



Message from the President



Tomomichi Saeki
Representative Director and
Executive President

Together as one, we will tackle problem solving and, by working to contribute to the community through our business, continue to grow I-NET

With the motto “Up Stage, Up Player,” we will shape the future

There is a phrase that the founder of the Company, Noriyoshi Ikeda, often used: “Up Stage, Up Player.” It means to not be content with the current situation and instead continuously strive to be the best. To carry on that intention and signify our determination to realize sustainable growth, we have entitled the new three-year Medium-term Management Plan that we created in May 2025 “Up Stage 2027.” The new plan will build on a sense of firm progress achieved under the previous Medium-term Management Plan.

The previous plan began with the numerical targets of net sales of 37.7 billion yen, operating profit of 3.2 billion yen, and ROE of 10% or higher. Strong business results allowed us to achieve the net sales target in the second year of the plan, so with the aim of “moving up a stage,” we raised the net sales target to 40.0 billion yen. Net sales in FY2024, the final year of the plan, grew 3.2% over the previous fiscal year to reach 38.987 billion yen. Although it fell short of the target of 40.0 billion yen, steady growth in cloud services, along with the transfer in December 2024 of Fujitsu Coworco Limited’s document printing business, contributed to the Company achieving its fourth straight term of record high net sales.



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However, higher costs due to the effects of such factors as a rise in cloud-related software prices, as well as higher general and administrative expenses mainly due to an increase in personnel costs, meant operating profit fell 8.5% from the previous fiscal year to 2.64 billion yen. Regarding the increase in software prices, just like the steep rise in electricity prices in recent years, we saw this as a risk factor that causes cost price instability, and with the understanding of our customers, we are introducing a dynamic-pricing system that addresses cost fluctuations. As a result of these initiatives, although we did not reach the operating profit target, ROE was 11.5%, meaning that we achieved a rate of 10% or higher for the second straight term.

Net sales at our Company reached 30.0 billion yen in FY2019. Since then we have pursued the next stage of sales of 40.0 billion yen, and we are at last at the point of being able to step up onto that stage. With the motto “Up Stage, Up Player,” we will not allow ourselves to be satisfied by our current status, and by always aiming to be “moving up a stage,” we will shape the future.

Expanding and growing thanks to the Platform Strategy

Another significant achievement of the previous Medium-term Management Plan that I would like to mention is progress in our Platform Strategy. As mentioned in the Integrated Report 2024, in order for our Company to continue to develop going forward, whatever the future holds, I think it is important to continue providing services in tune with the times on the premise that business conditions and society are going to change. In order to realize that, what I have advocated since I became president in June 2023 is the Platform Strategy, under which we aim to create new business opportunities by expanding and growing our existing services and partnerships centered on our data centers. To do that, it is essential that we foster an environment in which each

employee can think for themselves and has the freedom to come up with and propose ideas, such as “Maybe there will be a need for this kind of service next year, or the year after.” I have also taken on the role of sparking such ideas and have worked to encourage this mindset in employees in various ways.

As a result of these steady efforts, the Platform Strategy way of thinking has spread among on-site employees, and the results of that are beginning to appear. For example, in February 2025, based on the idea of the on-site employee, we concluded a comprehensive business alliance agreement with All Nippon Airways Trading Co., Ltd. and started a joint project to strengthen Japan’s satellite supply chain. Through this project, we aim to contribute to the expansion of the space businesses of both companies and the development of Japan’s space industry. Furthermore, in April 2025 we formed a capital and business alliance with Haudi Inc., which aims to realize a smart society through solutions that utilize its original IoT technology. This alliance aims to expand the cloud services of both companies by offering IoT services and solutions that use our data centers as a platform, developing IoT technology and strengthening such areas as sales support systems. The transfer of one business from Fujitsu Coworco Limited, which was mentioned above, is also part of the Platform Strategy. By steadily increasing our collaborative partnerships in this way, we are expanding our services and diversifying our revenue opportunities.

Looking back, the setup of the mailing service business that I took part in more than 30 years ago can be considered an example of the Platform Strategy. I am very pleased to see current on-site staff implement the same kind of approach and to have visible signs of results beginning to emerge. The accumulation of a track record will make a persuasive argument for the validity of the strategy, so I expect that implementation of the Platform Strategy will be expedited going forward.



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Aiming for 50.0 billion yen in both net sales and market capitalization

Until now, while expanding our business scale from net sales of 10.0 billion yen to 20.0 billion yen and then 30.0 billion yen, in 1997 the Company was listed on the Second Section of the Tokyo Stock Exchange and later transferred to the First Section in 2006. Currently we are listed on the Prime Market. In a real sense, however, we are nowhere near being top class. We still have room for growth in terms of our scale, our prestige as a company, employee mindset, level of pay, etc., and it is the period ahead of us that we see as being our true test.

Therefore, in our new Medium-term Management Plan, “Up Stage 2027,” we have set high goals for the final year of FY2027 with net sales of 50.0 billion yen and market capitalization of 50.0 billion yen, which show our determination to “move up a stage.” For operating profit and EBITDA too, we are aiming for growth that exceeds the increase in net sales, and we plan to increase ROE to 13% or higher. While being deeply conscious of achieving goals like these, there is no change in our medium- to long-term view of focusing on increasing corporate value. To achieve that, again, it is crucial to be a company where each employee can think for themselves and make proposals and to become a company where employees can create a place for themselves and feel their purpose. I believe that a company that is top class in a true sense is like that. Since market capitalization is determined based on evaluation from the market, it is not something that we can increase through our own direct efforts. However, by continuously aiming for the top and expanding the scale of our business, while at the same time improving our evaluation from stakeholders, I believe that we can maintain a steady path that leads to achieving market capitalization of 50.0 billion yen.

Implementing structural reform to expand our business domain

To achieve “Up Stage 2027,” as of April 1, 2025, we implemented structural reform and newly established the Business Promotion Department, Sensing Business Department, and three business divisions. Along with strengthening our structure in order to provide more comprehensive services, the goal is to put in place an organizational structure that will enable us to be ambitious in our efforts to create new businesses and acquire new customers.

I will explain the new business departments in some detail. First, in addition to our existing businesses, such as data centers, BPO, and system development, amid the further diversification of our Group's businesses as a result of M&A and business partnerships in recent years, we expect the Business Promotion Department to accelerate the Platform Strategy by increasing synergy through operations across businesses.

Next, the Sensing Business Department was formed by integrating the IoT Solutions Division, which was previously part of the Digital Transformation Department, and the Space Solutions Division. Our Company has been involved in the development of various systems that support Japanese manufacturing by applying the experience in control system software and hardware development that we have built up over many years to carry out sensor selection and application development for use in IoT. Meanwhile, we also have a long history of work related to space





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development. Since we began satellite management work in 1977, for 48 years we have accumulated real-world results in a wide range of areas, including artificial satellite system design, inspection and testing, maintenance and evaluation analysis. By using our own data centers, which are a strength of our Company, for this work, we have realized a safe and consistent support structure. Furthermore, we have been involved in the International Space Station since its construction and currently also support its management. We will use the establishment of the Sensing Business Department as an opportunity to expand our unique services to customers beyond the current manufacturing industry and space satellite industry to a broader range of industries, including defense-related and healthcare-related industries.

Also, while we put in place a system to carry out a strategy of “offense” to cultivate these new business domains and services, we have newly established the Control Department with the aim of further strengthening our “defense” of governance and risk management. The Control Department contains the Risk Management Division and Information Systems Division, which originally were part of the General Affairs and Personnel Department, as well as the newly established Purchasing Division. The Purchasing Division will handle the building and maintenance of relationships with our suppliers and reinforce such functions as risk management to ensure continued stable procurement and adjust procurement costs. By establishing a specialized section, we will be better able to accurately ascertain and handle management and business risks faced by the Company.

Meeting shareholder expectations with aim for 14th straight dividend increase

Regarding shareholder returns, there is no change to our policy of aiming for a total payout ratio of 40% or more and maintaining stable dividends while also focusing on retaining earnings to meet future capital needs and other demands. However, with the goal of enhancing the attractiveness of investing in our Company’s shares and increasing the number of people who hold our shares, starting at the end of March 2025 we expanded shareholder benefits from once a year at the end of

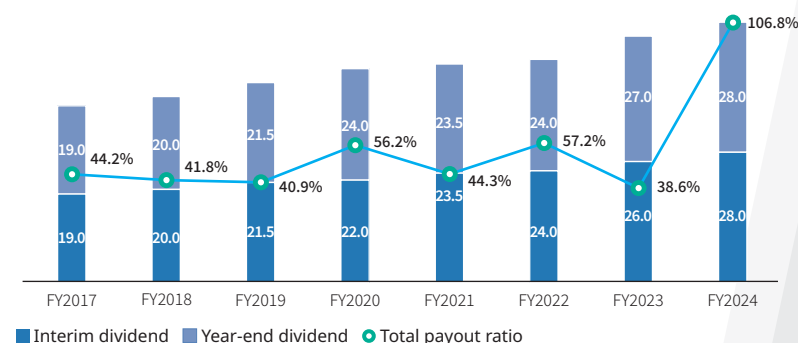
September to twice a year, at the end of both March and September.

In FY2024 we raised our annual per-share dividend by 3 yen compared to the previous fiscal year to 56 yen (an interim dividend of 28 yen and a year-end dividend of 28 yen). For FY2025, since the positive impact from sales of investment securities that were posted in FY2024 will no longer be present, we project that net profit attributable to owners of parent will decline, but we plan to increase the annual per-share dividend by 2 yen to 58 yen (an interim dividend of 29 yen and a year-end dividend of 29 yen), aiming for our 14th consecutive dividend increase. We will continue to meet stakeholders’ expectations by working to “move up a stage” in terms of shareholder returns too. Regarding retained earnings, we will make effective use of them in advancing our Platform Strategy and by making capital investments in such areas as expanding our data centers, as we plan to use them for measures that contribute to enhancing corporate value.

Also, as mentioned at the beginning, in FY2024 our ROE fell by 0.2 percentage points compared to the previous fiscal year to 11.5%. The cost of shareholder equity remains at a level above 6%, but to continue to maintain and improve capital efficiency, we will work to reduce cross-shareholdings while also boosting shareholder returns and curbing the growth of net assets in order to maximize ROE.

Shareholder returns

(Yen)





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Remaining to be a company needed by the local community as we strive to “move up a stage”

Along with advancement of the Platform Strategy, there is one more thing that I have valued since I became company president: that is, being a company recognized as being needed by the local community. This is one of I-NET’s values that has been inherited from Company founder Noriyoshi Ikeda and ceaselessly continued. The background to this value is the feeling of wanting to care for the vulnerable in society and to give back to, and give thanks to, the local community that has supported the Company. In 2024 the Inet Foundation, which was established by Ikeda, celebrated its 5th anniversary, and a gathering was held to mark the occasion. The foundation aims to support and provide grants for various social contribution activities in Kanagawa Prefecture, including Yokohama City, and I am its chief director. The gathering brought together representatives of organizations that have received grants in the past, and in addition to sharing information among themselves and with foundation officials, the organizations presented activity reports. Among them were presenters who shed tears as they spoke about their activities during the COVID-19 pandemic and about being greatly supported by grants received during the founding period of their organizations. I felt strongly that this initiative started by Ikeda is exactly the kind of initiative that is recognized as being needed by the local community, and it renewed my fervent belief that in aiming to be truly top class, we must carefully carry Ikeda’s intention forward into the future and make further progress on it.

To advance initiatives like this, however, it is essential that the Company itself also develop. By accelerating the Platform Strategy as we aim for sustainable business growth, we will strive to “move up a stage.” Ikeda often repeated the slogan “Up Stage, Up Player.” With these words as my maxim, I intend to stand at the helm, lighting fires in

the hearts of our employees and building a mindset of challenge as a united I-NET. We hope that our shareholders and investors understand our Company’s values and vision and that you look forward to I-NET’s endeavors going forward.

September 2025

Representative Director and Executive President



Roundtable Discussion



Opening up the future with our strengths; the challenges for ever-evolving I-NET

In this roundtable discussion, outside directors and executive officers got together to discuss, from both internal and external angles, the strengths and future growth potential of our own data centers, which represent the core of I-NET's business, and I-NET's challenge regarding the space industry, which is a new frontier for us.

Roundtable discussion participants (from left in photo)

Outside Director (Audit and Supervisory Committee Member): Tetsuro Tsuboya; Outside Director (Audit and Supervisory Committee Member): Hiromi Nakagawa; Executive Officer and Head of Data Center Department: Yoichi Okamoto; Division Manager of Space Solutions Division, Sensing Business Department: Takashi Yoshikawa

Competitive advantage by operating own data centers

Okamoto

Some IT companies achieve rapid growth through so-called asset-light management. In other words, they don't have their own large-scale computer systems. But for a long time I-NET has focused intentionally on asset-heavy management. Why? Because for us, our own data centers are not simply hard infrastructure but a strong service base. We possess a high degree of expertise in system management, to such an extent that we are known as "system manager I-NET," and we have gained the trust of many customers. System building can be completed in a relatively short period of time, but its management goes on for over 10 years. I-NET's strength is that we have established a setup enabling proper management over a long time, as a specialist and with responsibility. Our own data centers are essential for this purpose. They are also an extremely important base for our Platform Strategy, which outlines our initiatives for the further growth of I-NET.

In recent years there have been increasing moves by local governments to transfer their data to overseas cloud storage providers. But many people have expressed concern about the risk of storing important personal data in overseas clouds, and the issue of cost is becoming evident too. In these circumstances, I think the social role of I-NET, an independent IT company with our own data centers in Japan, is going to become extremely important over the medium to long term.

Tsuboya

Data centers perhaps have a strong image of being no more than leased facilities, but as Mr. Okamoto said, the most important thing is management. In system management and service management, the true value lies not only in the rate of operation of the hardware but also, when the system stops for some reason, in how quickly it can be restored and how far the impact on the customer and other customers down the line can be minimized. The reason why we are called "system manager I-NET," I think, is that we have gained confidence in this respect.



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I-NET has recognized the importance of this management ever since the 1990s, way before the term “data center” became commonplace, and we grew our business from calculation centers for service stations. This foresight, the technology and knowledge that we have fostered over many years, and, above all, the sincerity of our employees, which leads to customer trust, are characteristics that other companies simply cannot imitate. Herein lies our competitive advantage.

Challenge of the space industry and synergy with data centers

Tsuboya

When I first heard about our business alliance agreement with All Nippon Airways Trading Co., Ltd., initially I had my doubts about how the aviation business and space business were connected. Upon hearing the explanation, however, I understood the important challenge of linking this initiative to utilize aviation components as general-purpose satellite components in the space business with more efficient component procurement and cost reduction in the space industry, in which ever more frequent satellite launches will be demanded from now on. This agreement is a first in Japan, and I imagine it will entail many challenges. But I hope that I-NET can ride on the space industry's expansion and achieve successful results.

Yoshikawa

The space industry is uncharted territory for us, but I think that using the technology and knowledge that I-NET has cultivated so far to branch out into new business domains is essential for sustained growth. At the same time, I feel that the space industry is a romantic challenge that will create the norms of the future society. In recent years, on the basis of satellite observation data, I hear that we have become able to analyze the state of growth of agriculture crops and their harvest time and even, through observation of the state of car-park use, the degree of brisk business at supermarkets. Maybe, going forward, the use of observation data in nonspace industries will progress, and space might develop into an extremely important industry that gives rise to countless solutions. I hope that in the future this space business becomes a new pillar for I-NET and leads to further evolution.

I-NET's space business began in 1977, when we were entrusted with satellite management work by a large company with which we had been doing business. Over 48 years since then, members with a strong curiosity in space have expanded the business scope from artificial satellite management to system design, inspection, maintenance, and evaluation analysis. Within this trend, we are playing a role in management of the International Space Station.

The existence of our own data centers is extremely important in this space business too. Since observation of Earth from space entails massive amounts of data, including some highly confidential information, it is necessary to store and process this data securely. Until now large companies have guaranteed security themselves. But the venture firms that have emerged in recent years do not possess IT infrastructure. I-NET has IT infrastructure ensuring a high level of security, and we can do everything from design to data storage. These are our strengths.

In particular, the fact that we have built an artificial satellite management and control system on our cloud and can store observation data, including confidential information relating to defense, for example, in our domestic data centers is in perfect sync with present-day needs. I sense that we are now in an age in which I-NET's strength in being able to provide services seamlessly and in tune with the times is going to be of even greater use.



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Roundtable Discussion

I-NET continues to evolve, differentiating itself with original added value

Nakagawa

Starting out by solving customers' problems, I-NET has expanded its business from increasing the efficiency of administrative processing to system development, data storage, and cloud services. I highly evaluate the fact that, based on the passionate feeling of our founder, Noriyoshi Ikeda, I-NET has achieved unique growth by continuing constantly to respond to the immediate problems of customers. And in the Platform Strategy mentioned earlier, eyeing the next issues as business opportunities, I-NET aims to expand and grow services and businesses. I hope that, as a result, I-NET will grow into an even more wonderful company.

Okamoto

The most important thing in making more effective use of our data centers and developing our Platform Strategy is to differentiate ourselves from overseas cloud service providers. As I said at the beginning of this discussion, I-NET has strength in system management, and the special feature of our business is that the cancellation rate for cloud service contracts is extremely low compared with other companies. However, in the present situation in which overseas cloud service providers are continuously increasing their applications, it is a fact that system management can appear rather dull to customers. So I think we need to attach original added value to our system

management and broadcast the attractions to customers. Regarding cybersecurity, for example, I think we can make customers feel even more secure by not only protecting their systems and data from attacks but also providing support through postattack response. This idea is typical of I-NET's approach of growing services by solving the immediate problems of customers.

Furthermore, we can differentiate ourselves by utilizing our uniqueness as an independent IT company and providing services enabling uniform connection to multiple clouds, including megaclouds. In fact, we do have customers who transfer to our cloud not only from on-premise environments* but also from overseas cloud service providers. By developing new services like this that broadcast our strengths, I want us to build platforms that deeply penetrate the needs of customers.

*In an on-premise environment, a company sets up IT infrastructure, such as a server and network equipment, on its own premises and administers and manages this infrastructure itself.

Yoshikawa

Following the acceleration of digital transformation, the supply of IT services is picking up speed as well. In addition, since competition in the IT industry is severe, if you don't continue to constantly evolve your platforms, customers are going to quickly switch to another company. So it really is important for I-NET to continue to firmly possess its assets of data and human resources. By doing so, even in an age of volatile change, I think I-NET will be able to respond flexibly to the direction required by the times.

I-NET's intangible assets enhance corporate value

Nakagawa

About a year has passed since my appointment as an outside director in June 2024. At first I felt there was a clear gap between the image of I-NET I was getting from financial data and the actual state of I-NET. The reason was that I-NET is a company that places importance on human resources. For someone like me, who had had much experience in non-Japanese companies, I-NET's approach of valuing human resources, which I became aware of through exchanges between the Board of Directors and employees, was extremely refreshing. I also sensed that this marvelous corporate climate leads to a stance of constantly keeping an eye on the needs of customers.



“By developing new services like this that broadcast our strengths, I want us to build platforms that deeply penetrate the needs of customers.”



Roundtable Discussion



“Like in the space business, it gives me much delight that employees are thinking freely and challenging new initiatives without being bound by fixed ideas.”

In addition, like in the space business, it gives me much delight that employees are thinking freely and challenging new initiatives without being bound by fixed ideas. I firmly believe that these attractions of I-NET, which do not appear directly in financial data, are definitely contributing, as intangible assets, to the enhancement of I-NET’s medium- to long-term corporate value.

Tsuboya

Based on our own data centers, I-NET engages in various businesses and services. In a structural reform conducted in April 2025, the Business Promotion Department was newly established with the aim of increasing synergy through the interlinking of diversified businesses. As a result, I hope that I-NET will become even more vigorous as an organization and that the Platform Strategy will be accelerated.

Furthermore, in recent years I-NET has been putting a lot of effort into collaboration, cooperation, and co-creation with startup companies in the space industry and, against the background of the low birthrate and aging society, in medicine, health-care, and so on. Through these initiatives, I believe that drawing out the ideas and vitality of the young generation and contributing to solving the social problems facing present-day Japan will bring about the dynamic growth of I-NET over the medium and long term.

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Yoshikawa

Through today’s roundtable discussion, we have affirmed once again that the strengths that our Company has cultivated as “system manager I-NET” have the potential to greatly develop our businesses, beginning with the space business, in various directions. Also, it has been an extremely good opportunity for us to reaffirm that the vectors continuing since our founding of contributing to the solution of social problems and harnessing the vitality of the young generation are consistent.

Personally, I became interested in space engineering in my student days after watching the *Apollo 13* movie. Similarly, I strongly hope that we can build an exciting space industry in Japan so that today’s elementary and junior high school students wish to become involved in space-related work when they grow up. Going forward, as Ms. Nakagawa said, we will utilize the intangible assets that I-NET has fostered and continue challenges so that we can develop our space business into one that brings dreams to future generations.