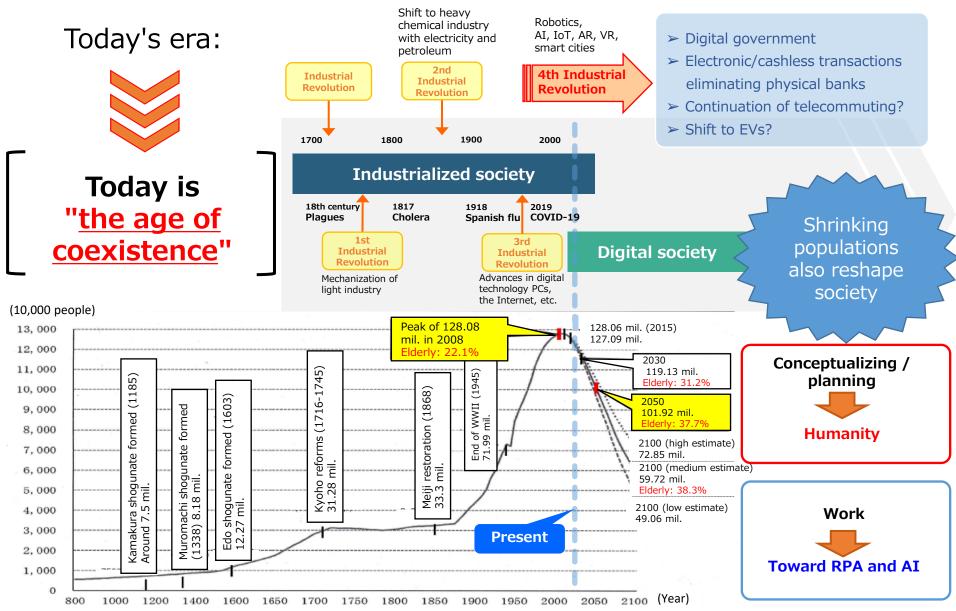


# Medium-Term Management Plan (April 2022 - March 2025) Supplementary Briefing Materials

July 31, 2023 I-NET Corp.

# Situation analysis (social environment changes)





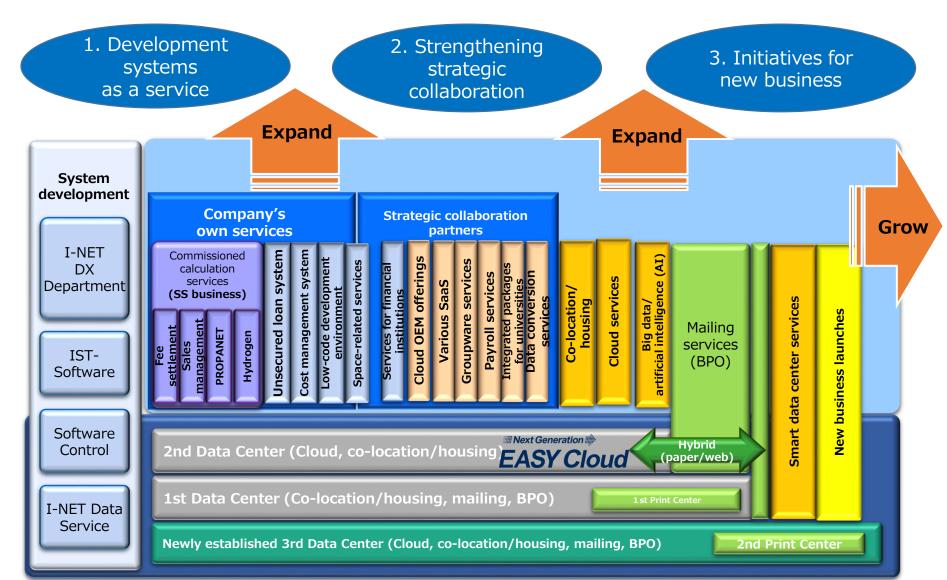
Source: National Land Agency time-series long-term population analysis on the Japanese archipelago (1974)

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



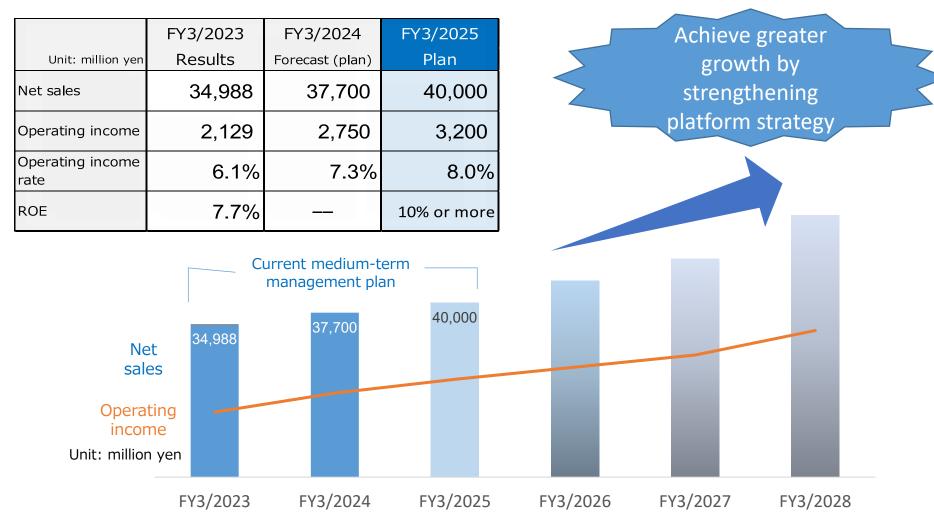
(1) Aggressive investment in the Group's resources (human resources, equipment, etc.) will be made to further **expand** existing businesses.

(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.

omote strategic in	vestments, alliances, si	upport for start-ups, and collaboration.
		FY3/2023 (Previous FY) FY3/2024 (Current FY) FY3/2025 (Next FY)
Development systems as a service	Lift and shift cloud migration of company-developed software (conversion to a service)     Lift and shift cloud migration of software developed by other companies (conversion to a service)     Conversion of internal and external new technologies and businesses to services	(1) Converting unsecured loan systems into SaaS (1) Deploying SaaS unsecured loan systems (2) Establishing strategic alliances with systems company focused on on-premise packaged
2. Strengthening strategic collaboration	<ul> <li>4. Establishing alliances with companies with new businesses and technologies</li> <li>5. Supporting business development for partner company services</li> <li>6. Utilizing M&amp;A for business synergies</li> </ul>	(4)(6) Forming a capital/business alliance with AVILEN, Inc. for the purpose of analyzing and applying AI data, and developed AI-based services  (4)(5) Investing in Astroscale Holdings Inc. with the aim to strengthen our aerospace-related business  (4)(9) Establishing a distributor agreement with Darktrace, a global leader in AI security, and launching sales  (4)(9) Establishing an alliance with BBSec, an advanced security company essential in promoting DX, and launching sales of its products  (6) Strategically investing in
3. Initiatives for new business	<ol> <li>Developing new business using in-house resources</li> <li>Establishing capital alliances with and acquiring companie with new businesses and technologies</li> <li>Establishing business alliance to develop and incorporate other companies' services</li> </ol>	(7) Deploying the PROPANET LP gas sales management system utilizing smart meters  (8) Collaboration with SaaS companies

# Profit plan (overall numerical targets)



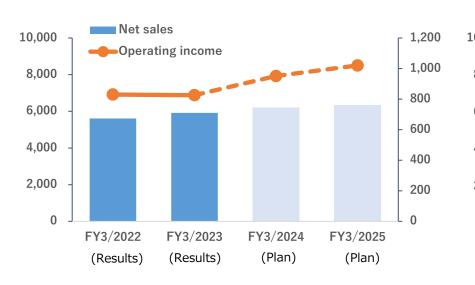


- ✓ The numerical targets for FY3/2025 in the current medium-term management plan are expected to be achieved by **expanding** existing businesses.
- ✓ We intend to achieve higher growth potential by growing the number of new services and partners on our platform.
- ✓ In order to incorporate various 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.

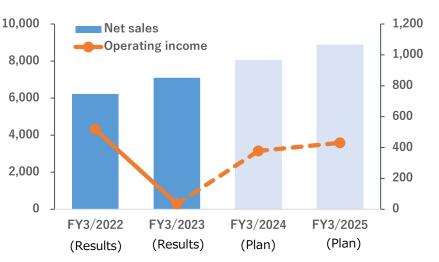
### Profit plan (information processing services)



#### Commissioned calculation services



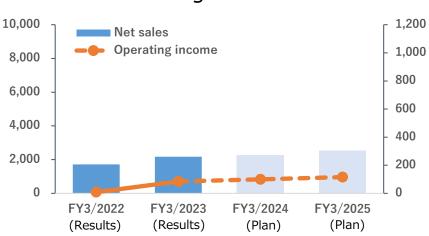
#### Data center and cloud services



Review of the first year of the mediumterm 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



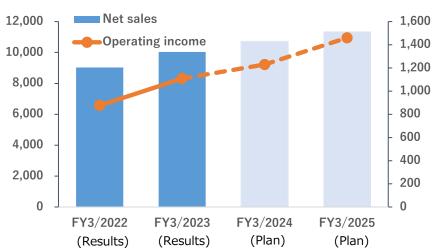
#### Future outlook

- 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.

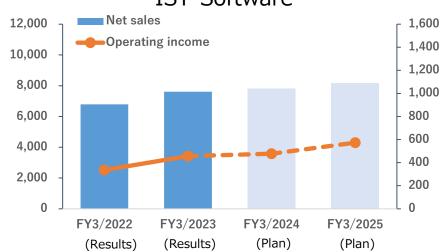
# Profit plan (system development services)







#### **IST-Software**



#### Software Control



#### Review of the first year of the mediumterm 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.



# Enjoy your life with information technology!

#### <Disclaimer>

☐These materials were prepared to provide information on the Group's financial results and the Group's business strategy and are not for the purpose of soliciting the sale or purchase of stock in the Company or the Group.

☐These materials include information such as opinions and predictions on future earnings and were based on the Company's assessments as of the time the materials were prepared. As a result, we do not guarantee that these projections will be achieved, and this information may change without advance notice.

☐The Company is not responsible for any losses resulting from the use of these materials. In addition, these materials are not be duplicated or reprinted without our permission.



Inquiries
Corporate Strategy and Investor Relations
TEL 045-682-0806
E-Mail contact ir@inet.co.jp

©2023 I-NET Corp. All Rights Reserved