

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 31, 2023

Company name: I-NET Corp.  
 Stock exchange listing: Tokyo  
 Stock code: 9600 URL <https://www.inet.co.jp>  
 Representative: Representative Director and Executive Tomomichi Saeki  
 President  
 Executive Officer, Head of Finance  
 Inquiries: Department Joji Ishiwata TEL 045-682-0806  
 Scheduled date to file Quarterly Securities Report: August 7, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 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, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	9,184	16.2	657	103.4	702	95.1	438	103.8
Three months ended June 30, 2022	7,905	10.4	323	7.2	360	1.7	215	(10.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	27.41		–	
Three months ended June 30, 2022	13.46		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	34,430	17,869	51.9
As of March 31, 2023	32,630	17,581	53.9

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, 2023	–	24.00	–	24.00	48.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		26.00	–	26.00	52.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	37,700	7.7	2,750	29.2	2,900	33.3	2,020	50.3	126.37

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023  
 (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 June 30, 2023	16,242,424 shares	As of March 31, 2023	16,242,424 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	257,541 shares	As of March 31, 2023	257,521 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, 2023	15,984,893 shares	Three months ended June 30, 2022	15,976,133 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	2,310,183	4,224,601
Notes and accounts receivable - trade, and contract assets	7,287,412	6,517,879
Merchandise and finished goods	43,597	62,038
Work in process	110,797	182,028
Raw materials and supplies	48,832	90,736
Other	445,580	611,692
Allowance for doubtful accounts	(370)	(326)
Total current assets	10,246,033	11,688,650
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,362,384	10,402,383
Land	2,966,336	2,966,336
Other, net	1,622,800	1,522,135
Total property, plant and equipment	14,951,521	14,890,855
Intangible assets		
Goodwill	165,433	158,026
Software	1,895,013	1,975,237
Other	33,153	33,153
Total intangible assets	2,093,600	2,166,417
Investments and other assets		
Investment securities	3,566,869	3,921,922
Retirement benefit asset	907,910	926,532
Other	892,639	864,767
Allowance for doubtful accounts	(28,259)	(28,259)
Total investments and other assets	5,339,159	5,684,962
Total non-current assets	22,384,280	22,742,235
Total assets	32,630,314	34,430,886

	(Thousands of yen)	
	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,743,329	3,350,407
Short-term borrowings	3,068,448	2,954,038
Income taxes payable	282,283	298,737
Provision for bonuses	963,633	560,693
Provision for loss on orders received	460	1,186
Asset retirement obligations	–	43,953
Other	3,236,386	4,207,877
Total current liabilities	9,294,540	11,416,894
Non-current liabilities		
Long-term borrowings	5,239,226	4,618,134
Retirement benefit liability	42,020	47,616
Asset retirement obligations	190,961	147,742
Other	281,746	330,766
Total non-current liabilities	5,753,953	5,144,259
Total liabilities	15,048,493	16,561,154
Net assets		
Shareholders' equity		
Share capital	3,203,992	3,203,992
Capital surplus	3,147,381	3,147,381
Retained earnings	11,161,262	11,215,721
Treasury shares	(304,545)	(304,575)
Total shareholders' equity	17,208,090	17,262,520
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	526,977	759,715
Remeasurements of defined benefit plans	(153,248)	(152,504)
Total accumulated other comprehensive income	373,729	607,211
Total net assets	17,581,820	17,869,731
Total liabilities and net assets	32,630,314	34,430,886

**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, 2022	Three months ended June 30, 2023
Net sales	7,905,611	9,184,573
Cost of sales	6,309,968	7,155,607
Gross profit	1,595,643	2,028,966
Selling, general and administrative expenses	1,272,503	1,371,799
Operating profit	323,139	657,166
Non-operating income		
Interest income	17	0
Dividend income	27,374	34,571
Gain on investments in investment partnerships	14,892	15,863
Other	7,381	4,072
Total non-operating income	49,666	54,508
Non-operating expenses		
Interest expenses	10,722	8,860
Share of loss of entities accounted for using equity method	33	34
Other	1,812	17
Total non-operating expenses	12,568	8,912
Ordinary profit	360,236	702,762
Extraordinary losses		
Loss on retirement of non-current assets	72	-
Total extraordinary losses	72	-
Profit before income taxes	360,164	702,762
Income taxes	145,159	264,665
Profit	215,005	438,097
Profit attributable to owners of parent	215,005	438,097

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

	(Thousands of yen)	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	215,005	438,097
Other comprehensive income		
Valuation difference on available-for-sale securities	(224,668)	232,737
Remeasurements of defined benefit plans, net of tax	(6,932)	744
Total other comprehensive income	(231,601)	233,482
Comprehensive income	(16,595)	671,579
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(16,595)	671,579
Comprehensive income attributable to non-controlling interests	-	-