

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 29, 2021

Company name: I-NET CORP.  
 Stock exchange listing: Tokyo  
 Stock code: 9600 URL <https://www.inet.co.jp>  
 Representative: Representative Director, Executive President Mitsuru Sakai  
 Inquiries: Director and Managing Executive Officer Naokatsu Uchida TEL 045-682-0806  
 Scheduled date to file Quarterly Securities Report: February 8, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2020	21,887	(5.4)	1,267	(32.4)	1,368	(26.9)	712	(42.9)
Nine months ended December 31, 2019	23,139	16.2	1,873	15.6	1,872	16.3	1,246	16.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	44.62		–	
Nine months ended December 31, 2019	78.37		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	30,205	15,358	50.8
As of March 31, 2020	29,589	15,224	51.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2020	–	21.50	–	21.50	43.00
Year ending March 31, 2021	–	22.00	–		
Year ending March 31, 2021 (Forecast)				24.00	46.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	30,000	(3.5)	2,000	(20.1)	2,060	(18.6)	1,380	(17.5)	86.38

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2020	16,242,424 shares	As of March 31, 2020	16,242,424 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	266,178 shares	As of March 31, 2020	332,038 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2020	15,962,461 shares	Nine months ended December 31, 2019	15,906,676 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

	(Thousands of yen)	
	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	3,083,435	3,207,431
Notes and accounts receivable - trade	5,739,386	4,828,172
Merchandise and finished goods	63,136	146,533
Work in process	153,810	328,610
Raw materials and supplies	172,023	72,506
Other	417,608	407,083
Allowance for doubtful accounts	(428)	(429)
Total current assets	9,628,973	8,989,907
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,014,704	10,363,359
Land	3,157,316	3,155,805
Other, net	1,703,053	1,975,977
Total property, plant and equipment	14,875,074	15,495,142
Intangible assets		
Goodwill	271,480	241,537
Software	855,323	932,659
Other	53,842	53,771
Total intangible assets	1,180,646	1,227,967
Investments and other assets		
Investment securities	2,227,981	2,816,321
Retirement benefit asset	843,711	904,663
Other	834,607	772,912
Allowance for doubtful accounts	(1,343)	(1,217)
Total investments and other assets	3,904,956	4,492,679
Total non-current assets	19,960,677	21,215,789
Total assets	29,589,651	30,205,697

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	1,102,589	1,140,786
Short-term borrowings	2,872,844	3,855,504
Income taxes payable	479,972	265,426
Provision for bonuses	908,143	366,360
Provision for loss on construction contracts	24,320	238
Other	3,019,322	3,816,875
<b>Total current liabilities</b>	<b>8,407,192</b>	<b>9,445,191</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,589,136	5,084,053
Retirement benefit liability	42,846	20,968
Asset retirement obligations	72,679	73,663
Other	253,284	223,425
<b>Total non-current liabilities</b>	<b>5,957,946</b>	<b>5,402,110</b>
<b>Total liabilities</b>	<b>14,365,139</b>	<b>14,847,302</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,203,992	3,203,992
Capital surplus	3,275,102	3,146,335
Retained earnings	9,089,268	9,107,967
Treasury shares	(356,390)	(314,827)
<b>Total shareholders' equity</b>	<b>15,211,972</b>	<b>15,143,468</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	86,992	282,704
Remeasurements of defined benefit plans	(74,453)	(67,778)
<b>Total accumulated other comprehensive income</b>	<b>12,538</b>	<b>214,925</b>
<b>Total net assets</b>	<b>15,224,511</b>	<b>15,358,394</b>
<b>Total liabilities and net assets</b>	<b>29,589,651</b>	<b>30,205,697</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

	(Thousands of yen)	
	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	23,139,381	21,887,257
Cost of sales	17,825,759	17,139,959
Gross profit	5,313,621	4,747,298
Selling, general and administrative expenses	3,439,905	3,479,777
Operating profit	1,873,716	1,267,520
Non-operating income		
Interest income	252	248
Dividend income	30,863	33,282
Subsidy income	8,284	102,119
Surrender value of insurance policies	417	25,050
Other	20,839	12,541
Total non-operating income	60,657	173,243
Non-operating expenses		
Interest expenses	41,530	36,988
Loss on investments in investment partnerships	4,833	20,843
Commission expenses	13,265	13,238
Other	1,962	1,366
Total non-operating expenses	61,591	72,436
Ordinary profit	1,872,782	1,368,326
Extraordinary income		
Gain on sales of non-current assets	11	-
Total extraordinary income	11	-
Extraordinary losses		
Special Retirement Payments	-	250,000
Loss on valuation of investment securities	-	22,616
Loss on retirement of non-current assets	64	8,827
Impairment loss	-	1,511
Loss on valuation of golf club membership	3,310	-
Total extraordinary losses	3,374	282,955
Profit before income taxes	1,869,419	1,085,371
Income taxes	622,889	373,120
Profit	1,246,529	712,251
Profit attributable to owners of parent	1,246,529	712,251

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	1,246,529	712,251
Other comprehensive income		
Valuation difference on available-for-sale securities	56,534	195,712
Remeasurements of defined benefit plans, net of tax	(10,343)	6,674
Total other comprehensive income	46,191	202,386
Comprehensive income	1,292,721	914,638
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,292,721	914,638
Comprehensive income attributable to non-controlling interests	—	—