries, including finance, distribution, public services, retail, telecommunications, and credit services, and deliver optimal proposals tailored to the unique characteristics of their respective businesses. Additionally, we have prepared a system capable of responding promptly to customer needs, making it possible to deliver high value-added services. Furthermore, by promoting increased sales of various solutions, we are delivering the value of digitalization to even more customers and supporting improved operational efficiency and the creation of new business.

Opening a new future through dialogue with our customers and cross-functional collaboration

We recognize that getting an accurate grasp on the needs of our customers is essential to dealing with their diverse needs. For that reason, we emphasize direct communications centered on making sales calls, and work hard at strengthening trusting relationships and creating business opportunities through ongoing dialogue. Going forward, we will position the building of long-term partnerships as a key management objective, and aim to make those relationships that we build even stronger. Furthermore, to open up new markets, we are beefing up our collaboration with other departments and building a cross-functional cooperative structure. Through this, we will work toward developing diverse businesses and creating growth opportunities. For example, we can marshal our expertise from different specialized fields and accelerate our entry into new markets and areas.

Going forward, together with our customers we will open up a new future by working to accurately grasp rapidly changing technologies and changes in the market environment as we continue to deliver more sophisticated higher value-added services.

Department Profiles (As of April 2025)

Sensing Business Department

Business Content

Our department is made up of two divisions: the IoT Solutions Division and the Space Solutions Division. The IoT Solutions Division utilizes sensors and communications technology to promote efficiency enhancement and automation in industry and daily life. The Space Solutions Division contributes to the growth of space development through the development and launch of satellites and the utilization of space data.

Net sales

Fiscal year ended March 2025 **3.0 billion yen** → Fiscal year ending March 2028 (planned) **3.9 billion yen**



Naokatsu Uchida

Head of Sensing Business Department

Making forays into new areas by leveraging the sensing technology we have cultivated

Recently, we separated two divisions from the Digital Transformation Department, part of our system development function, to make ourselves a new, stand-alone department. This initiative carries considerable meaning in that it is intended to fully apply I-NET's preexisting experience and technology toward future efforts to expand our business and diversify.

First, the IoT Solutions Division has made full use of sensing and communications technology to contribute greatly to efficiency enhancement and automation in industry and society in collaboration with various manufacturers and corporations. The know-how that we have gained through that experience will prove to be a considerable advantage in our future new business development efforts as well.

Next, our Space Solutions Division is in possession of technology and know-how in the fields of satellite design, testing, and operation. In the future, we intend to fuse these technologies together in order for us to actively pursue the expansion of our services beyond space operations to diverse fields, including defense- and healthcare-related industries.

Pushing forward vigorously with the further expansion of our business through new challenges and stronger technological prowess

This new department will enable us to offer services that make full use of more advanced technologies to our preexisting business partners as well. In order to meet our customers' diverse needs, it is a must that we further elevate our technological prowess. A key challenge we face is having each of our engineers keep up their efforts to deepen their specialization and broaden the scope of duties they can handle. Another is improving the quality of our business partners and expanding their number. By addressing these challenges, we will proceed to put a structure in place that enables us to provide a wider range of services.

Additionally, in the future expansion of our business, it will be essential for us to have a constant grasp of the market and technological trends and to endeavor to cultivate new business partners and broaden our new business scope. In particular, given the close connection space operations have with the defense industry, I firmly believe that through our solutions, we can also offer a high level of added value to corporations that are considering making new forays into the defense and space industries.

Under this new structure and direction, alongside promoting technological innovation and business expansion and meeting our customers' expectations, we will also make greater contributions to society as well. The key to unlocking our future will be the efforts of each and every employee to elevate their expertise and knowledge and work together in taking on new challenges. Please look forward to how we develop our business going forward.



Department Profiles (As of April 2025)

Information Managed Services Department

Business Content

At our sturdy data center, we offer a range of solutions tailored to customer usage scenarios. This encompasses system planning and development, printing, document enclosure, package sealing, and other processing for invoices, pay statements, and direct mail (DM) through to call center and administrative and secretarial services. We also provide inventory-free services by means of diversified small-quantity production leveraging print-on-demand.

Net sales

Fiscal year ended March 2025 **3.0 billion yen** → Fiscal year ending March 2028 (planned) **4.3 billion yen**



Hidenao Negishi

Head of Information Managed Services
Department

Achievement of increased revenue and profits through the embrace of an “earn, cut, or prevent” mindset even in challenging environments

The start of the fiscal year ended March 2025 was challenging, marked as it was by the loss of an order of a major project. However, sales expansion in our key print delivery services progressed solidly, and we secured budgets from government agencies and local municipalities amid further intensification of the contest with industry peers for market share. This, in combination with the effect of the transferal from Fujitsu Coworco Limited of its document printing business in December 2024, meant that we ultimately succeeded in finishing the year with increased revenue and profits.

The environment surrounding our department remains challenging, and we are experiencing bracing impacts attributable to the waves created by soaring costs, including postal fees, alongside the trends of digital transformation (DX) and the transition to paperless operations. There is great significance in the fact that, even in such an environment, all members of the Information Managed Services Department maintained a strong *kakefu* (“earn, cut, or prevent”) mindset and persevered in their initiatives. In the fiscal year ending March 2026, we will continue to fully apply ourselves day-in day-out under the banner of the IMS Vision: “We will remain an IMS that consistently exceeds customer expectations and fulfills its social responsibilities through the peerlessly differentiated ‘Information Managed Services’ of the I-NET IT company, which are vital infrastructure supporting our customers’ businesses.”

Creating new value through integrated manufacturing and sales to achieve our 2030 targets

We position the fiscal year ending March 2026, which is the first fiscal year of the new Medium-term Management Plan, as a crucial foundational year for the Information Managed Services Department to achieve its 2030 targets of 5.0 billion yen in sales and a 10% operating profit margin. The Business Process Outsourcing Division, our sales unit, will more clearly narrow down our target from among private-sector corporations, government agencies, and local authorities. It will also add document printing services to its existing VDP* offerings to actively deliver higher value-added services. The Products Division, our manufacturing unit, will begin to engage with the task of building a next-generation Business Process Outsourcing Center for the achievement of both greater productivity and greater product quality.

Based on the IMS Vision, we will integrate manufacturing and sales to contribute to our business outcomes. We encourage you to look forward to the ongoing successes of the Information Managed Services Department delivering the peerless services of the I-NET IT company.

*Variable Data Printing: A printing method that enables the incorporation of different information on each individual sheet printed using technology to modify the content of materials based on data.

Department Profiles (As of April 2025)

Data Center
Department**Business Content**

We are the data center sales department that supports company-wide services at I-NET. We mainly provide housing, cloud, and solution services.

Net sales

Fiscal year ended March 2025 **8.6 billion yen** → Fiscal year ending March 2028 (planned) **10.9 billion yen**

**Yoichi Okamoto**

Head of Data Center
Department

Developing new services to meet increasingly diverse IT needs

In recent times, a wave of transition from systems installed on the premises to cloud-based systems has been progressing with great speed. Amid that situation, we have been developing housing and solution services with a particular focus on cloud services. Furthermore, we have been highly praised for providing security services, which are indispensable in stable system operation.

Recently, with respect to our cloud service solutions, we have received a growing number of inquiries regarding hybrid cloud solutions that combine private and public cloud-based services. Additionally, we have commenced the provision of network services that connect megaclouds with I-NET cloud services.

Meanwhile, for our co-location services, we will commence the provision of the new inet annex, which has a 100-server rack scale, in January 2026 in order to relieve the situation at our 2nd Data Center, which is nearly at capacity. Moreover, we are continuing to look at planned construction sites for a 3rd Data Center.

We are currently carrying out preparations so that we may provide a variety of new services next fiscal year. Please look forward to what we have in store.

IT Managed
Services
Department**Business Content**

We are the cost center department that handles I-NET's business foundation in the form of erecting, maintaining, and operating data centers and planning, building, and maintaining cloud services.

**Keizo Hirae**

Head of IT Managed Services
Department

Accelerating problem solving through direct dialogue with our customers

Since I-NET's data center entered operation in 1998, our department has engaged in its duties with the round-the-clock, constant preservation of stable operation and quality. With our 2nd Data Center having entered operation in 2009, we have been mainly providing housing and cloud services as well as infrastructure operation services tailored to customers' individual needs. The last several years have presented us with new challenges in the form of responding to abnormal weather such as extreme heat and torrential rains and addressing the surging license costs for foreign capital vendors. As such, we apply RPA, AI, and open source software (OSS) to improve quality and operations as well as endeavor to reduce costs and reform working styles.

Recently, we have been focused on efforts through which our operations team speedily ascertains challenges and needs and makes proposals for improvement by directly communicating with our customers. We help to rectify challenges and elevate reliability by taking over customer-side tasks as an infrastructure operation service through which we visualize tasks that customers perform individually or carry out with the help of people and offer suggestions to introduce tools or improve processes. Per customers' requests, we ensure reliable operation as well apply our services to resolve issues with infrastructure operation faced by those customers, and proceed to form strong bonds of trust with them on an ongoing basis.