

**Translation**

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results  
for the Nine Months Ended December 31, 2022  
(Based on Japanese GAAP)**

January 31, 2023

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 7, 2023  
 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, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	25,520	12.8	1,352	(11.9)	1,386	(16.8)	850	(23.9)
Nine months ended December 31, 2021	22,616	3.3	1,535	21.1	1,667	21.9	1,118	57.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	53.23		–	
Nine months ended December 31, 2021	69.98		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	33,044	17,195	52.0
As of March 31, 2022	33,503	17,304	51.6

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, 2022	–	23.50	–	23.50	47.00
Year ending March 31, 2023	–	24.00	–		
Year ending March 31, 2023 (Forecast)				24.00	48.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	35,000	12.3	1,800	(24.0)	1,875	(26.2)	1,143	(32.6)	71.50

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022  
(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: Yes
- 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, 2022	16,242,424 shares	As of March 31, 2022	16,242,424 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2022	257,381 shares	As of March 31, 2022	266,281 shares
-------------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	15,982,279 shares	Nine months ended December 31, 2021	15,976,163 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	3,684,659	3,239,588
Notes and accounts receivable - trade, and contract assets	6,394,311	6,359,124
Merchandise and finished goods	179,768	168,230
Work in process	83,557	147,674
Raw materials and supplies	66,432	57,187
Other	293,375	409,373
Allowance for doubtful accounts	(473)	(457)
Total current assets	10,701,631	10,380,722
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,390,018	9,935,591
Land	3,108,756	3,066,996
Other, net	1,732,900	2,141,965
Total property, plant and equipment	15,231,675	15,144,552
Intangible assets		
Goodwill	195,063	172,841
Software	1,587,595	1,874,047
Other	50,956	50,565
Total intangible assets	1,833,615	2,097,454
Investments and other assets		
Investment securities	3,811,261	3,523,472
Retirement benefit asset	1,048,344	1,044,194
Other	905,165	882,470
Allowance for doubtful accounts	(27,841)	(28,167)
Total investments and other assets	5,736,929	5,421,969
Total non-current assets	22,802,220	22,663,976
Total assets	33,503,851	33,044,699

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	1,695,714	1,456,327
Short-term borrowings	3,065,848	4,287,020
Income taxes payable	558,140	88,200
Provision for bonuses	916,833	403,293
Provision for loss on construction contracts	27,590	16,569
Provision for loss on anti monopoly act	19,366	–
Other	3,619,988	3,950,308
Total current liabilities	9,903,482	10,201,717
Non-current liabilities		
Long-term borrowings	5,858,070	5,229,694
Retirement benefit liability	500	100
Asset retirement obligations	130,789	104,773
Other	306,591	312,862
Total non-current liabilities	6,295,951	5,647,429
Total liabilities	16,199,433	15,849,147
Net assets		
Shareholders' equity		
Share capital	3,203,992	3,203,992
Capital surplus	3,146,335	3,147,381
Retained earnings	10,576,788	10,668,433
Treasury shares	(314,986)	(304,364)
Total shareholders' equity	16,612,129	16,715,443
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	686,469	495,087
Remeasurements of defined benefit plans	5,818	(14,979)
Total accumulated other comprehensive income	692,288	480,108
Total net assets	17,304,418	17,195,552
Total liabilities and net assets	33,503,851	33,044,699

**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, 2021	Nine months ended December 31, 2022
Net sales	22,616,558	25,520,202
Cost of sales	17,484,695	20,382,684
Gross profit	5,131,863	5,137,518
Selling, general and administrative expenses	3,596,352	3,785,055
Operating profit	1,535,510	1,352,463
Non-operating income		
Interest income	247	22
Dividend income	40,212	48,721
Gain on investments in investment partnerships	36,317	5,413
Subsidy income	88,336	1,892
Other	16,541	24,268
Total non-operating income	181,655	80,317
Non-operating expenses		
Interest expenses	34,633	32,635
Share of loss of entities accounted for using equity method	241	515
Commission expenses	13,238	11,569
Other	1,152	1,080
Total non-operating expenses	49,266	45,800
Ordinary profit	1,667,899	1,386,979
Extraordinary income		
Gain on sale of investment securities	4,563	8,027
Gain on bargain purchase	28,076	-
Gain on sale of shares of subsidiaries and associates	12,100	-
Gain on sale of non-current assets	2,945	-
Total extraordinary income	47,685	8,027
Extraordinary losses		
Loss on valuation of investment securities	-	49,999
Loss on sale of non-current assets	-	20,019
Loss on retirement of non-current assets	2,830	481
Provision for loss on anti monopoly act	27,996	-
Total extraordinary losses	30,826	70,500
Profit before income taxes	1,684,757	1,324,506
Income taxes	566,728	473,767
Profit	1,118,028	850,738
Profit attributable to owners of parent	1,118,028	850,738

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

	(Thousands of yen)	
	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,118,028	850,738
Other comprehensive income		
Valuation difference on available-for-sale securities	451,623	(191,382)
Remeasurements of defined benefit plans, net of tax	(7,522)	(20,797)
Total other comprehensive income	444,100	(212,180)
Comprehensive income	1,562,129	638,558
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,562,129	638,558
Comprehensive income attributable to non-controlling interests	-	-