

Medium-Term Management Plan
(April 2022 - March 2025)
Supplementary Briefing Materials

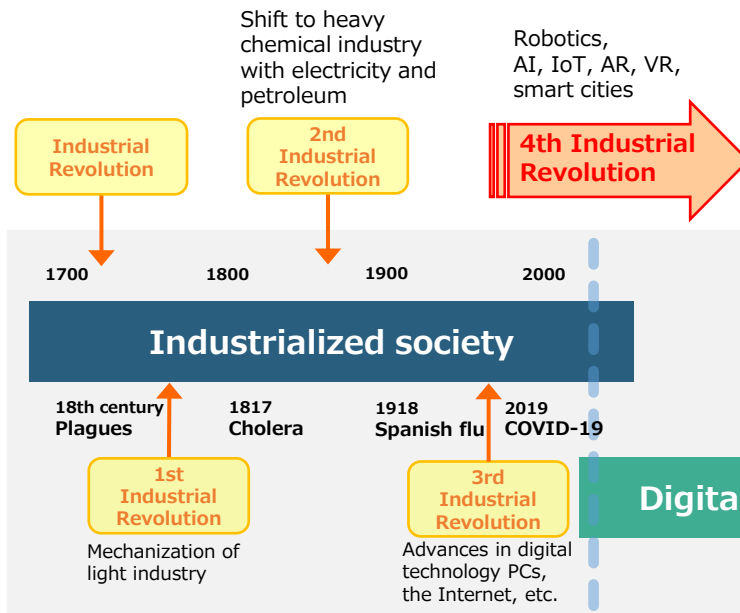
July 31, 2023
I-NET Corp.

Situation analysis (social environment changes)

Today's era:



Today is
"the age of coexistence"



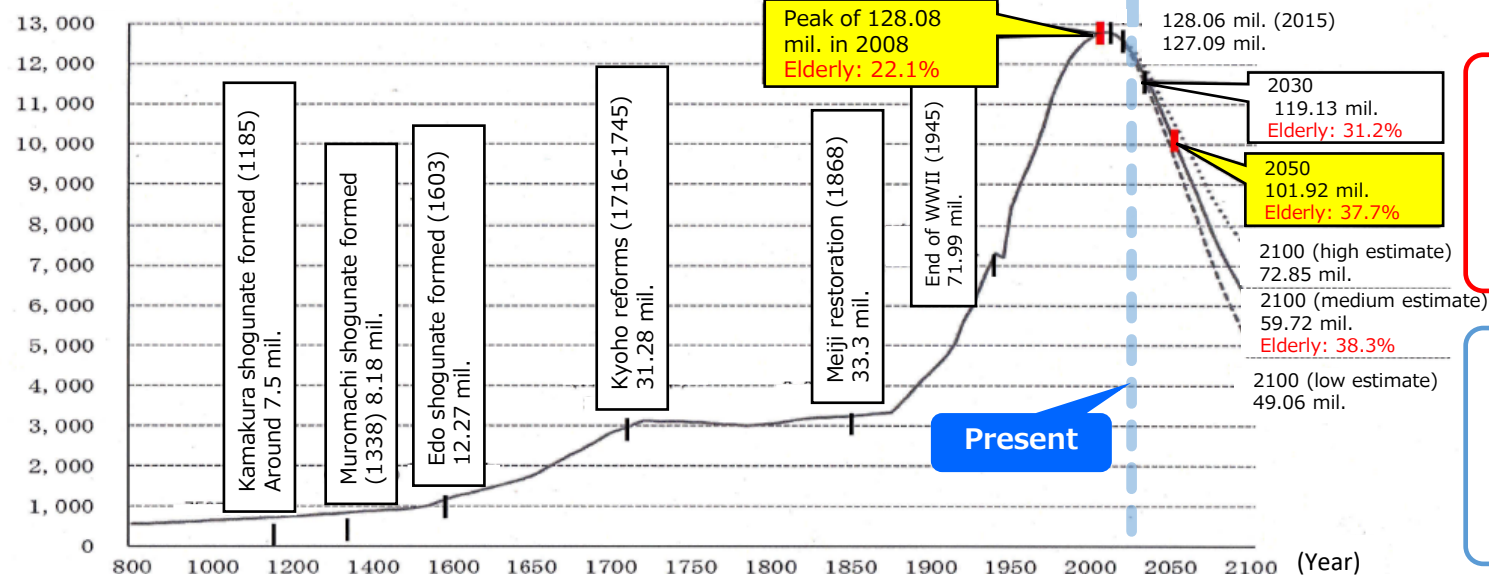
- Digital government
- Electronic/cashless transactions eliminating physical banks
- Continuation of telecommuting?
- Shift to EVs?

Shrinking populations also reshape society

Conceptualizing / planning
↓
Humanity

Work
↓
Toward RPA and AI

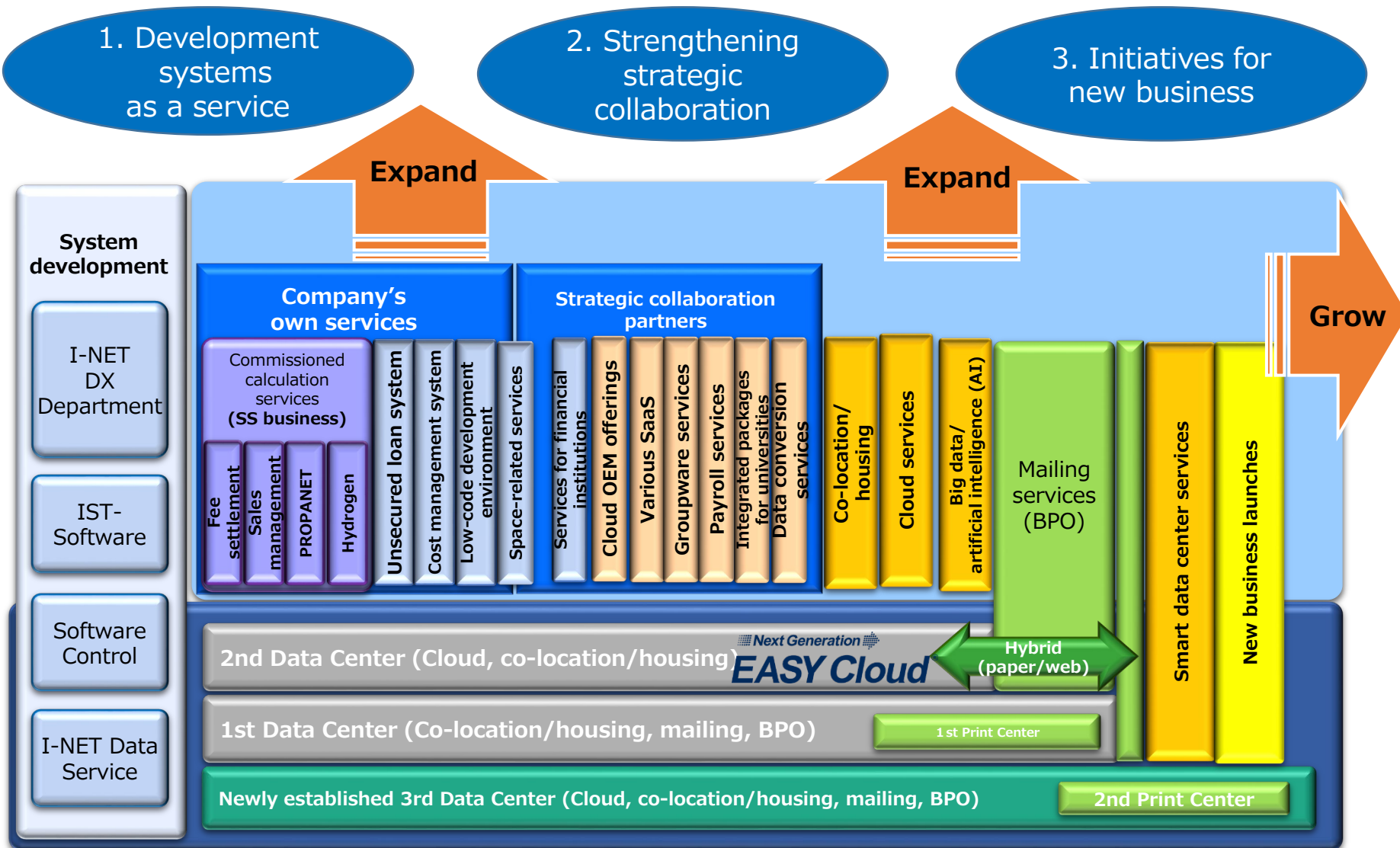
(10,000 people)



Source: National Land Agency time-series long-term population analysis on the Japanese archipelago (1974)
 Note: From 1920, data also adds information from the Ministry of Internal Affairs and Communications' census survey, population statistics annual report, revised population data for the 2005 and 2010 census results, and from the National Institute of Population and Social Security Research's future estimated population of Japan from 2017.

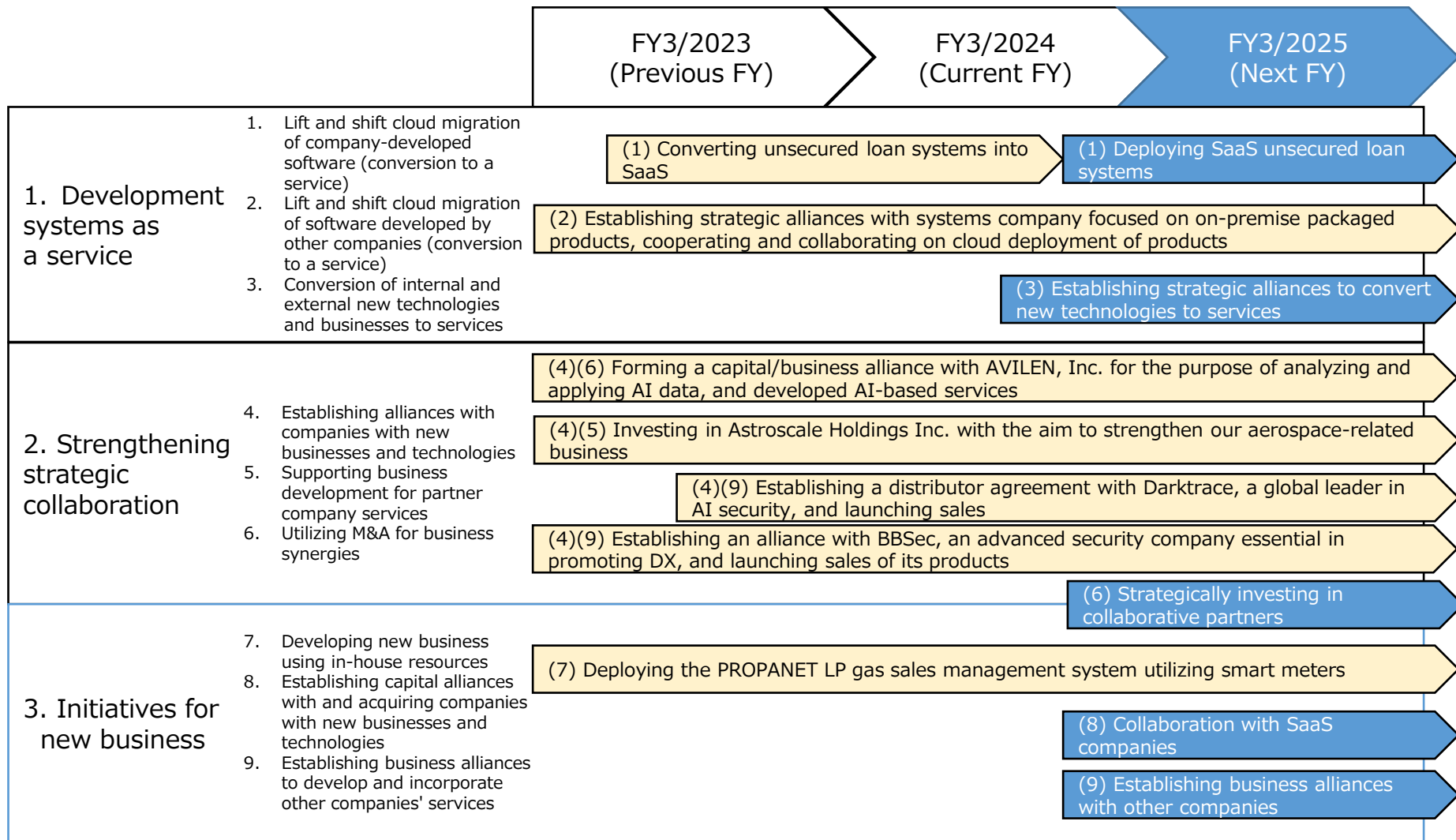
Business strategies

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.



Growth strategies

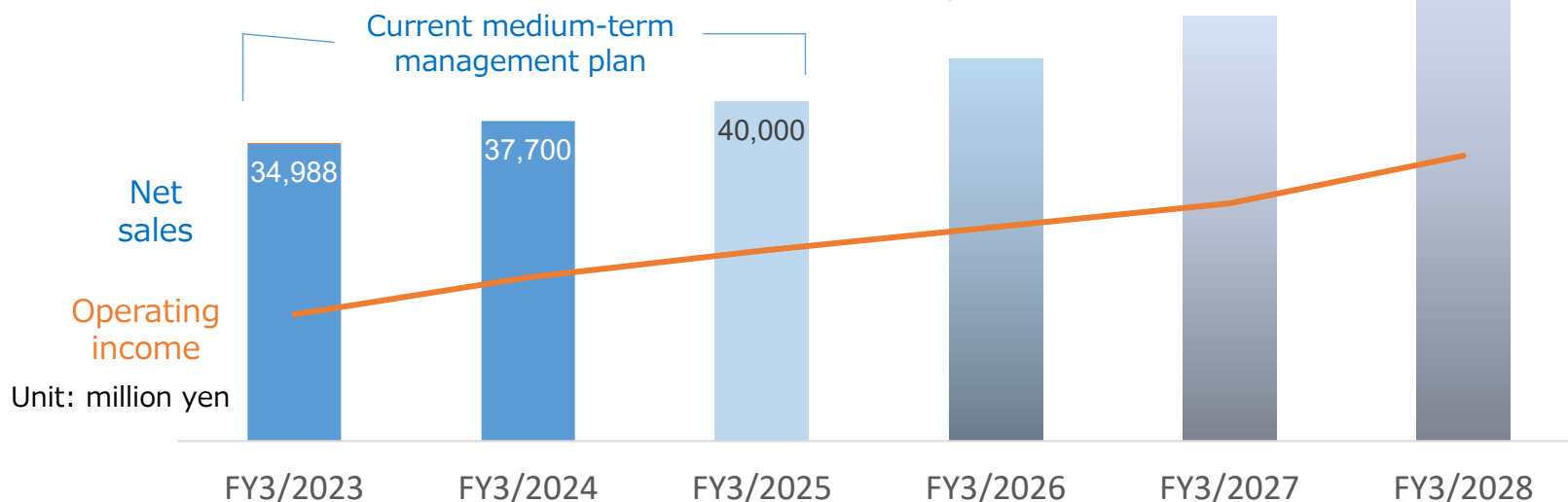
- (1) Aggressive investment in the Group's resources (human resources, equipment, etc.) will be made to further **expand** existing businesses.
- (2) At the same time, in order to **grow** the number of new services and partners on our platform, we will also promote strategic investments, alliances, support for start-ups, and collaboration.



Profit plan (overall numerical targets)

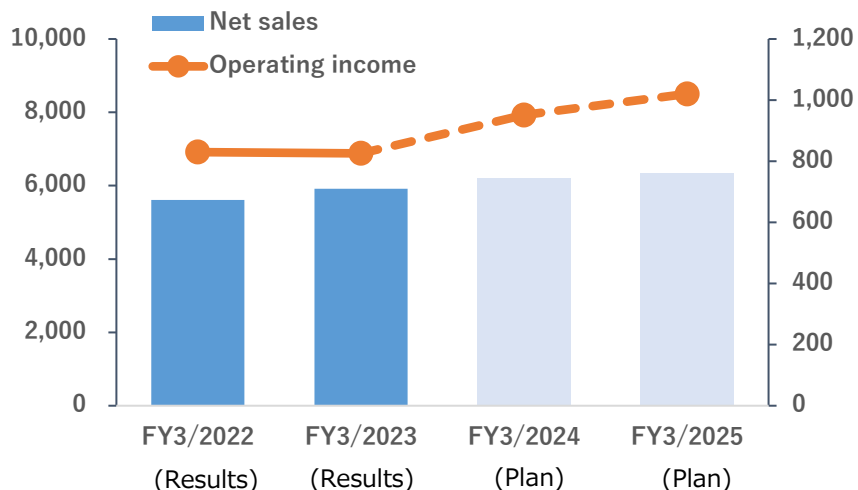
Unit: million yen	FY3/2023 Results	FY3/2024 Forecast (plan)	FY3/2025 Plan
Net sales	34,988	37,700	40,000
Operating income	2,129	2,750	3,200
Operating income rate	6.1%	7.3%	8.0%
ROE	7.7%	—	10% or more

Achieve greater growth by strengthening platform strategy

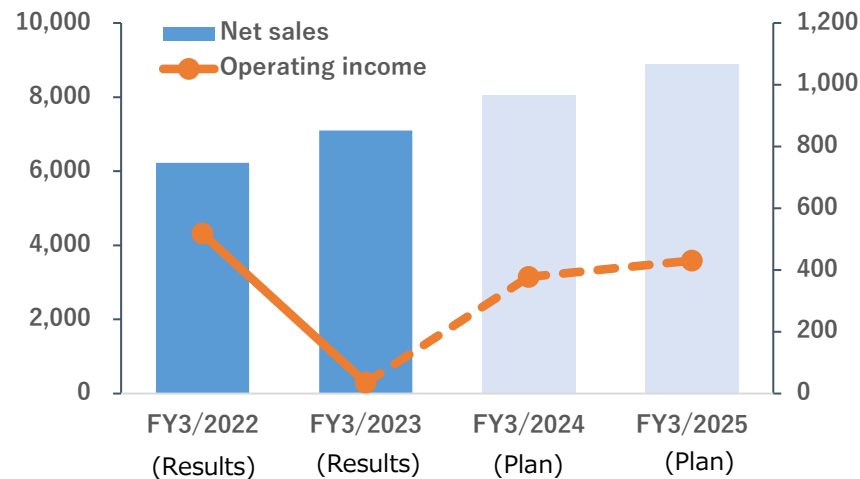


- ✓ The numerical targets for FY3/2025 in the current medium-term management plan are expected to be achieved by **expanding** existing businesses.
- ✓ We intend to achieve higher growth potential by **growing the number** of new services and partners on our platform.
- ✓ In order to incorporate various services and partners in line with the changing times, we will utilize alliances and M&A to supplement our in-house resource shortfalls in advanced technologies and insights. We will also work to provide support to startup companies that need a cloud environment.

Commissioned calculation services



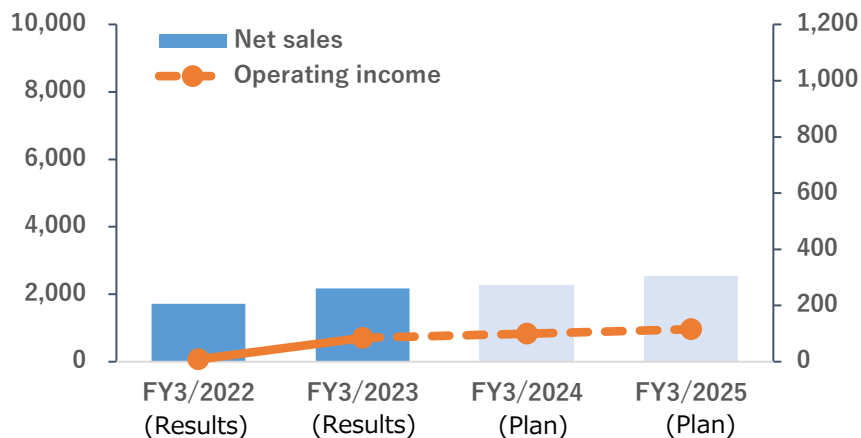
Data center and cloud services



Review of the first year of the medium-term management plan (FY3/2023)

- In commissioned calculation services (for SS) and mailing services, progress was made within expected scope on plan formulation.
- As for data center and cloud services, net sales grew steadily, but profits fell short of the plan due to a spike in electricity fees.

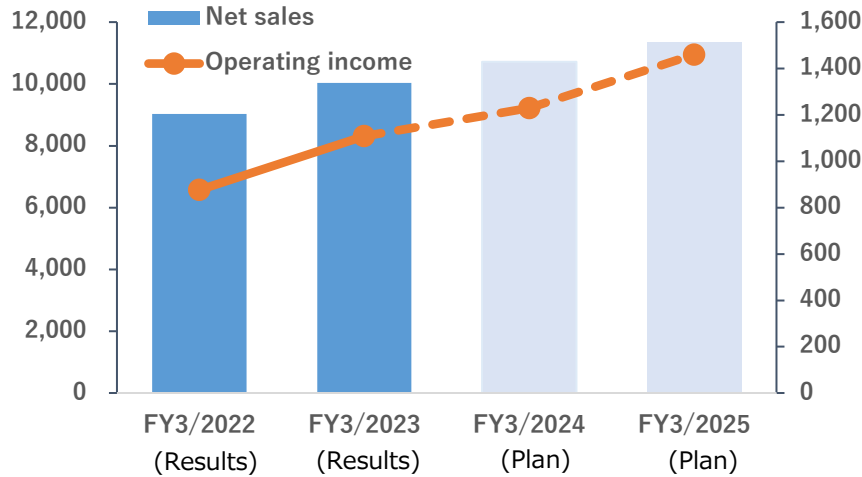
Mailing services



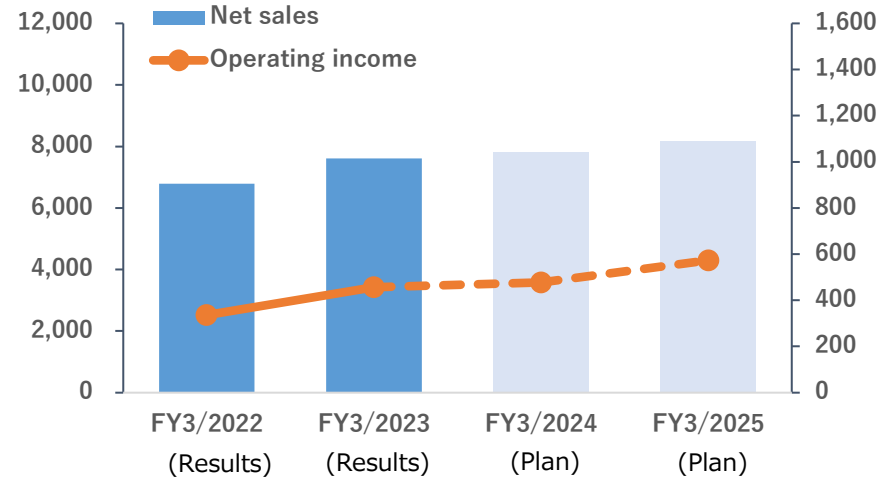
Future outlook

- Profitability of data center and cloud services is expected to recover from FY3/2024 onward. However, since it is difficult to predict future electricity fees, profit levels in our plan have been set conservatively and below the FY3/2022 levels.
- We have revised our plan upward for commissioned calculation services (for SS) and mailing services due to continued strong performance.

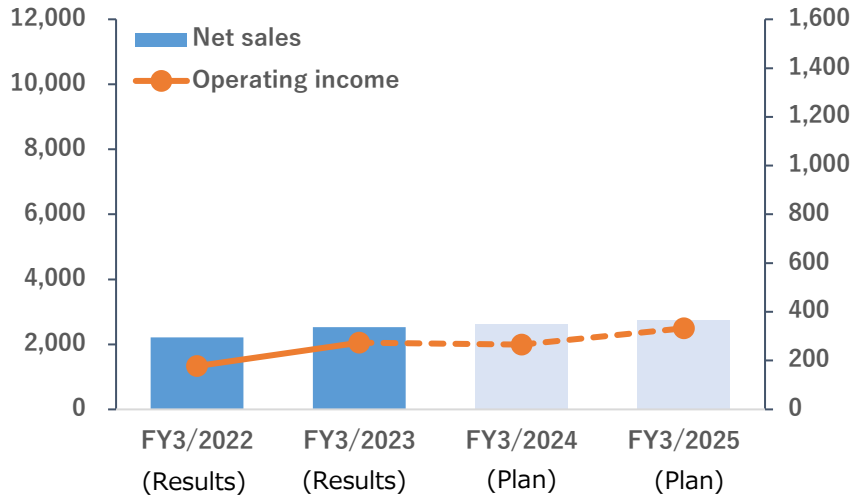
I-NET (DX Department)



IST-Software



Software Control



Review of the first year of the medium-term management plan (FY3/2023)

- In system development services, performance in FY3/2023 exceeded plan expectations.
- Group companies achieved higher sales and profits versus the plan as a result of steady orders from existing customers, as well as a review of development systems and improved productivity of engineers.

Future outlook

- Orders at Group companies remained strong, and future sales plans are optimistic.
- Our profit plan will also be achieved by strengthening management of profitability in individual areas through strengthening of project management and ensuring orders at appropriate unit prices.

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