

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 29, 2022

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: August 8, 2022  
 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	7,905	10.4	323	7.2	360	1.7	215	(10.9)
Three months ended June 30, 2021	7,157	(2.5)	301	(12.2)	354	(4.1)	241	462.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	13.46		–	
Three months ended June 30, 2021	15.11		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	32,970	16,912	51.3
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	–				
Year ending March 31, 2023 (Forecast)		24.00	–	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	33,500	7.5	2,640	11.5	2,770	9.0	1,830	8.0	114.55

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2022	16,242,424 shares	As of March 31, 2022	16,242,424 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	266,291 shares	As of March 31, 2022	266,281 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	15,976,133 shares	Three months ended June 30, 2021	15,976,150 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	3,684,659	4,142,238
Notes and accounts receivable - trade, and contract assets	6,394,311	5,468,819
Merchandise and finished goods	179,768	211,463
Work in process	83,557	145,793
Raw materials and supplies	66,432	59,898
Other	293,375	499,176
Allowance for doubtful accounts	(473)	(390)
Total current assets	10,701,631	10,526,999
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,390,018	10,143,432
Land	3,108,756	3,108,756
Other, net	1,732,900	1,842,329
Total property, plant and equipment	15,231,675	15,094,518
Intangible assets		
Goodwill	195,063	187,656
Software	1,587,595	1,687,737
Other	50,956	50,860
Total intangible assets	1,833,615	1,926,254
Investments and other assets		
Investment securities	3,811,261	3,503,609
Retirement benefit asset	1,048,344	1,044,671
Other	905,165	902,917
Allowance for doubtful accounts	(27,841)	(27,989)
Total investments and other assets	5,736,929	5,423,208
Total non-current assets	22,802,220	22,443,981
Total assets	33,503,851	32,970,980

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	1,695,714	1,277,303
Short-term borrowings	3,065,848	4,522,958
Income taxes payable	558,140	158,758
Provision for bonuses	916,833	523,232
Provision for loss on construction contracts	27,590	19,694
Provision for loss on anti monopoly act	19,366	–
Other	3,619,988	3,996,751
Total current liabilities	9,903,482	10,498,699
Non-current liabilities		
Long-term borrowings	5,858,070	5,207,758
Retirement benefit liability	500	500
Asset retirement obligations	130,789	131,434
Other	306,591	220,218
Total non-current liabilities	6,295,951	5,559,910
Total liabilities	16,199,433	16,058,609
Net assets		
Shareholders' equity		
Share capital	3,203,992	3,203,992
Capital surplus	3,146,335	3,146,335
Retained earnings	10,576,788	10,416,354
Treasury shares	(314,986)	(314,998)
Total shareholders' equity	16,612,129	16,451,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	686,469	461,801
Remeasurements of defined benefit plans	5,818	(1,113)
Total accumulated other comprehensive income	692,288	460,687
Total net assets	17,304,418	16,912,371
Total liabilities and net assets	33,503,851	32,970,980

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

**Consolidated statements of income (cumulative)**

	(Thousands of yen)	
	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	7,157,700	7,905,611
Cost of sales	5,601,311	6,309,968
Gross profit	1,556,388	1,595,643
Selling, general and administrative expenses	1,254,852	1,272,503
Operating profit	301,536	323,139
Non-operating income		
Interest income	80	17
Dividend income	19,680	27,374
Gain on investments in investment partnerships	–	14,892
Subsidy income	44,784	101
Other	3,872	7,280
Total non-operating income	68,419	49,666
Non-operating expenses		
Interest expenses	12,111	10,722
Share of loss of entities accounted for using equity method	–	33
Loss on investments in investment partnerships	1,418	–
Other	2,180	1,812
Total non-operating expenses	15,711	12,568
Ordinary profit	354,244	360,236
Extraordinary income		
Gain on bargain purchase	28,076	–
Gain on sale of investment securities	4,563	–
Total extraordinary income	32,639	–
Extraordinary losses		
Loss on retirement of non-current assets	–	72
Total extraordinary losses	–	72
Profit before income taxes	386,883	360,164
Income taxes	145,455	145,159
Profit	241,428	215,005
Profit attributable to owners of parent	241,428	215,005

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

	(Thousands of yen)	
	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	241,428	215,005
Other comprehensive income		
Valuation difference on available-for-sale securities	538,180	(224,668)
Remeasurements of defined benefit plans, net of tax	(2,507)	(6,932)
Total other comprehensive income	535,672	(231,601)
Comprehensive income	777,101	(16,595)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	777,101	(16,595)
Comprehensive income attributable to non-controlling interests	-	-