

May 12, 2025

To whom it may concern,

Company name: I-NET Corp.
 Name of representative: Tomomichi Saeki,
 Representative Director and President
 (Securities code: 9600; Tokyo Prime Market)
 Masahiro Shiga,
 Inquiries: Executive Officer and Head of Corporate
 Planning Department
 Phone: +81-45-682-0806

(Corrections) Announcement regarding the formulation of the medium-term management plan "Up Stage 2027"

I-NET Corp. (the "Company") hereby announces that there have been corrections made to the above-mentioned disclosure material released on May 9, 2025, at 3:30 p.m. (JST).

Details of corrections

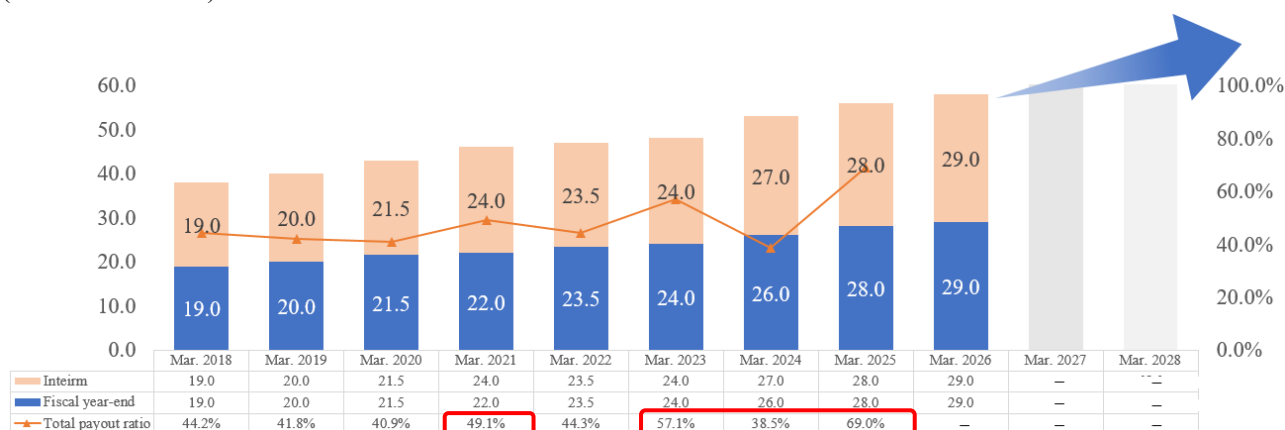
	Before correction	After correction
P.18	<ul style="list-style-type: none"> Total payout ratio Mar 2021 49.1% Mar 2023 57.1% Mar 2024 38.5% Mar 2025 69.0% 	<ul style="list-style-type: none"> Total payout ratio Mar 2021 56.2% Mar 2023 57.2% Mar 2024 38.6% Mar 2025 106.8%

Please refer to the attached sheet. Corrections are circled in red.

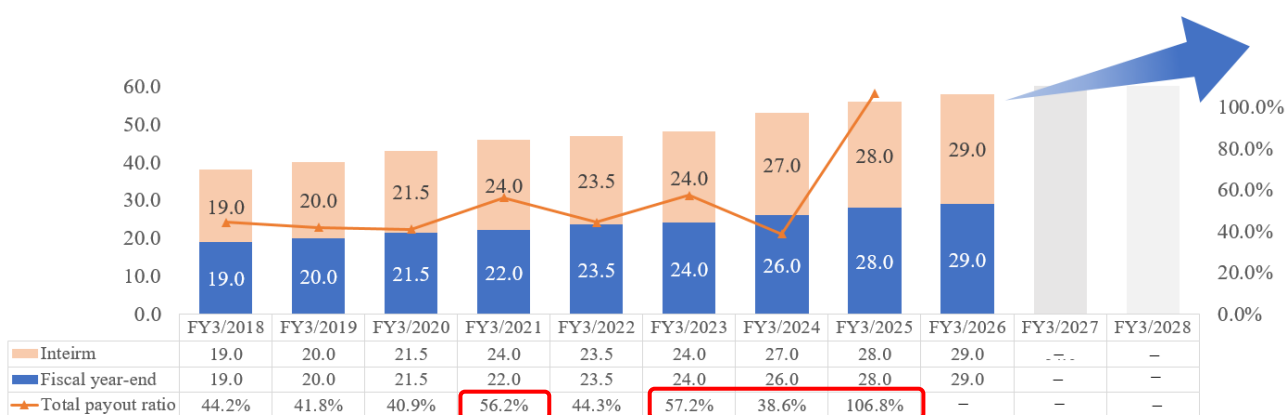
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P.18

(Before correction)



(After correction)



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May 9, 2025

To whom it may concern,

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Name of representative:	Tomomichi Saeki, Representative Director and Executive President
Inquiries:	Masahiro Shiga, Executive Officer, Head of Corporate Planning Department
Phone:	+81-45-682-0806

Announcement regarding the formulation of the medium-term management plan "Up Stage 2027"

I-NET Corp. hereby announces that at its Board of Directors' meeting held today, I-NET has resolved a three-year medium-term management plan (Up Stage 2027) for the fiscal year's ending March 31, 2026 through March 31, 2028.

Details

1.Name of the medium-term business plan [Up Stage 2027]

Our founder, the Noriyoshi Ikeda, has always used the slogan "Up Stage Up Player" to pave the way for our future. In order to realize our further development, we have always used the slogan "Up Stage Up Player".

We have named our medium-term management plan through fiscal 2027 "Up Stage 2027" to express our determination to carry on our founder's wishes and realize sustainable growth.

2.Basic policy

1) Strengthening information processing infrastructure and promoting DX

I .By strengthening the use of cloud and AI, we can benefit our customers from DX (digital transformation)!

II .Enrich society by providing high-value-added infrastructure services and system development!

2) Expand and optimize the data center business

I .Promotion of energy conservation and green data center (achievement of carbon neutral status by 2040)

II .Increase the capacity and capability of data centers and realize a third data center

3) Human resource development and organizational reinforcement

I .Development of next-generation human resources and executive candidates

II .Training and securing system development personnel, AI professionals, infrastructure personnel, and security personnel

III.Optimize and improve productivity by promoting diversity in human resources and the empowerment of women

4) As a company needed by society

I .As a company responsible for social infrastructure, we will continue to provide optimal services that society demands.

II .Return and contribute to the community in order to live in harmony with society without forgetting our gratitude to society

3. Numerical targets

Fiscal year ending March 31, 2028 [sales of 50 billion yen] [market capitalization of 50 billion yen (year-end)]

Numerical targets (KPI)	Target value	description
Net sales	¥50 billion	Forecast average annual growth of 8.6%
Operating profit	¥3.5 billion	Operating margin 7.0%
EBITDA	¥6.5 billion	EBITDA margin 13.0%
ROE	13%	Aim for ROE of 13% or higher

- Net sales are expected to grow at an average annual rate of 8.6% and reach ¥50 billion in the final year of the plan.
- Operating income and EBITDA are expected to grow faster than net sales.
- Depreciation costs will be heavy due to expansion of data centers and capacity expansion, but ROE and Operating margin will improve by improving profitability.

4. Qualitative targets

1) Sustainability and SDGs

Environment

- By FY fiscal 2030, 50% of the electricity used at our data centers will be derived from renewable energy (25% as of the end of March 2025)
- Achieve carbon neutrality by fiscal 2040

Social

- Ratio of disabled employees in the group: 3.2% (target as of the end of March 2028, 3.0% average for the fiscal year ending March 2025)
- Ratio of women in managerial positions: 18.0% (target as of March 31, 2028, 10.4% as of March 31, 2025)
- Expand I-NET Data Service, a special subsidiary (expand personnel and services)

Governance

- Realization of management with an awareness of the cost of capital (reduction of strategic shareholdings, etc.)
- Strengthening group governance and enhancing management and monitoring functions
- Nurturing the next generation of management and corporate human resources

2) Dividend policy

Total return ratio: 40% or higher, with cumulative dividends.

End

DISCLAIMER:

This document was prepared using our machine translation, and no manual modification has been made to the translated contents.

This document is to be used solely as a reference and in cases where any differences occur between English version and the original Japanese version, the Japanese version shall prevail. The consolidated financial statements in this document are unaudited.

“Up Stage 2027” Medium-Term Management Plan

Fiscal year ending March 31, 2026 to fiscal year ending March 31, 2028

May 2025

I-NET Corp.

Regarding **Up Stage 2027**

The founder of our company, Noriyoshi Ikeda, paved the way for our future based on the slogan “Up Stage, Up Player” in order to achieve further growth for the company.

In order to once again inherit our founder’s ideas and demonstrate our determination to achieve sustained growth, we have decided to name our new Medium-Term Management Plan “**Up Stage 2027**” as we look ahead to fiscal 2027.

Tomomichi Saeki,
Representative Director and
Executive President

1. Review of Apr 2022 to Mar 2025 Medium-Term Management Plan

(1) Achievement of target totals














Revised upward because the initial target for net sales was achieved two years early.

The revised target was achieved for ROE but not for net sales, operating profit, or operating profit ratio.

(unit: millions of yen)	Fiscal year ended March 31, 2023 (results)	Fiscal year ended March 31, 2024 (results)	Fiscal year ended March 31, 2025 (results) a	Fiscal year ended March 31, 2025 (initial target)	Fiscal year ended March 31, 2025 (revised target) b	Achievement rate = a / b
Net sales	34,988	37,763	38,987	37,700	40,000	97.4%
Operating profit Operating profit ratio	2,129 6.1%	2,887 7.6%	2,640 6.8%	3,200 8.5%	3,200 8.0%	82.5% (1.2 p)
Profit attributable to owners of parent	1,344	2,198	2,259	--	--	--
ROE	7.7%	11.7%	11.5%	10.0% or higher	10.0% or higher	+1.5%

Reasons for not achieving targets

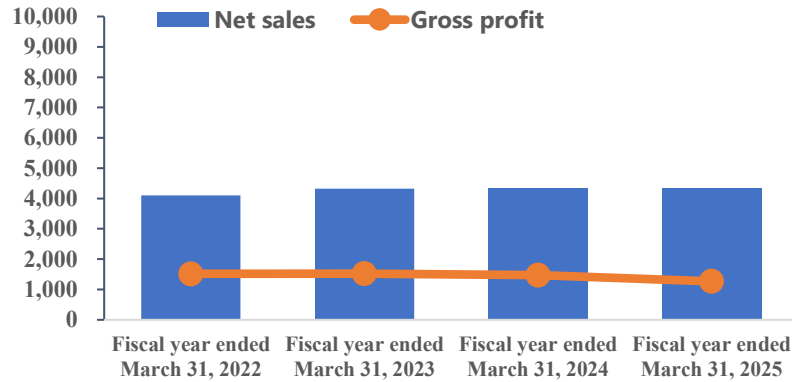
Reason	Impact	Related dept.	Response
Rising costs	Increased electricity costs, DC infrastructure software prices, and depreciation for equipment investment	IT services (Data Center Department, Service Station Department)	Correct to reasonable price
Development delays in some projects for contracted software development	Rising development costs	System development services (Digital Transformation Department, Service Station Department)	Enhanced project progress management Transfer of development personnel costs

Key points for improvement	Main initiatives	Related SDGs	Achievement
Promotion of customer services and R&D for the DX and New Normal eras	<ul style="list-style-type: none"> Spread and expansion of cloud services Measures limiting contact and preventing overcrowding Promotion of big data, AI, and IoT 	  	<ul style="list-style-type: none"> Expand data center cloud service business Start response for generative AI
Pursuit of co-creation and innovation and value creation	<ul style="list-style-type: none"> Establishment of SDGs Promotion Office Pursuit of projects in collaborations between industry, public and private sectors, and academia Pursuit of business activities through foundations and special subsidiary companies 	  	<ul style="list-style-type: none"> Set environmental targets and achieve carbon neutrality by fiscal 2040 Deploy business based on the theme of co-creation, such as startup assistance
Diversification and advancement of human resources, improved productivity	<ul style="list-style-type: none"> Employee skill development Diversity promotion Support with career development Promotion of workstyle reforms 	    	<ul style="list-style-type: none"> Respect for employee diversity Enhance support for career diversity, achieve female manager ratio of 10.4%
Appropriate management of business portfolios in the service deployment model, improved corporate value	<ul style="list-style-type: none"> Promotion of one-stop model through I-NET's own data centers Reinforcement of stock business 	 	<ul style="list-style-type: none"> Promote platform strategy based on in-house data centers Enhance initiatives using services from other companies and services using systems developed in-house

1. Review of Apr 2022 to Mar 2025 Medium-Term Management Plan

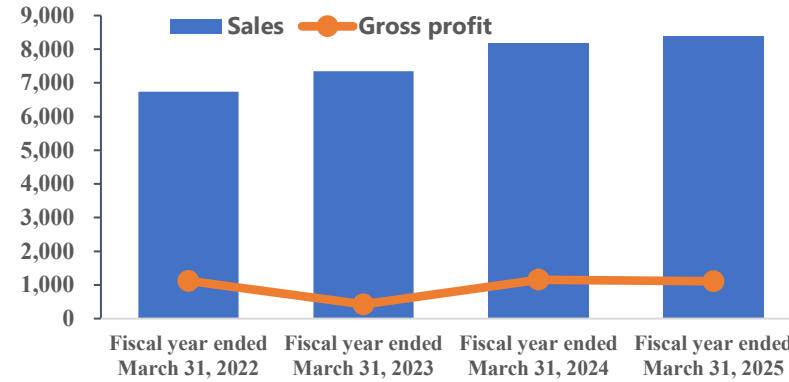
(3) Status of each service: IT services

Contracted computation service (for energy industry)



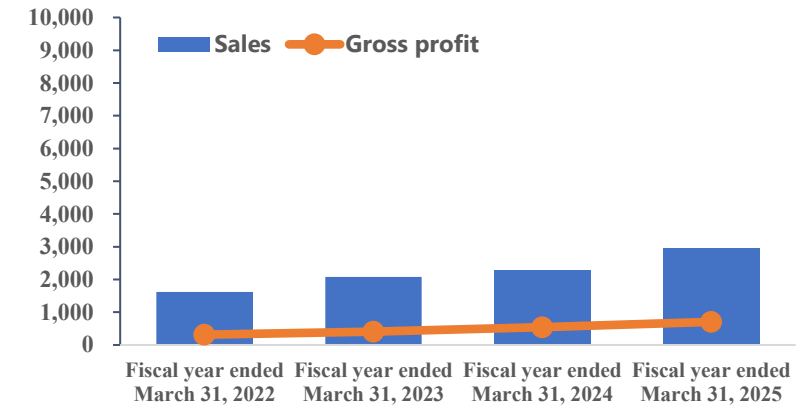
← Medium-Term Management Plan →

Data center cloud service



← Medium-Term Management Plan →

Mailing service



← Medium-Term Management Plan →

Results

- Corrected sales price and enhanced cost management system to address rising electricity costs in data center/cloud service business
- Achieved increased sales of smart management systems to propane gas sellers and increased sales of business for energy industry (contracted computation service)
- Succeeded in establishing a position for enjoying residual profits in the maturing market of mailing services Profits increased after previously being flat

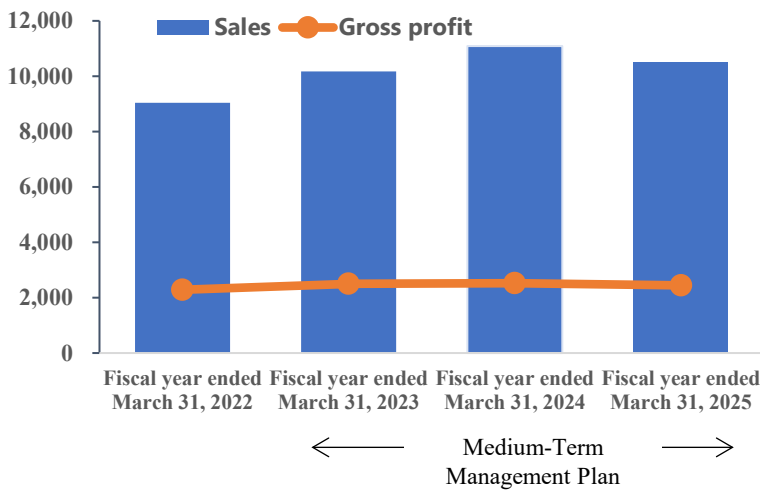
Issues

- Construction of third data center
- Deployment of highly computational data center services, such as generative AI
- Securing data center personnel
- Provision of new services utilizing existing sales network
- The fact that additional investment for maintaining existing services and depreciation has been increasing more than planned

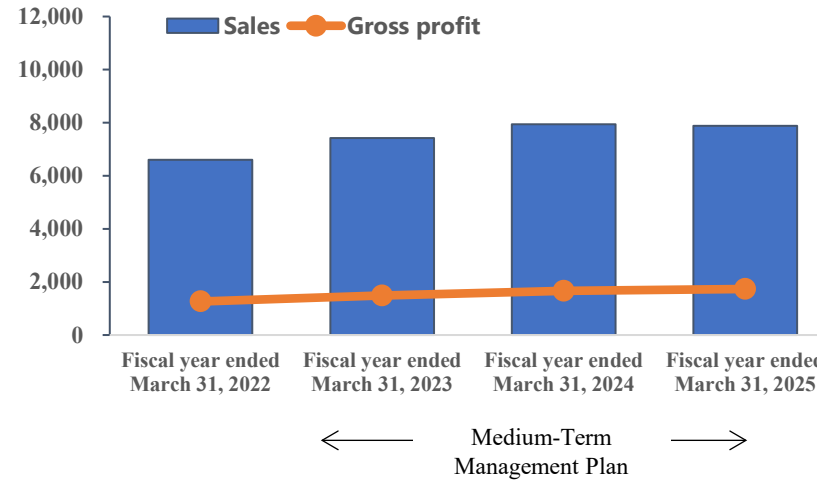
1. Review of Apr 2022 to Mar 2025 Medium-Term Management Plan

(4) Status of each service: System development services

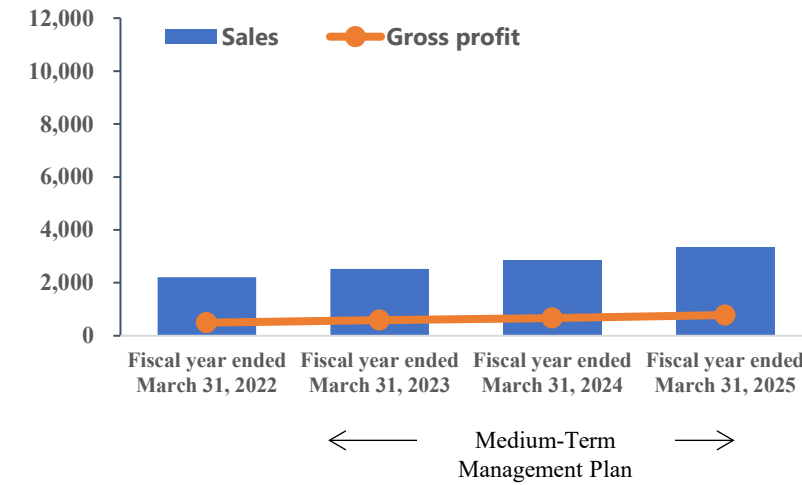
I-NET (system development)



IST software



Software control

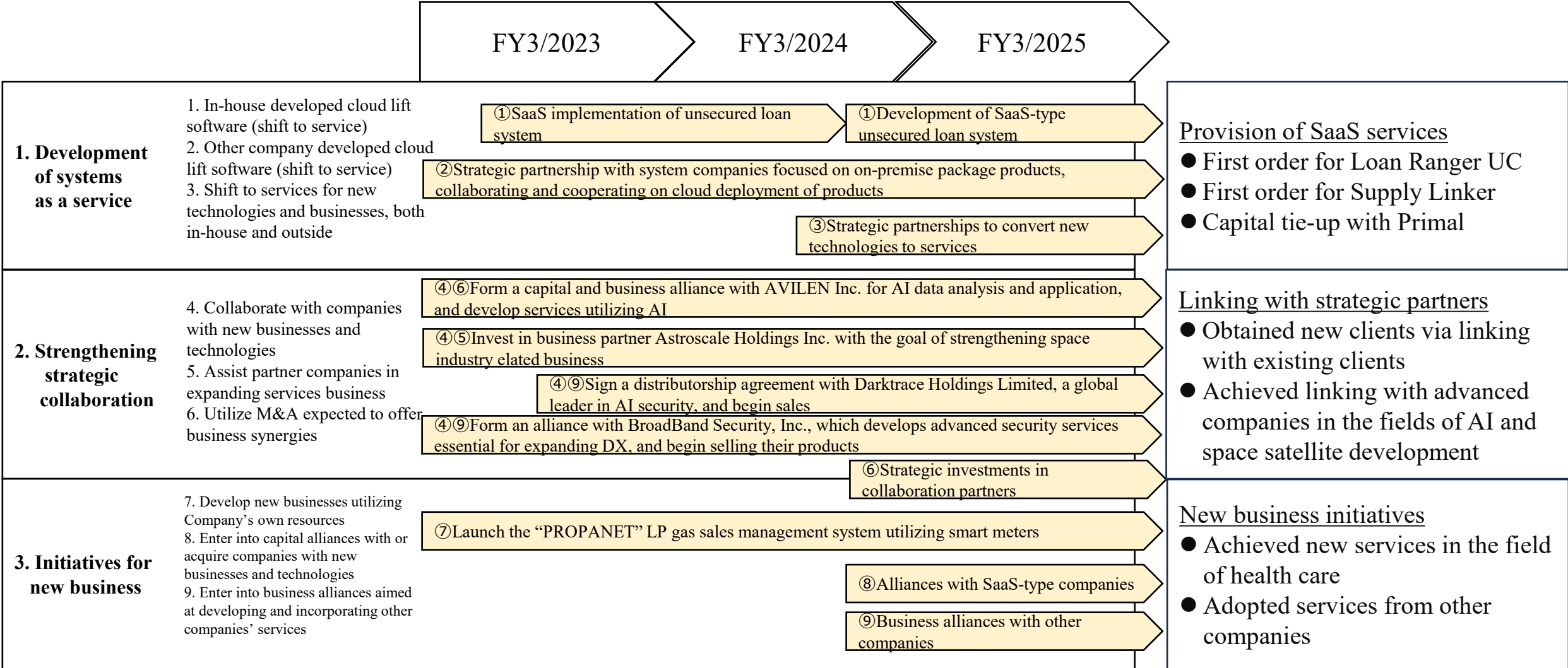


Results

- Group companies discovered their strengths (finance, life insurance, health care, space, defense, etc.)
- Made progress in creating services for in-house development systems utilizing our expertise in system development (such as Loan Ranger UC and Supply Linker)
- Achieved orders with appropriate prices, which improved our profitability

Issues

- Securing system development personnel Some orders were missed during the period due to insufficient development personnel
- Problems occurred in some project management systems, and the profit ratio dropped because of increase costs due to delayed projects
- System development projects for the logistics industry struggled
- Support for system development using AI



2. “Up Stage 2027” Medium-Term Management Plan (fiscal year ending March 31, 2026 to fiscal year ending March 31, 2028)

We value soundness, transparency, and efficiency of management
We take actions based on sincerity, fairness, and high-leveled social ethics



inet Way

Enjoy your life with information technology!

Achieve a sustainable digital society

Enhance IT infrastructure and promote digital transformation

- ① Enhance cloud services and AI adoption to provide clients with the benefits of digital transformation!
- ② Provide system development and infrastructure services with high added-value for a more affluent society!

Expand/optimize our data center business

- ① Promote energy saving/green data centers (achieve carbon neutrality by 2040)
- ② Enhance our data center capacity and capability, achieve our third data center

Develop human resources, enhance our organization

- ① Develop the next-generation of human resources and management candidates
- ② Develop and secure system development personnel/AI professionals, infrastructure personnel, and human resources in the field of security
- ③ Achieve improved productivity and optimization by promoting human resource diversity and female participation

A company needed by society

- ① As a company that provides infrastructure to society, continue to provide the optimal services required by society
- ② Do not forget to thank society, and give back/contribute to the local community in order to promote coexistence with society

Fiscal year ending March 31, 2028
Net sales of 50 billion yen, market capitalization of 50 billion yen (at end of year)

Target totals (KPI) of Medium-Term Management Plan

<div>Net sales</div> <div>50 billion yen</div> <div>(unit: 100 million yen)</div> <div><div>IT services:</div><div>200</div></div> <div><div>System development services:</div><div>275</div></div> <div><div>Device sales:</div><div>25</div></div>	<div>Operating profit</div> <div>3.5 billion yen</div> <div>Operating profit ratio of 7.0%</div>	<div>EBITDA</div> <div>6.5 billion yen</div> <div>EBITDA margin of 13.0%</div> <div><div>EBITDA</div><div>Earnings Before Interest, Taxes, Depreciation and Amortization</div></div>	<div>ROE</div> <div>13%</div> <div>ROE (return on equity) of 13% or higher (aim for)</div>
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Planned totals (KPI) of Medium-Term Management Plan

(unit: millions of yen)	Fiscal year ended March 31, 2025 (results) a	Fiscal year ending March 31, 2028 (plan) b	Growth rate = b / a
Net sales	38,987	50,000	128%
Operating profit	2,640	3,500	133%
EBITDA	4,918	6,500	132%
ROE	11.5%	13.0%	+ 1.5p
Operating profit ratio	6.8%	7.0%	+0.2 p

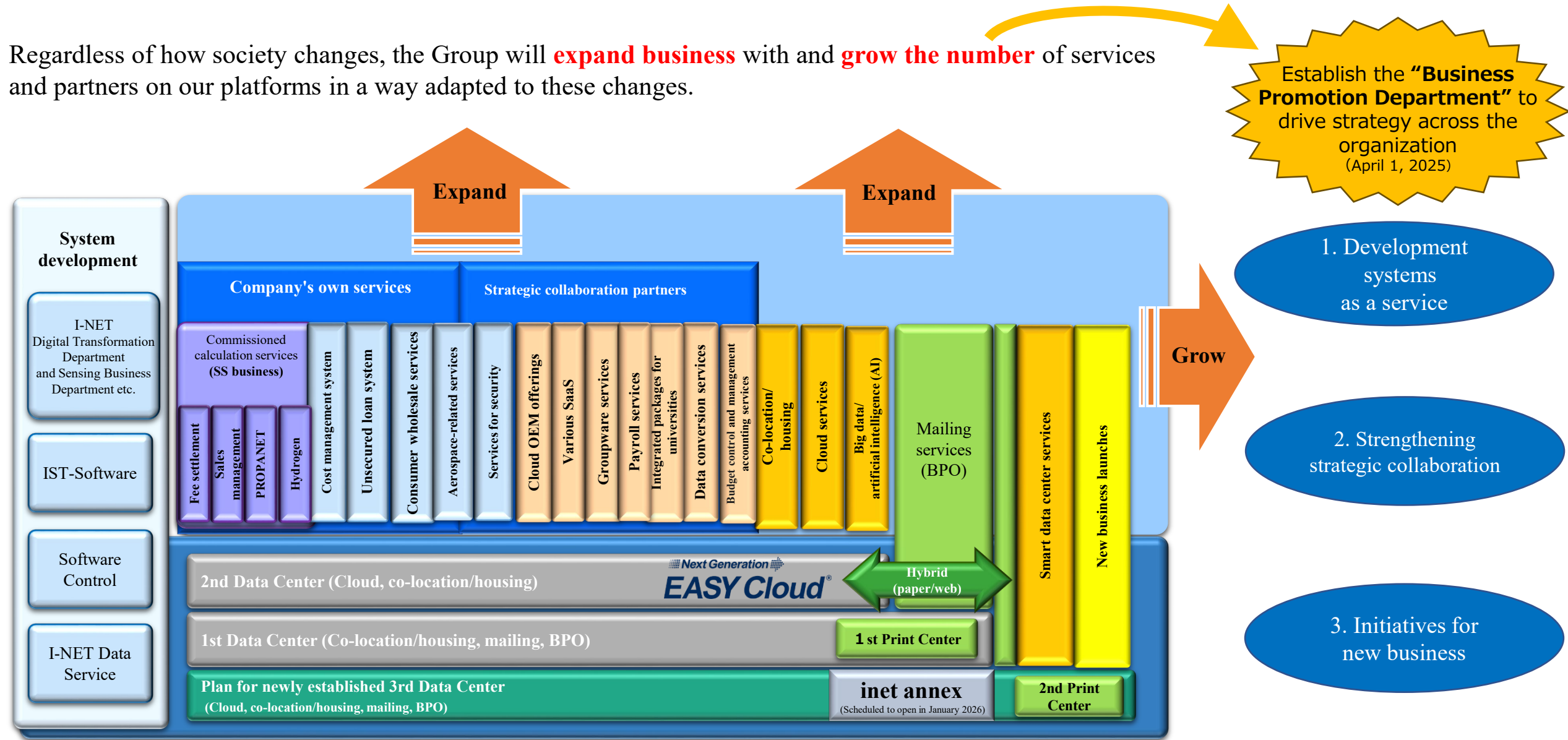
Aim for an annual average of 8.6% growth in net sales and achieve 50 billion yen in the final year of the plan.

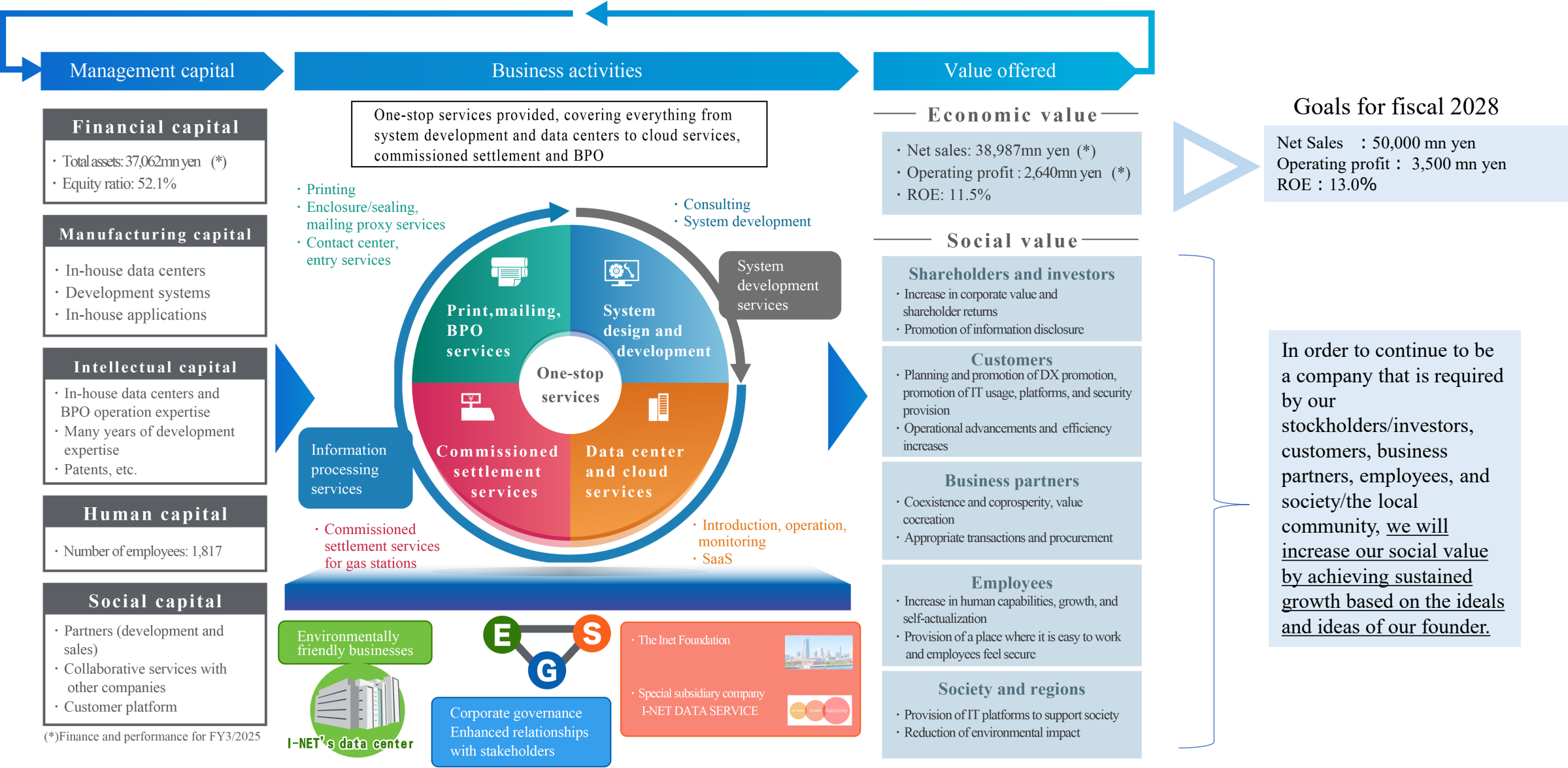
In terms of operating profit and EBITDA, achieve growth that surpasses that for net sales.

Despite the heavy burden of depreciation for additional data centers and expanded capacity, improve profitability in order to improve both ROE and operating profit ratio.

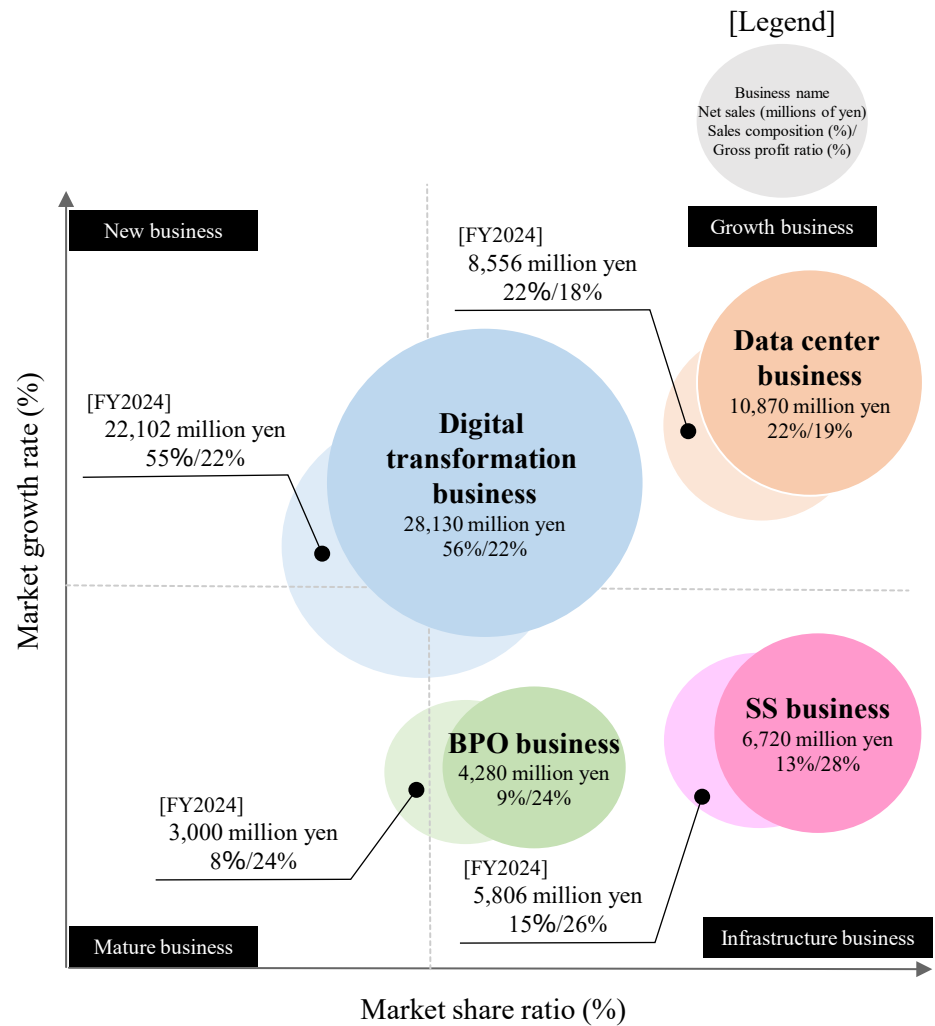
- Adopt EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) in addition to the existing KPIs (net sales, operating profit, and ROE).
- Our company differs from a pure system integrator, as it has facilities such as in-house data centers. In order to achieve perpetual growth, it is important for us to improve our asset efficiency and maximize our cash flow.
- That is why we will adopt EBITDA as a new KPI.

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.





Business portfolio analysis

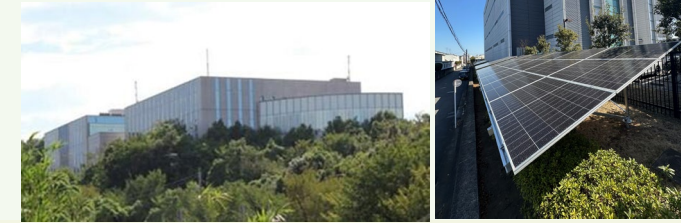


Overview of businesses

Business name	Business overview Totals are for fiscal 2024	Business strategy for the next three years	Goals for fiscal 2027
Contracted computation business (SS business)	Contracted computation business for energy industry Net sales: 5.8 billion yen Gross profit: 1.5 billion yen	<ul style="list-style-type: none">● Increase market share by increasing number of clients● Digital transformation assistance for energy industry● Expand major oil company and trading company business	Contracted computation business for energy industry Net sales: 6.7 billion yen Gross profit: 1.9 billion yen
Data center cloud business (data center business)	Providing cloud infrastructure and leasing server racks for data center business Net sales: 8.6 billion yen Gross profit: 1.6 billion yen	<ul style="list-style-type: none">● Providing monitoring/managed services● Building new platform services● SaaS and linking with resellers	Providing cloud infrastructure and leasing server racks for data center business Net sales: 10.9 billion yen Gross profit: 2.0 billion yen
Mailing service, print business (BPO business)	Information data processing, printing/mailling service business Net sales: 3.0 billion yen Gross profit: 0.7 billion yen	<ul style="list-style-type: none">● Expand POD (print on demand) service● Cross-selling for data center service	Information data processing, printing/mailling service business Net sales: 4.3 billion yen Gross profit: 1.0 billion yen
System development business (digital transformation business)	Contracted system development, SES business Net sales: 10.6 billion yen Gross profit: 2.4 billion yen	<ul style="list-style-type: none">● Securing and developing system development human resources● Enhancing links with business partners● Expanding stock projects for in-house services	Contracted system development, SES business Net sales: 13.4 billion yen Gross profit: 3.1 billion yen
System development business (group companies) (digital transformation business)	Contracted system development business Net sales: 11.5 billion yen Gross profit: 2.4 billion yen	<ul style="list-style-type: none">● Provide integrated services to key fields● Expand end user transactions● Enhance securing and development of human resources	Contracted system development business Net sales: 14.7 billion yen Gross profit: 3.1 billion yen
Entire group (total of the above)	Net sales: 39.0 billion yen Gross profit: 8.3 billion yen	Sales increase by 28% over three years Maintain/improve profit ratio	Net sales: 50.0 billion yen Gross profit: 11.1 billion yen

Environment

- Switch the electricity used at our in-house data centers to 50% renewable energy by fiscal 2030 (currently 25% as of March 31, 2025)
- Achieve carbon neutrality by fiscal 2040



In-house data centers

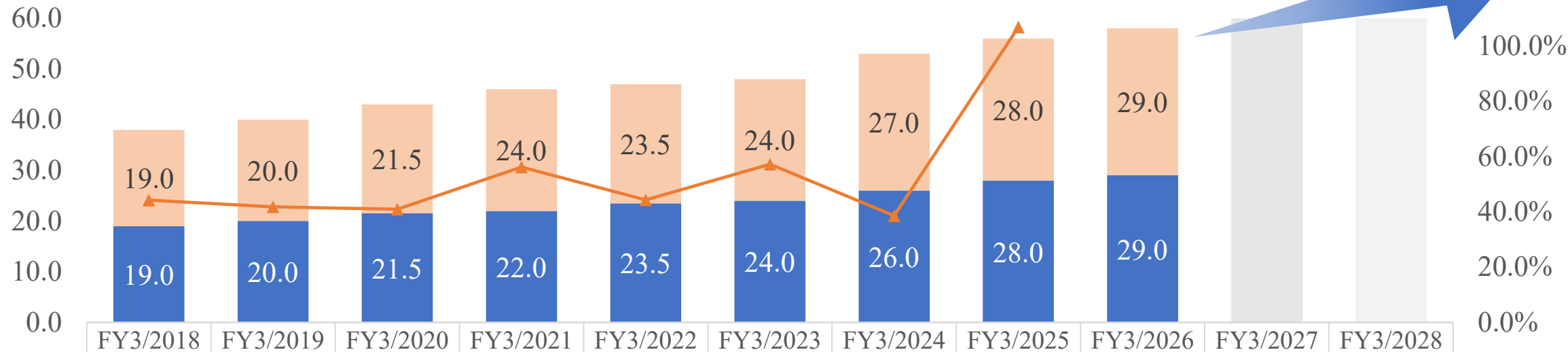
Society

- Employment rate for people with 3.2% disabilities in our Group (aim for March 31, 2028, 3.0% average of fiscal 2025)
- 18% of women in management positions (aim for March 31, 2028, 10.4% as of March 31, 2025)
- Expanded special subsidiary I-NET DATA SERVICE (both in terms of personnel and business scope)

Governance

- Achieve management with an awareness of capital costs (reduce policy stock holdings, etc.)
- Enhance group governance, improve management/monitoring function
- Develop the next-generation of managers and corporate human resources

Policy: “Total return ratio of 40% or higher, with cumulative dividends”



- ✓ In addition to dividends, our stockholder return policy is to achieve a “total return ratio of 40% or higher”, including the purchase of treasury shares.
- ✓ We have achieved increased dividends for 13 consecutive years as of the fiscal year ended March 31, 2025. In order to reflect our sustained growth in our stockholder returns, we have in principle adopted cumulative dividends in our “Up Stage 2027” Medium-Term Management Plan.
- ✓ We will determine the dividends for each term and amount of treasury shares to purchase based on a comprehensive view of capital investment trends and consolidated business performance.

3. Management aware of capital costs and stock price

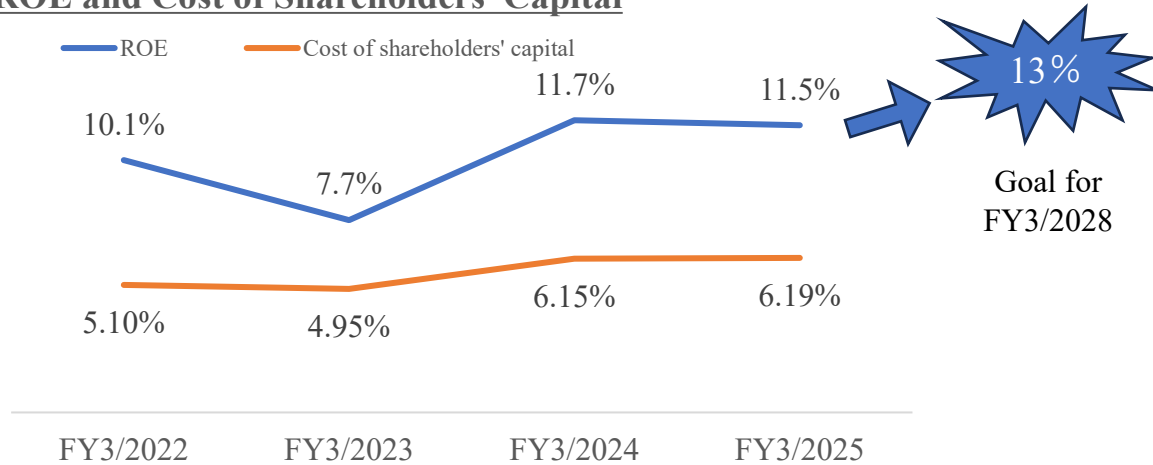
3. Management aware of capital costs and stock price

(1) Cost of capital and profitability

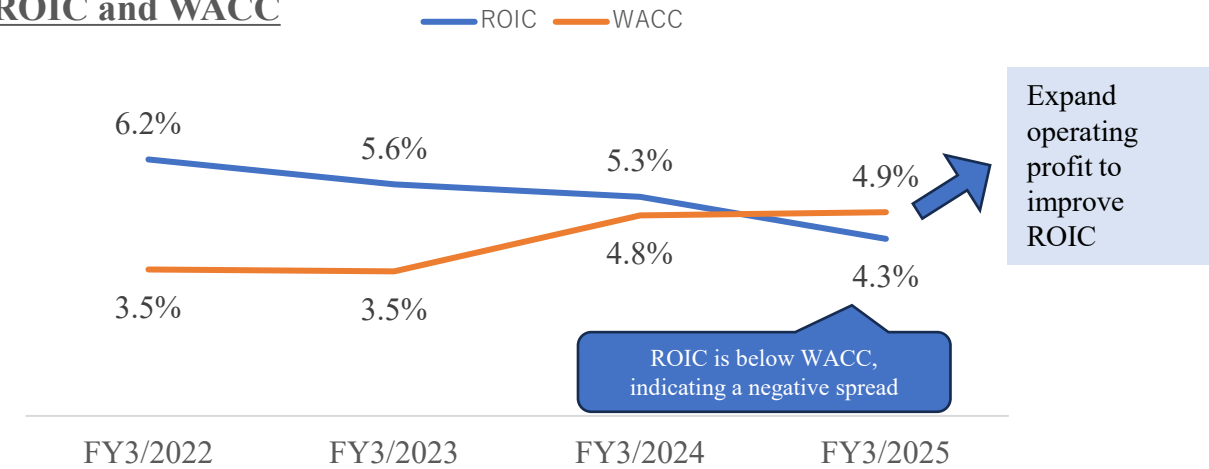
Although our capital costs are rising, our return on equity (ROE) remains flat and return on invested capital (ROIC) is decreasing.

In this Medium-Term Management Plan, we will aim for a ROE of 13% (for the fiscal year ending March 31, 2028) and achieve improved ROIC by improving our operating profit.

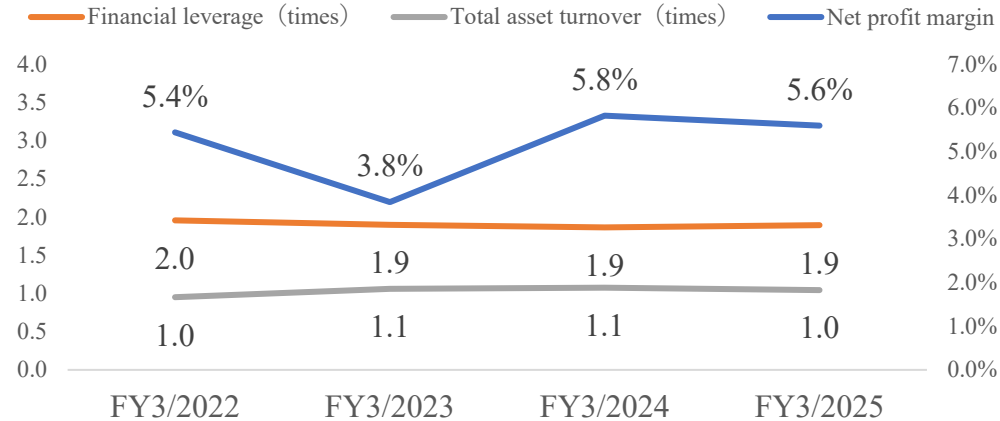
ROE and Cost of Shareholders' Capital



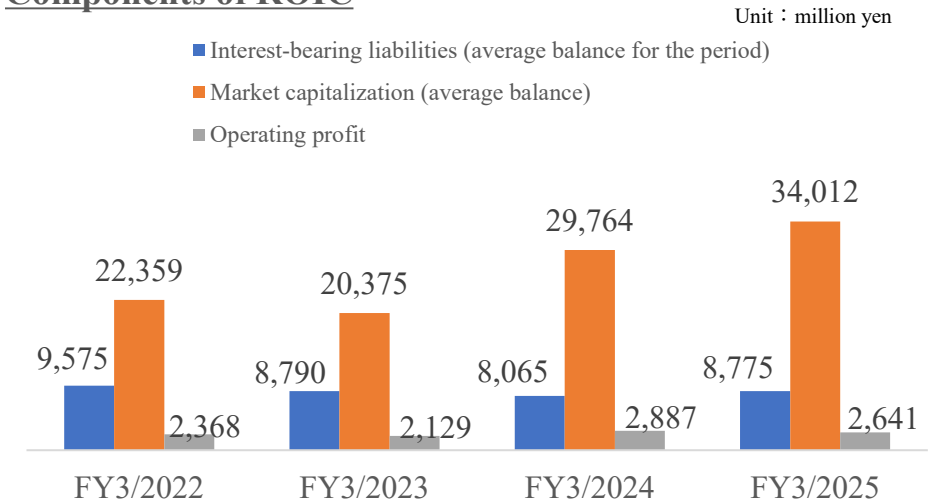
ROIC and WACC



Components of ROE

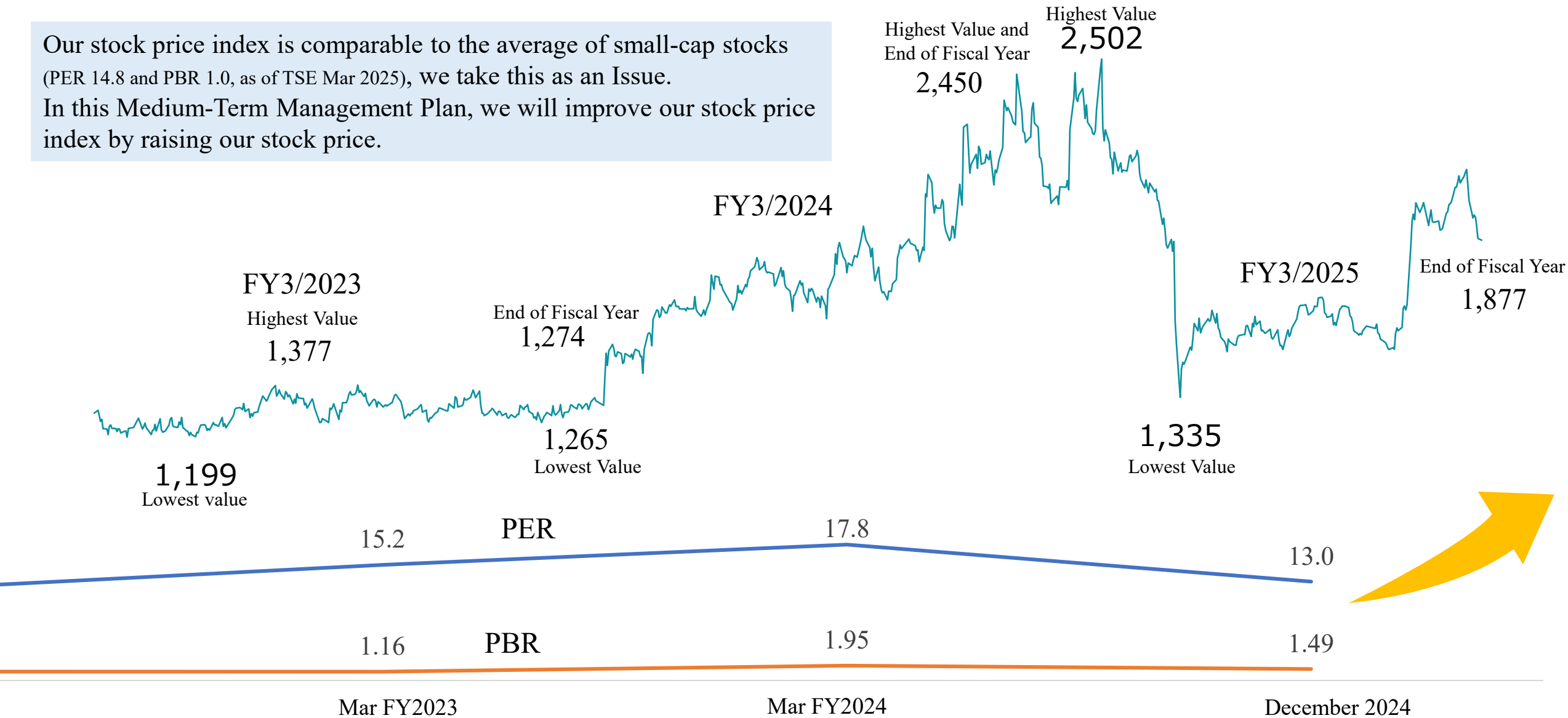


Components of ROIC



3. Management aware of capital costs and stock price
(2) Transition of stock price and stock price indicators

Our stock price index is comparable to the average of small-cap stocks (PER 14.8 and PBR 1.0, as of TSE Mar 2025), we take this as an Issue. In this Medium-Term Management Plan, we will improve our stock price index by raising our stock price.



<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.

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