# inet

## May 17, 2021

## Briefing Materials for Financial Results Fiscal Year Ended March 2021

[TSE, First Section: 9600]

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# net

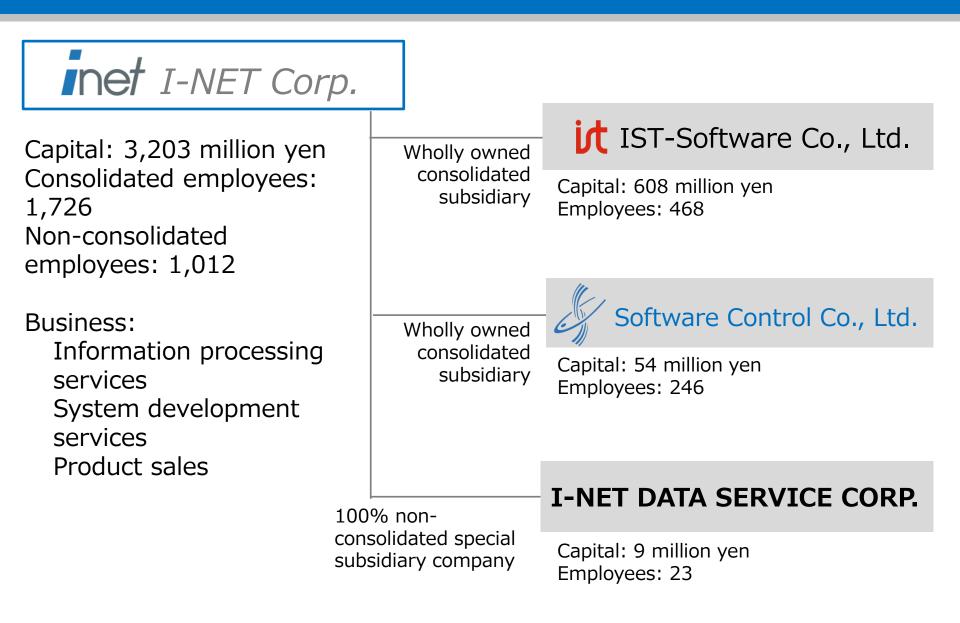
- 1. Introduction (Overview of Company)
- 2. Overview of Earnings in Fiscal Year Ended March 2021
- 3. Initiatives in Medium-term Management Plan
- 4. Full-year Earnings Forecasts
- 5. appendix

## 1. Introduction (Overview of Company)

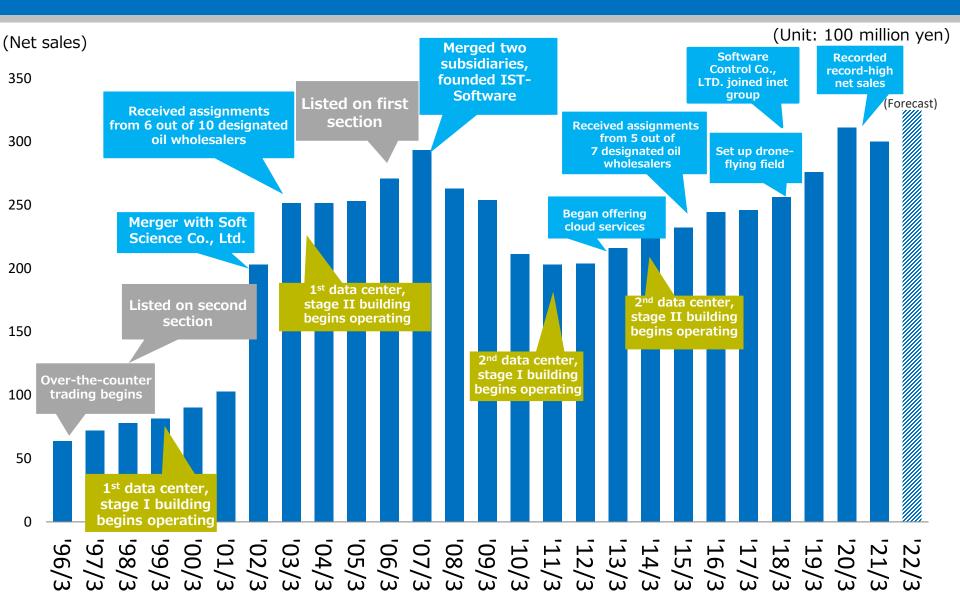
## net Overview of Company (as of April 1, 2021)

- Trade name: I-NET Corp.
- Founded: April 22, 1971 (50th anniversary)
- Headquarters: 3-3-1 Minatomirai, Nishi-ku, Yokohama
- Capital: 3,203 million yen
- Founder: Noriyoshi Ikeda,
   Founder Supreme Adviser
- Representative Director and Executive President: Mitsuru Sakai
- Subsidiaries: IST-Software Co., Ltd.
   Software Control Co., Ltd.
   I-NET DATA SERVICE CORP.
- Number of employees: 1,726 (consolidated) 1,012 (non-consolidated)
- Offices, branches and data centers
   Tokyo office, Sapporo branch, Sendai branch, Chubu branch, Osaka branch,
   Chu-Sikoku Branch, Fukuoka branch, No. 1 Data Center, No. 2 Data Center

## net Overview of Company (as of April 1, 2021)



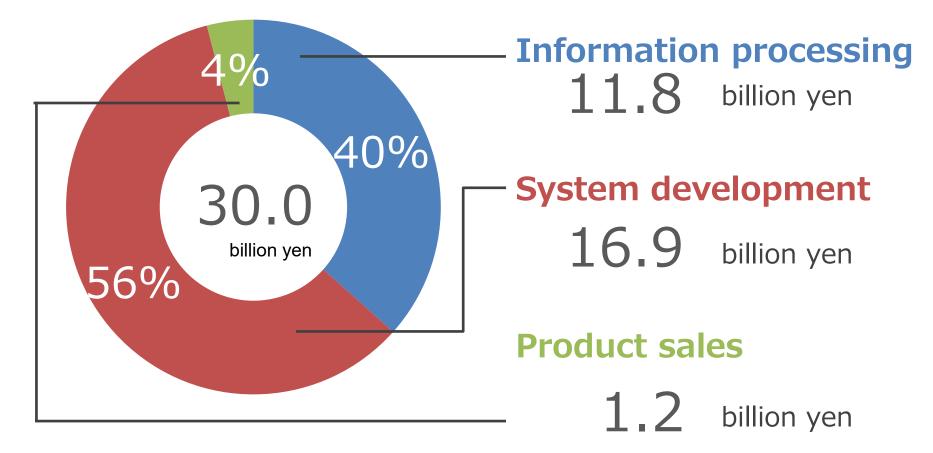
## History (Over-the-counter trading to present)



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## Business Overview: Net sales by service category

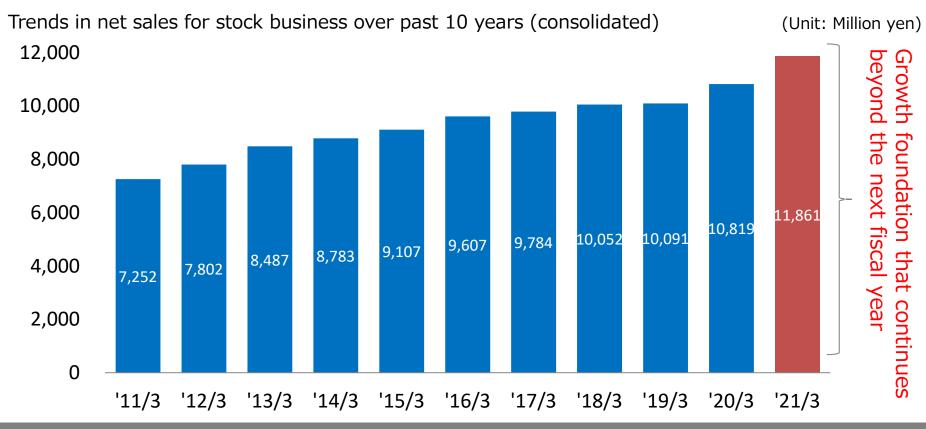
We provide customers with services in the following three service categories.



\*Net sales as of the fiscal year ended in March 2021

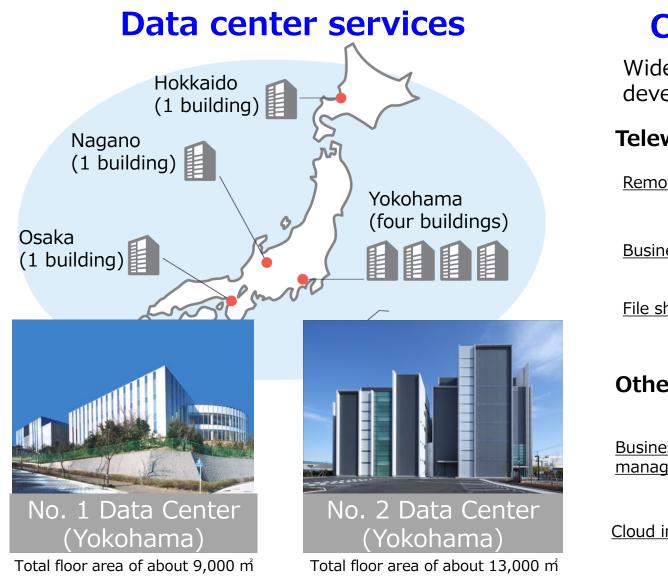
## Achieving stable growth by expanding the stock business

Definition of stock business	Merits of expanding stock busines	s Examples of stock business
<ul> <li>Business that generates net sales at a fixed amount every month</li> <li>Business with contracts that continue beyond the next fiscal year</li> <li>Stock business=information processing services</li> </ul>	<ul> <li>Growth foundation built up with ongoing net sales</li> <li>High profitability (most recent Gross profit was 23%)</li> <li>Increase in net sales and income per person</li> </ul>	<ul> <li>Cloud services</li> <li>Data center services</li> <li>SS commissioned settlement (gas stations)</li> <li>Printing and inserting</li> </ul>



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## Information processing : Data center and cloud services



### **Cloud services**

Wide range of cloud services developed at data centers

### **Telework support**

Remote desktop



Business chat



File sharing



### Other Cloud services

Business card management



Cloud infrastructure EASY Cloud

Mext Generation 🎰

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## We have provided data processing services for gas stations (SS) nationwide since founding.

Send data to credit card

company



### (Overview of processing services)

### Top-ranking share of the domestic market

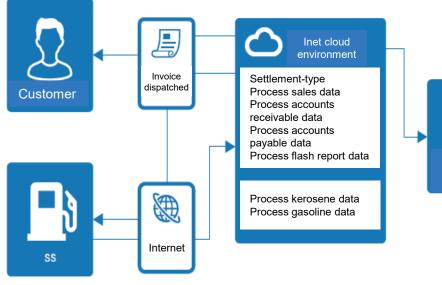
Support SS at seven branches nationwide (Sapporo, Sendai, Tokyo, Nagoya, Osaka, Chugoku & Shikoku, Fukuoka) We have a relationship with about 30% of all SS based on over 50 years of results

### Designated as a processing agent by wholesalers and trading firms

We provide account / credit processing systems for SS affiliated with oil wholesalers (ENEOS, Idemitsu Showa Shell, Kygnus Sekiyu, Taiyo Oil) and trading companies (Itochu Enex, Mitsubishi Corporation Energy, Marubeni Energy, San-Ai Oil)

### Stock business supporting many years of growth

Our petroleum sales settlement service has a long track record and is used by many SS, generating stock growth through monthly fees



- Support for building wholesaler settlement systems
- Credit processing
- Support for building wholesaling systems
- Support for building gas systems
- Settlement systems support, etc.

### Expanding stock business

- ·Developed public-sector card system
- •Service for propane gas business

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## **inet** System development services

We support the digital transformations of many customers through the trusting relationships we have built up over the years in fields such as operational application development, package software development, data services, AI services, embedded control systems, and space development.



Finance

Petroleum and gas

Retail and distribution

Space



Manufacturing



Architecture and real estate



Railways and transportation infrastructure



Medicine

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## System Development Business (Example)

We provide a wide variety of proposals tailored to our customers' needs, as well as support that will reduce their costs and drive new growth.



Distribution industry: Higher operational efficiency and lower costs



Food manufacturing industry: Operational consolidation, visualization



Construction industry: 3D simulator

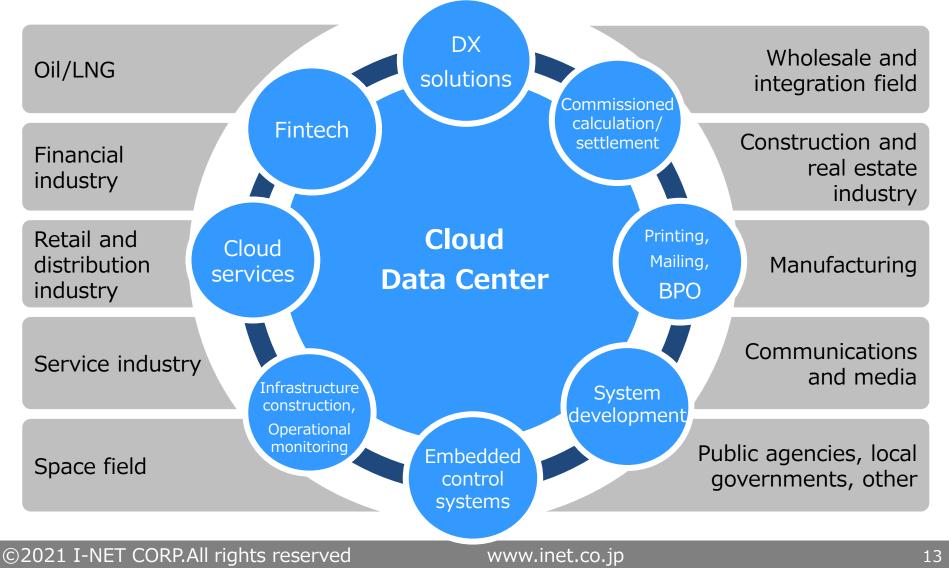


Communications industry: Modernization

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## Group's business model

Align range of services with customers' businesses and develop into stock business centered on cloud data centers



## 2. Overview of Earnings in Fiscal Year Ended March 2021

## Overview of Earnings in Fiscal Year Ended March 2021 (consolidated)

(Unit: Million yen, %)

	Fiscal year ended March 2020			ended March 21	Change over previous fiscal year		
	Amount	Percentage	Amount	Percentage	Change	Rate of change	
Net sales	31,097	100.0	30,016	100.0	▲1,081	▲3.5	
Cost of sales	24,000	77.2	23,211	77.3	▲789	▲3.3	
Gross profit	7,096	22.8	6,804	22.7	▲292	▲4.1	
Selling, general and administrative expenses	4,594	14.8	4,648	15.5	54	1.2	
Operating income	2,501	8.0	2,155	7.2	▲346	▲13.8	
Ordinary income	2,531	8.1	2,279	7.6	▲251	▲9.9	
Net income attributable to parent	1,672	5.4	1,494	5.0	<b>▲</b> 177	▲10.6	
Income per share (yen)	105.1		93.6		▲11.5	_	
	Record high						

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## Sales by service category (consolidated)

(Unit: Million y							
		Fiscal year ended	Fiscal year ended	Chai	nge		
		March 2020	March 2021	Amount of change	Percent change		
	Net sales	10,819	11,861	1,041	9.6		
Information	Gross profit	2,783	2,803	19	0.7		
processing (	Ratio of gross profit to net sales	25.7	23.6	▲2.1	_		
	Net sales	18,924	16,936	▲1,987	▲10.5		
System	Gross profit	4,136	3,821	▲314	▲7.6		
development (	2) Ratio of gross profit to net sales	21.9	22.6	0.7	_		
	Net sales	1,353	1,217	▲135	▲10.0		
Product sales	Gross profit	176	179	3	1.7		
	Ratio of gross profit to net sales	13.1	14.8	1.7	_		
	Net sales	31,097	30,016	▲1,081	▲3.5		
Total	Gross profit	7,096	6,804	▲292	▲4.1		
	Operating income	2,501	2,155	▲346	▲13.8		
	Operating margin	8.0	7.2	▲0.9	_		

(Primary factors)

①Use of date centers was strong, which increased revenue. The use of mailing services declined due to the impact of progress in digitalization in recent years, among other factors, and the profit margin fell due to the strategic acquisition of projects with low profit margins taken on with the aim of expanding the scope of operations.

②As COVID-19 cases increased, sales and income fell due to changes to system investment, primarily in the distribution, service, oil and manufacturing industries, a decline in technicians' utilization rates and other factors.

## Consolidated Sales by service category (result of 4Q)

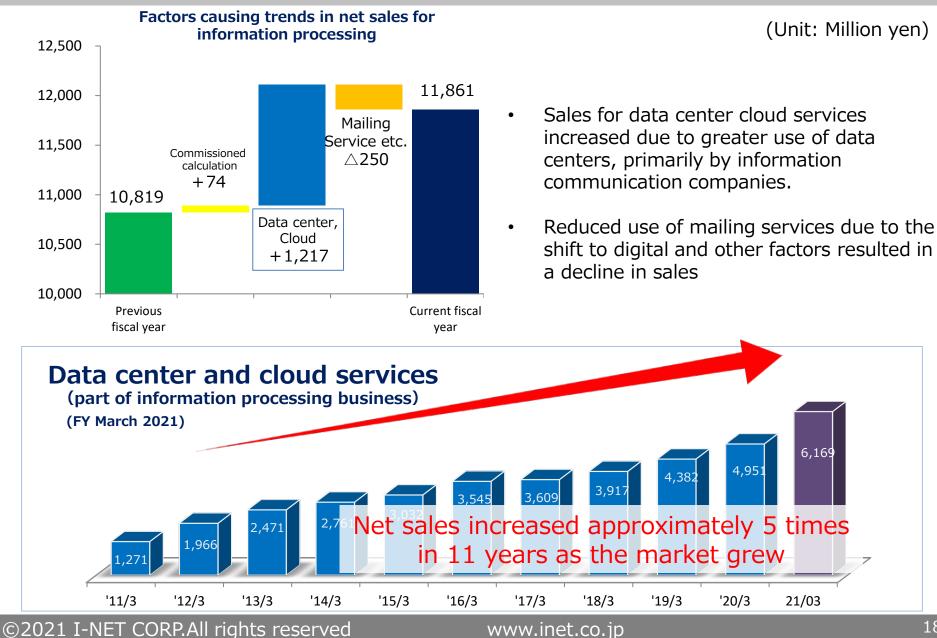
(Unit: Million yen, %)

			1Q~3Q		4Q				
		Fiscal year ended March 2021	Change over previous year	Percent change	Fiscal year ended March 2021	Change over previous year	Percent change		
	Net sales	8,786	685	8.5	3,075	356	13.1		
Information $(1)$	Gross profit	2,005	▲109	▲5.2	797	128	19.3		
processing -	Ratio of gross profit to net sales	22.8	▲3.3		25.9	1.3			
	Net sales	12,253	▲1,774	▲12.7	4,683	▲213	▲4.4		
System (2) development	Gross profit	2,627	▲445	▲14.5	1,193	130	12.3		
	Ratio of gross profit to net sales	21.4	▲0.5		25.5	3.8			
	Net sales	847	▲162	▲16.1	370	27	7.9		
Product sales	Gross profit	113	▲12	▲9.5	66	15	29.4		
	Ratio of gross profit to net sales	13.4	1.0		17.9	3.0			
	Net sales	21,887	▲1,252	▲5.4	8,128	170	2.1		
Total	Ratio of gross profit to net sales	4,747	▲566	▲10.7	2,057	274	15.4		
	Operating income	1,267	▲606	▲32.4	887	260	41.4		
	Operating margin	5.8	▲2.3		10.9	3.0			

 In information processing services, projects for existing clients contributed to sales, which increased even more in Q4. The gross profit margin also rose over the previous year in Q4.

2 In system development services, the business for financial institutions and the oil industry in particular recovered toward the end of the year, and the decrease in sales narrowed. The gross margin rose over the previous year.

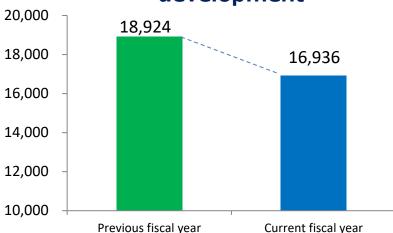
## Information processing: Factors causing trends in net sales



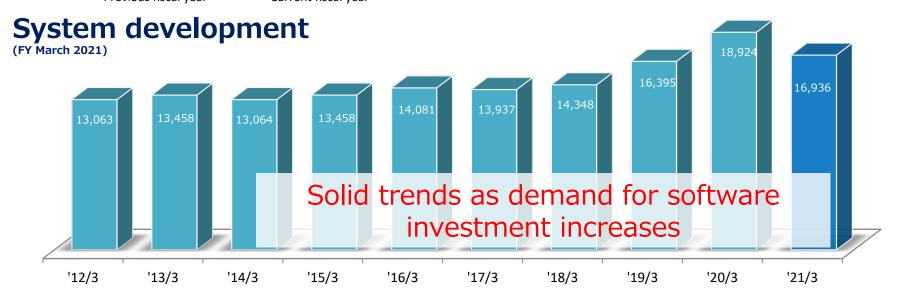
## Trends in net sales for system development

## Trends in net sales for system development

(Unit: Million yen)



- Software investment demand was strong and had trended firm before the COVID-19 pandemic
- In this fiscal year, sales fell due to a review of system investment because of the impact of COVID-19 and other factors



## Balance sheet (consolidated)

(Unit: Million yen, %)

	End of fiscal year ended in March 2020		End of fiscal y March		Change over end of previous fiscal year		
	Amount	Constituent ratio	Amount	Constituent ratio	Amount of change	Rate of change	
Current assets	9,628	32.5	10,561	32.9	932	9.7	
Non-current assets ①	19,960	67.5	21,494	67.1	1,534	7.7	
Total assets	29,589	100.0	32,056	100.0	2,466	8.3	
Current liabilities	8,407	28.4	8,625	26.9	217	2.6	
Non-current liabilities	5,957	20.1	7,218	22.5	1,260	21.2	
Total liabilities (2)	14,365	48.5	15,843	49.4	1,478	10.3	
Net assets ③	15,224	51.5	16,212	50.6	988	6.5	
Total liabilities and net assets	29,589	100.0	32,056	100.0	2,466	8.3	

(Primary factors)

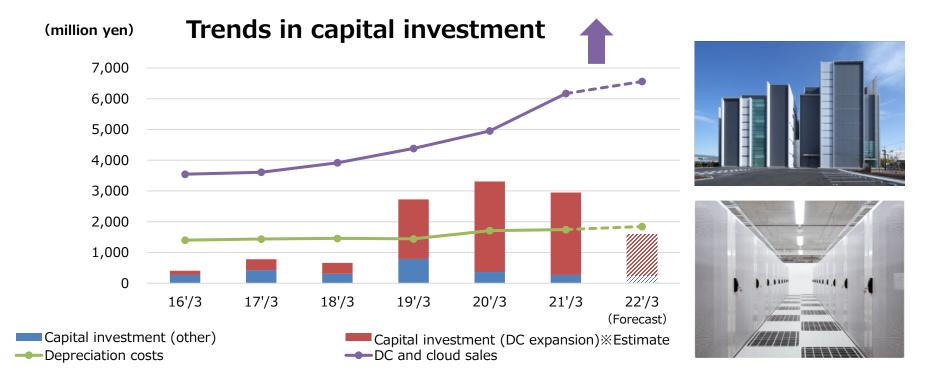
 Tangible fixed assets increased by 672 million yen as a result of the augmentation of data center facilities, and investment securities rose by 637 million yen due to a review of capital injections and appraisal amounts.
 Long-term loans increased by 1,279 million yen, accounts payable—trade rose by 306 million yen, and lease obligations fell by 190 million yen.

③Retained earnings rose by 801 million yen, and the valuation difference on available-for-sale securities increased by 146 million yen.

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## Trends in Capital Investment

- Capital investment was centered on data centers, which are the core of the Company's services. We will augment facilities on an ongoing basis together with customers' use of the data centers.
- Data center and cloud sales are steadily increasing.
- We expect the peak for total investments to have been reached in the fiscal year ended in March 2020.
- Depreciation costs are expected to be roughly flat in the near term.



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## Cash flow statement (consolidated)

			(Unit: Million yen)
	Fiscal year ended March 2020	Fiscal year ended March 2021	Change over previous year
	Amount	Amount	Change
Cash flow from operating activities	3,965	1 3,419	▲545
Cash flow from investing activities	▲3,872	<sup>②</sup> ▲2,929	943
Cash flow from financing activities	▲308	<sup>3</sup> 454	763
Change in cash and cash equivalents	▲216	944	1,160
Balance of cash and cash equivalents at beginning of period	3,299	3,083	▲216
Balance of cash and cash equivalents at end of period	3,083	4,027	944

(Primary factors)

①Increased: 2,195 million yen in profit before income taxes, 1,744 million yen in retained earnings from amortization, 306 million yen in trade payables, etc.

Decreased: 564 million yen in income taxes paid, etc.

2 Although we marked 352 million yen in revenue from the sale of investment securities, we also had 2,306 million yen in expenditures for the purchase of property, plant and equipment, including capital investments in data centers following large-scale orders from existing customers in particular, as well as 613 million yen in expenditures for the purchase of investment securities.
 3 Interest-bearing liabilities increased by 1,446 million yen and dividend payments amounted to 692 million yen.

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## Forecasts of Consolidated Financial Results for Fiscal Year Ending in March 2022

							(Unit: №	illion yen, %)	
		First year c term mar pla	nagement		Second year		Final year		
	FY ended in Mar 2019	FY ended in Mar 2020		FY ended in Mar 2021			FY ending i	n Mar 2022	
	Results	Plan	Results	Initial plan	Revised plan	Results	Initial plan	Revised plan	
Net sales	27,591	30,000	31,097	31,500	30,000	30,016	33,200	32,500	
Operating income	2,345	2,450	2,501	2,580	2,000	2,155	2,730	2,330	
ROE	10.9	10.9	11.3	11.0		9.5	11.1	10.0	

### Status of first and second years of plan

- We posted nine straight fiscal years of higher sales and 10 straight years of higher income, making excellent progress with our plan.
- Data center cloud services are performing well.
- The system development field was solid due to higher demand for IT capital investment.
- In the second fiscal year, earnings declined due primarily to the postponement and cancellation of projects to expand services for system development due to COVID-19.
- Strengthen engagement with customers (expand interaction with more customers, establish a backup system for new transactions)

Final year of plan

- Improve products and services for IoT, FinTech, big data, AI, telework and other
- Promote and strengthen cloud services

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(Unit: Million von 06)

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## 3. Initiatives in Medium-term Management Plan

## Main businesses and topics

Please see the appendix for details of our medium-term plan initiatives

## Began offering data analysis service for the three Cs i-visible CO<sup>™</sup>

In October 2020, we began offering a data analysis service for the three Cs (closed spaces, crowded places, close contact) to prevent the spread of COVID-19 by using IoT and cloud services.



[Features]

- Alerts can be set up to help maintain optimal environments
- Easy-to-understand user interface
- Reduce the risk of COVID-19 infection during the pandemic
- Eases the burden on customers. Data is sent safely and securely to I-NET data centers

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## **net** Solutions for work-style reforms

## Proactive expansion of services tailored to telework, particularly work-style reforms



#### **Remote desktop**

This makes it possible to use your work PC anytime, anywhere, even at home.



### Web conference system

Video conference tool with high audio and video quality



#### **Business chat**

Chat tool exclusively for business that is simple to use



**Private Cloud HDFS Storage Service** 

**File-sharing service** Tool for securely sharing files



August 7, 2020 (Friday) "Work-at-home might be possible at my workplace too! Introduction to tools and examples"

Briefing on recent telework trends, background and various ways of implementing telework using I-NET's tools (virtual desktop service and Web conferences, etc.)



November 18, 2020 (Wednesday) "Stable operations even on a large scale and onsite! Seminar for supporting introduction of business chat" A seminar was held to explain in detail ways of utilizing and operating a chat tool that can further accelerate work-style reforms so that this tool can be introduced onsite (strengthening security).

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## **Inet** Space development business expands

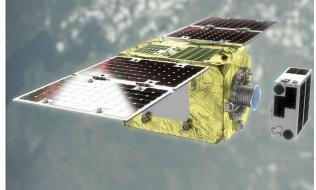
## We have been involved in space development for more than 40 years, since the first Himawari aircraft in 1977.

### Strengths of I-NET's space business

- We offer more than 40 years of experience in system/subsystem design of satellites, inspection/testing, and operation/evaluation analysis.
- We worked on the development project for Hayabusa2, which released its capsule in December 2020, and have been involved in many other projects.
- We have had requests for cooperation with satellite development from almost all key space startups, and will strengthen these affiliations going forward.

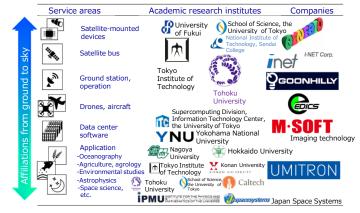
### New initiatives in the space business

- Satellite data utilization, ultra-small satellite development business
- Participation in ultra-small astronomical, terrestrial and marine observation satellite project, an affiliation between industry and academia led by Tokyo Institute of Technology (mounted with JAXA innovative satellite technology experiment No. 3 model)
- Antenna operation business
- We aim to make antenna operations a stock business by reducing the times that antennas are not utilized and raising the utilization rate.



\*Development of debris removal satellites: Support for setup, testing, operation and other of launch satellites, and operations related to manufacturing and services

### **Project Members**



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Building digital platforms in art education (affiliation with local governments)

### Signed a partnership agreement to promote "digital creative education" in Oiso-machi

- Oiso-machi O Provides a place for social implementation of NDC education
- Wacom Co., Ltd.
- Provide digital pen input tools

CELSYS, Inc.

 Provide drawing application that serves as user interface

○ Provides digital

data sharing

platform and promotes

Promotion of NDC education\*

Aiming to make Oiso-machi a town that fosters creators

I-NET Corp.

\*NDC (new normal digital creative) education

With this kind of education, "analog" creation activities that have been done by drawing on paper with pen and brush are carried out instead in a digital environment, utilizing the convenience of networks to share works and work together. This kind of creative activity capitalizing on the merits of digital technology is actively incorporated into education. While stimulating students' creativity and inspiring each other, students interact with digital technology in a natural way, build a moral outlook in the network world via shared experiences, and creativity is fostered from an early stage in elementary and intermediate education. In addition, this kind of education aims to lay a foundation so that students continue to engage closely with art into the future.

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## Strengthen consignment calculation services for gas stations

### Expansion of information processing services (stock business)

### **Public-sector card system**

- We offer a system that allows public institutions (prefectural police, hospitals, prefectural government agencies, etc.) in cities and prefectures around the country to refuel their vehicles with priority in the event of emergencies and disasters. Under a single contract, emergency vehicles can be refueled with the same card at any gas station within the same prefecture.
- This has been expanded to oil unions around the country and four prefectures have already introduced the system. It will be expanded going forward.

### Service for propane gas business

- > LPG sales management system is managed on the Company's cloud.
- Development, operations, BPO and call center functions are provided as a one-stop service.
- > We will strengthen the sales system and aim for further expansion of sales.





 $\sim$ Public-sector card system  $\sim$ 

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## ESG initiatives

### Promote health management and diversity

With the belief that employees are the most important asset for management, I-NET considers the mental and physical health of employees to be the source of sustainable improvements to corporate value, and pursues health management in line with this approach. We are always reforming work styles to create a work environment in which all employees can perform with peace of mind.



Primary initiatives on health

- Declare health management
- Under a Chief Health Officer (CHO), the HR division, health support office and health insurance union work together.



%See here for details.

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### Y-SDGs\*

(Certified as "superior," a high rank)

横浜市SDGs認証制度



Overview

Among the categories of region, society, environment, and governance, we earned a particularly high assessment for regional aspects. We will continue to focus on initiatives addressing SDGs.

XY-SDGs is Yokohama City's system for certifying companies working to achieve SDGs, and evaluates companies in 30 areas and the four categories of environment, society, governance and region. Based on their initiatives, companies are classified as either supreme, superior or standard.

# 4. Full-year Earnings Forecasts

## Forecast of financial results for year ending March 31,2022 (consolidated)

(Unit: Million yen, %)

	Fiscal year ended March 2021		Fiscal year e 20	nding March 22	Change over previous fiscal year		
	Amount	Percentage	Amount	Percentage	Change	Rate of change	
Net sales	30,016	100.0	32,500	100.0	2,483	8.3	
Cost of sales	23,211	77.3	25,120	77.3	1,908	8.2	
Gross profit	6,804	22.7	7,380	22.7	575	8.5	
Selling, general and administrative expenses	4,648	15.5	5,050	15.5	401	8.6	
Operating income	2,155	7.2	2,330	7.2	174	8.1	
Ordinary income	2,279	7.6	2,330	7.2	50	2.2	
Net income attributable to parent	1,494	5.0	1,600	4.9	105	7.0	
Income per share (yen)	93.6		100.2	_	6.5		
			Record high				
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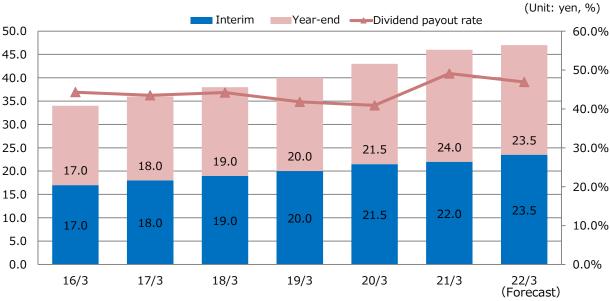
(Unit: Million yen, %)

		Fiscal year ended	Fiscal year ending	Change over previous fiscal year		
		March 2021	March 2022	Change	Rate of change	
	Net sales	11,861	12,500	638	5.4	
Information processing	Gross profit	2,803	2,890	86	3.1	
	Ratio of gross profit to net sales	23.6	23.1	▲0.5	_	
	Net sales	16,936	18,660	1,723	10.2	
System development	Gross profit	3,821	4,250	428	11.2	
	Ratio of gross profit to net sales	22.6	22.8	0.2	_	
	Net sales	1,217	1,340	122	10.1	
Product sales	Gross profit	179	240	60	34.1	
	Ratio of gross profit to net sales	14.8	17.9	3.1	_	
	Net sales	30,016	32,500	2,483	8.3	
Total	Ratio of gross profit to net sales	6,804	7,380	575	8.5	
	Operating income	2,155	2,330	174	8.1	
	Operating margin	7.2	7.2	0.0	_	

## **Inet** Dividend Policy

### 《Dividend Policy》

Continue with stable dividends while retaining earnings to prepare for future capital demand



\*We carried out a stock split on October 1, 2016, but actual dividends (estimates) are noted here (without adjusting for the impact of the stock split).

Plans for annual dividends per share (tenth straight year of dividend increases planned)



\*April 2021 was the 50th anniversary since founding. We raised our dividend and also pay a special end-of-year commemorative dividend of ¥2 as a thank you to our shareholders.

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## Initiatives in Medium-term Management Plan

Business strategy plan

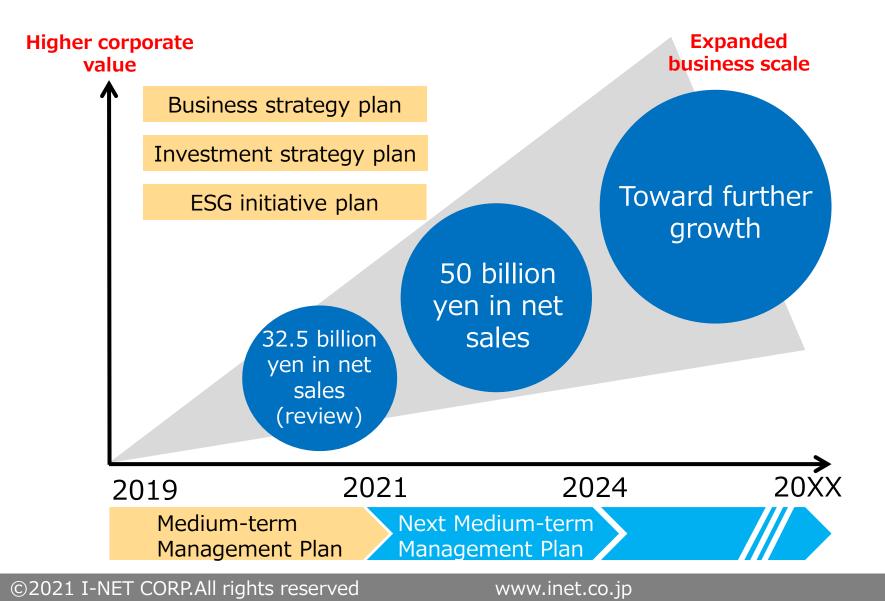
Investment strategy plan

### ESG initiative plan

Status of initiatives through March 2021

Please see our home page for details of the medium-term management plan announced in May 2019. https://www.inet.co.jp/ir/policy/mid-goal.html#contents

## Role of Medium-Term Management Plan



#### Strengthen ties with customers Protect Strengthen ties and service areas Strengthen ties and service areas

Ensure that customer comes first Proposals with added value Develop products and services with growth potential Invest in human resources

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### 3. Initiatives in Mediumterm Management Plan

Business strategy plan

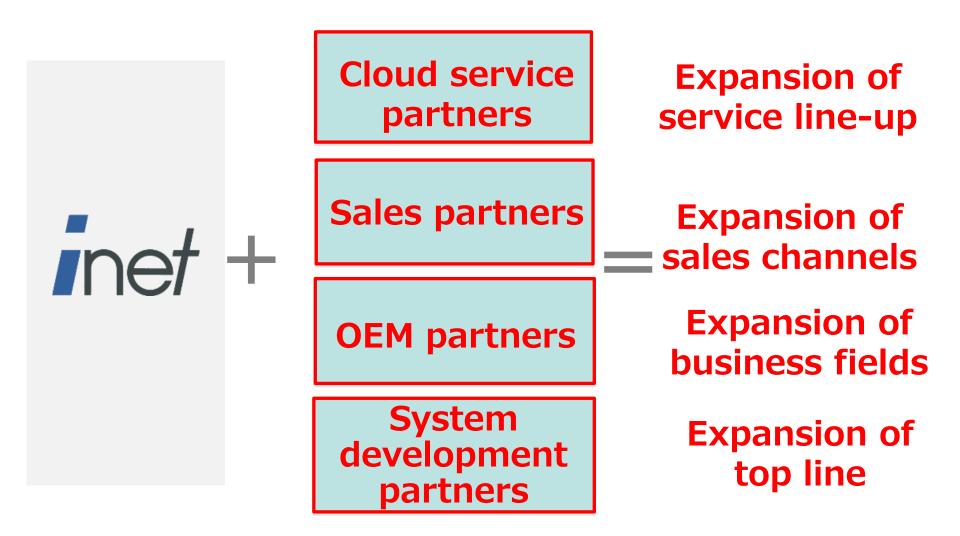
Investment strategy plan

### ESG initiative plan

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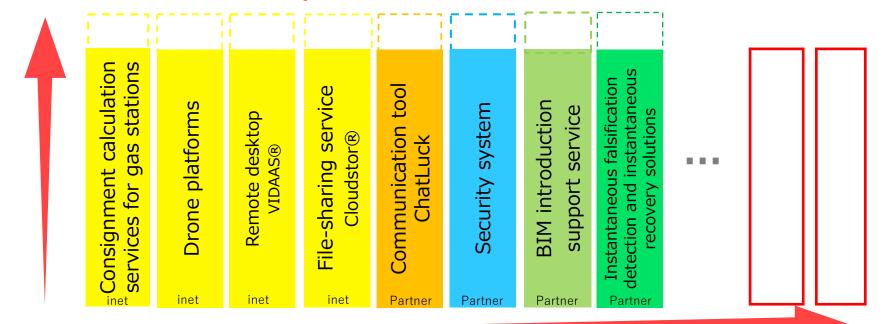
Please see our home page for details of the medium-term management plan announced in May 2019. https://www.inet.co.jp/ir/policy/mid-goal.html#contents

Management strategy: Partner strategy and channel strategy



net Management strategy: Cloud partner strategy

## Turning Cloud Foundation (NGEC) + Apps into service as platformer

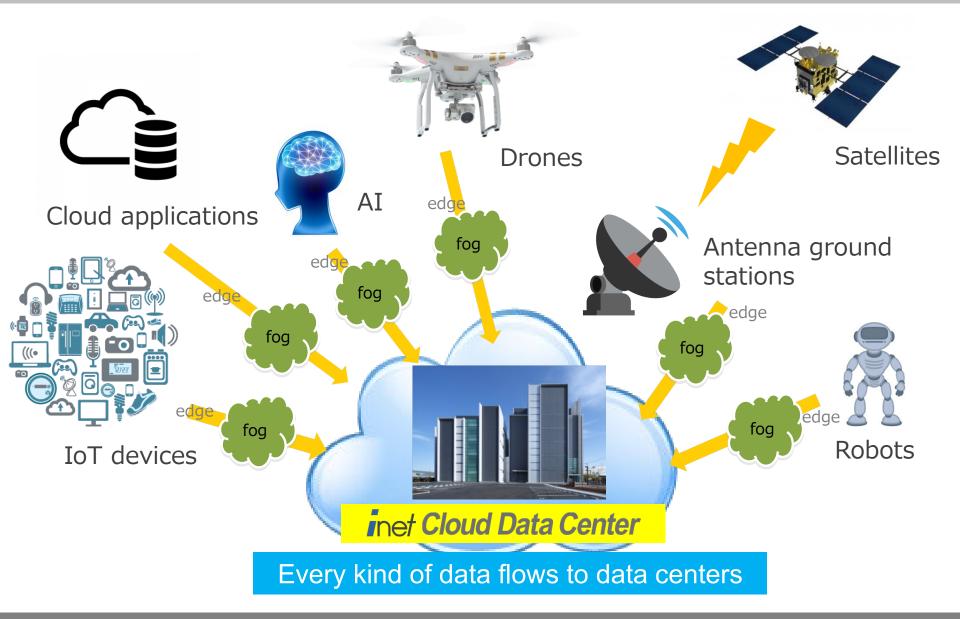




Next Generation EASY Cloud<sup>®</sup> Cloud Data Center

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## Management strategy: Platform strategy



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## Initiatives toward a digital transformation



#### Workstyle reforms

 Set up a telework promotion contact point and provide remote desktops and other tools



#### Data and AI

- Expand the fields of data science and AI business
- Augment AI cloud services to mid-sized and small- and medium-sized companies and strengthen sales

#### Fintech

 Strengthen and adjust financial packages tailored to change needs in financial market, monitor future market trends, revise financial products, expand system scope, and plan and consider package updates based on cloud compatibility

#### Solutions for specific industries and applications

- Utilize our expertise in sales management operations for the distribution industry to differentiate ourselves from competing companies
   Modernize AS400 logacy assots
  - Modernize AS400 legacy assets
  - Pursue BIM and CIM businesses for the construction industry
  - Pursue infrastructure inspection services for local governments (Kimitsu model)



#### 5G

Regional broadband wireless access (BWA) initiatives, high-speed data communications helping to improve local public services

## inet

### 3. Initiatives in Mediumterm Management Plan

Business strategy plan

Investment strategy plan

### ESG initiative plan

#### Status of initiatives through March 2021

Please see our home page for details of the medium-term management plan announced in May 2019. https://www.inet.co.jp/ir/policy/mid-goal.html#contents

## **Inet** Progress with investment strategy plan



#### Data center/Cloud platforms

- Development of a next-generation cloud platform that takes cloud infrastructure (NGEC) to the next level
- Upgrade data center facilities, increase floor space, and systematically carry out expansions
- Expansion of data analysis and data science business



#### **Overseas business**

• Aim to expand services with areas of expertise and cutting-edge technology

## Human resource strategies

## New graduate hires

April 2018 graduate hires	April 2019 graduate hires	April 2020 graduate hires	April 2021 graduate hires	Plans to hire graduates in April 2022	
44	48	64	67	50	

Trends in new graduate hires by I-NET on a parent basis

## Mid-career hires

- Employees using cutting-edge IT technology, such as data scientists
- Active hiring of employees in specialized fields such as space development

## HR development

## Implementation of training tailored to career steps

- > Training for new hires  $\rightarrow$ Extensive support for one year
- ➤ Training for young employees by year →Training by entry year is carried out every year
- ➤ Training for management positions →Management training for newly appointed managers
- ➤ Management cram school →Special training to educate future class of managers
- In addition, many training sessions by theme, such as "strengthening management" and "diversity," are held.

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Inet

## **Inet** Strengthening governance

#### Reinforcing system for fair and transparent corporate management

#### Shift to company with an Audit and Supervisory Committee

#### Strengthen supervisory functions of board of directors

- Audit and Supervisory Committee members, who supervise the job execution of board members, become members of the board of directors
- Audit and Supervisory Committee members have the right to vote in board of directors meetings

#### Establishment of Nominating and Compensation Committee

Strengthen independence and transparency, as well as accountability, of the functions of board of directors meetings

- Responsible for appointing and removing managers and nominating candidates for director positions
- Compensation for managers and directors, and other



Strengthen supervisory function



Enhance transparency

## ESG and social contribution activities by I-NET's regional development foundation

In January 2020, I-NET's regional development foundation was authorized as a public interest corporation. By carrying out long-term and stable activities and supporting activities that contribute to the development of a better local community, we are implementing ESG activities and giving back to society.

#### I-NET's regional development foundation, a public interest corporation



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Link for foundation's website https://www.inet-found.or.jp/

## The foundation carries out the following projects in the Kanagawa Prefecture region.

- Projects to support and provide subsidies or to assess and award the sustainability and activities of organizations that carry out activities related to the following activities
  - Sound training and education of children and youth
  - Sound mental and physical development through sports
  - Improve public sanitation
  - Environmental conservation and infrastructure
  - Sound development of local community
- Projects needed to achieve other objectives with public benefit

I-NET's regional development foundation was established by Noriyoshi Ikeda, I-NET's founder and chairman of the board, to provide support and advice on sustainable activities for organizations carrying out activities contributing to society in Kanagawa Prefecture (activities aimed at providing public benefit).

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#### Promotion of employment for disabled people

#### **10-year Anniversary of establishment**

#### **I-NET Data Service**

A special subsidiary was established (authorized by Minister of Health, Labour and Welfare) with the aim of providing a place in which disabled people can thrive and receive support in living independently.



Growth of "Cheering on Working Moms" website to support childrearing and women's participation in the workplace

#### Cheering on Working Moms

Support Team for Working Mothers was set up and is run as a search site for childcare centers that uses open data for Yokohama City.



https://kosodate.inet.co.jp/

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Initiatives in Medium-term Management Plan

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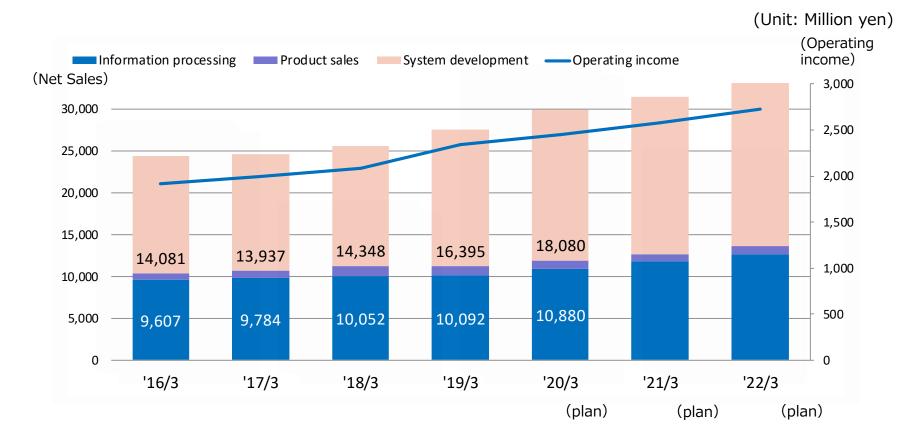
## Earnings plans

Plans as of the release in May 2019

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#### net Medium-term Earnings Forecasts (consolidated)

Forecasts released in May 2019



Net sales	24,434	24,617	25,615	27,591	30,000	31,500	33,200
Operating income	1,918	1,992	2,081	2,345	2,450	2,580	2,730
ROE	9.4%	10.7%	10.4%	10.9%	10.9%	11.0%	11.1%

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