



**Supplementary
Briefing Materials
for Financial Results**

**First Quarter of the Fiscal Year
Ending March 2025**

I-NET Corp.
[TSE, Prime Market: 9600]

July 31, 2024

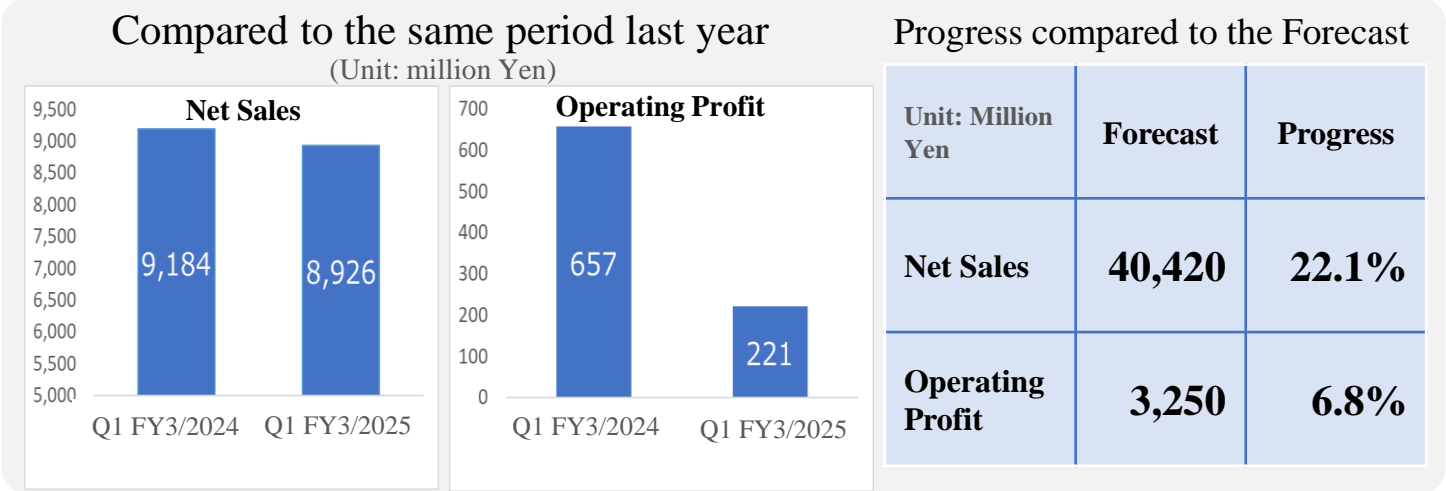
(Unit: Million Yen)

Net Sales	Change Compared to the same period last year	
8,926	(257)	(2.8%)
Operating Profit		
221	(435)	(66.3%)
Net profit attributable to owners of parent		
76	(361)	(82.5%)

Overview of Sales Revenue

The current fiscal year is more weighted towards the second half than usual, with a decrease in revenue compared to the same period last year.

- [【Status by Service】](#)
- [Information Processing Services for Service Stations](#)
- The information processing services for Service Stations (SS) are maintaining the current status.
 - The number of trading partners in “PROPANETS has increased to 250 customers.
- [Data Center Cloud Services](#)
- Slight decrease due to adjustments in electricity rates. No impact on profits.
 - The number of new projects is high, but there have been delays in orders, causing revenue recognition to be postponed to the second half of the fiscal year.
- [Mailing Services](#)
- We lost a major bid, and were unable to compensate for the resulting revenue shortfall with other projects, significantly falling below initial expectations.
 - Aiming for an increase in orders, but realization is expected after the second quarter.
- [System Development](#)
- The decline in system projects related to invoicing, especially in the energy sector, has had a significant impact.
 - Development for the retail and financial industries has reached a lull, entering a transitional period.
 - For our financial products, there are many negotiations, but orders are delayed. Expectations are high for the SaaS-based loan system in the second half of the fiscal year.



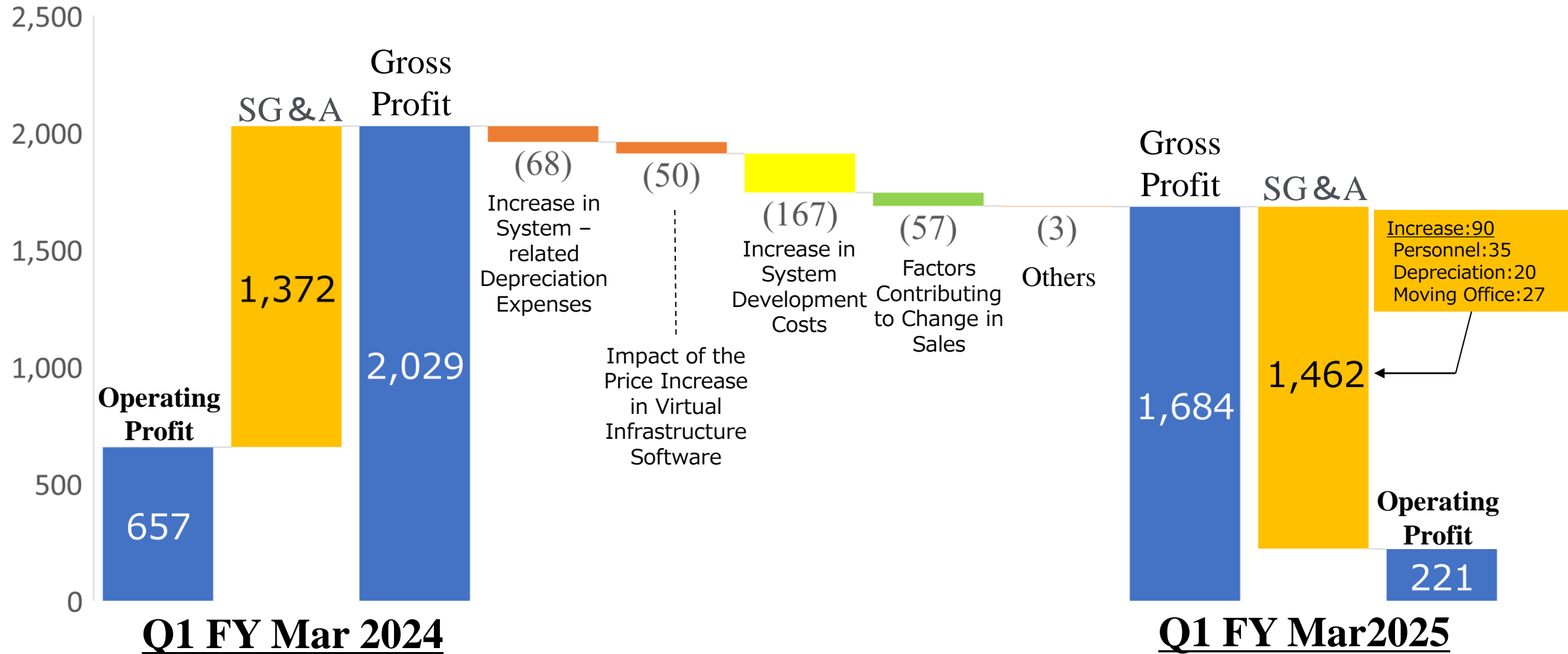
Note: Amounts are rounded down to the nearest million Yen, and the rate of year-on-year change is rounded to the first decimal place.

Analysis of Fluctuations in Operating Profit

Compared to the same period last year



(Unit: Million Yen)



Note: Amounts are rounded down to the nearest million Yen, and the rate of year-on-year change is rounded to the first decimal place.

Earnings in Q1 FY Mar 2025



Unit: Million Yen	Q1 FY Mar 2024		Q1 FY Mar 2025		Compared to the same period last year		Relative to Forecasts
	Amount	Relative to Sales	Amount	Relative to Sales	Change	Rate of Change	% achieved
Net Sales	9,184	100.0%	8,926	100.0%	(257)	(2.8%)	22.1%
Cost of Sales	7,155	77.9%	7,242	81.1%	86	1.2%	--
Gross Profit	2,028	22.1%	1,684	18.9%	(344)	(17.0%)	--
SG&A Expenses	1,371	14.9%	1,462	16.4%	90	6.6%	--
Operating Profit	657	7.2%	221	2.5%	(435)	(66.3%)	6.8%
Ordinary Profit	702	7.2%	264	3.0%	(438)	(62.4%)	8.2%
Net Income attributable to owners of parent	438	4.8%	76	0.9%	(361)	(82.5%)	2.9%

Note: Amounts are rounded down to the nearest million Yen, and relative to sales, rate of changes and % achieved are rounded to the first decimal place.

Earnings in Q1 FY Mar 2025 by Service

Unit: Million Yen		Q1 FY Mar 2024		Q1 FY Mar 2025		Compared to the same period last year	
		Amount	Profit Margin	Amount	Profit Margin	Change	Rate of Change
Information Processing Services	Net Sales	3,735	--	3,546	--	(188)	(5.1%)
	Gross Profit	734	19.7%	565	15.9%	(169)	(23.0%)
System Development Services	Net Sales	5,193	--	5,080	--	(112)	(2.2%)
	Gross Profit	1,212	23.4%	1,018	20.0%	(194)	(16.0%)
Product Sales	Net Sales	255	--	299	--	43	17.2%
	Gross Profit	81	31.9%	100	33.5%	18	22.9%
Total	Net Sales	9,184	--	8,926	--	(257)	(2.8%)
	Gross Profit	2,028	22.1%	1,684	18.9%	(344)	(17.0%)

Note: Amounts are rounded down to the nearest million Yen, and the rate of year-on-year change and Profit rate are rounded to the first decimal place.

Information Processing Services

Data Center and Cloud Services

- ✓ Company's own cloud services
- ✓ Cloud services for companies (SaaS, etc.)
- ✓ Co-location services for companies

Commissioned Calculation Services

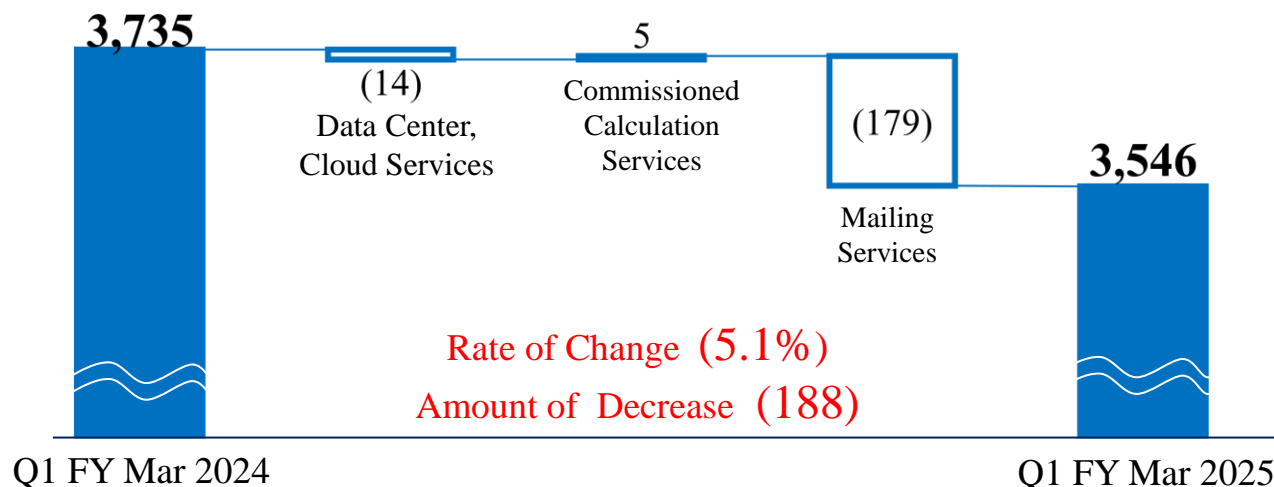
- ✓ Platform for sales management and fee settlement for SS (service stations) (share of over 30% in Japan)
- ✓ Platform for fee settlement compatible with smart meters for propane gas businesses (brand name: PROPANET)

Mailing Services

- ✓ Printing and mailing services for general corporations and government agencies
- ✓ Hybrid distribution service combining printed materials and e-mail

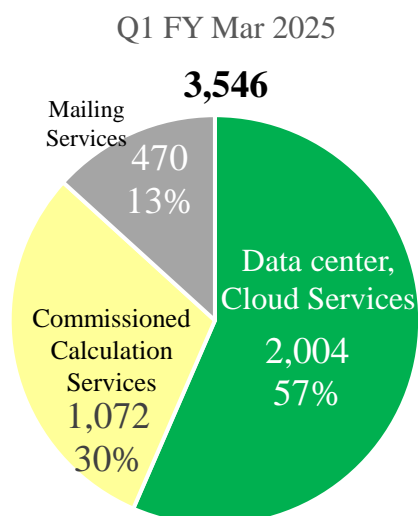
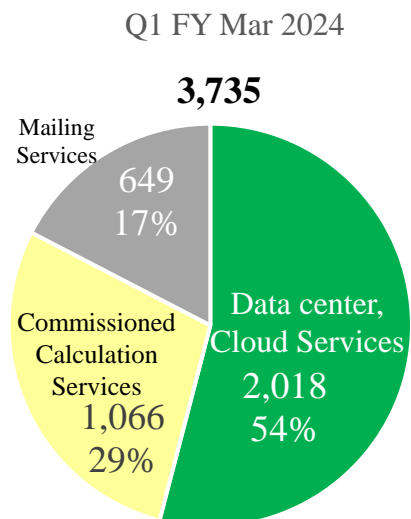
Factors behind changes in Net Sales

Unit: Million Yen



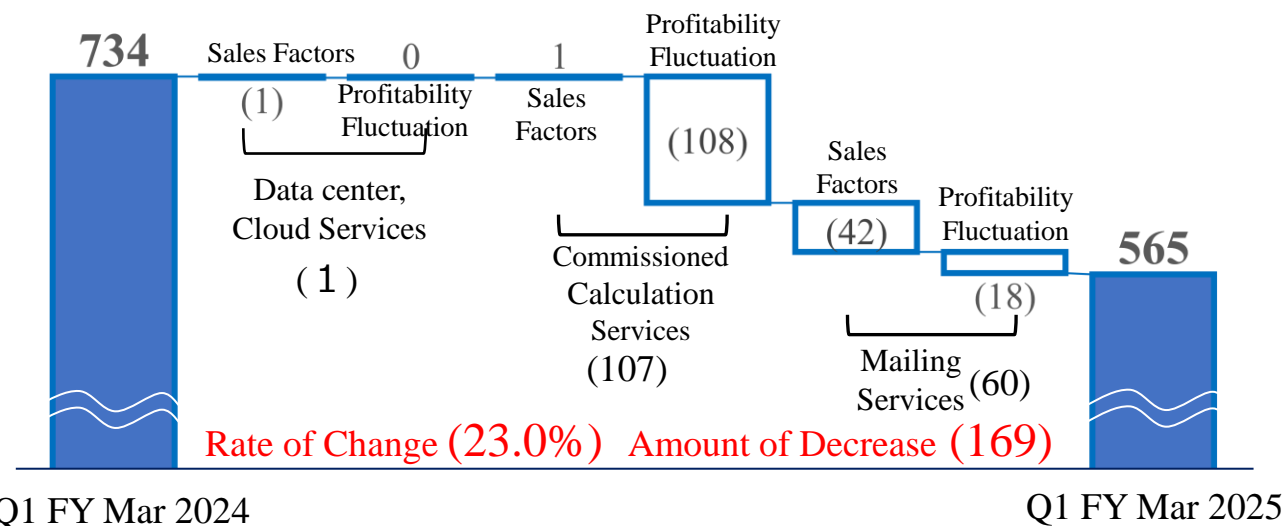
Net Sales by Service

Unit: Million Yen



Factors behind changes in Gross Profit

Unit: Million Yen



Note: Amounts for net sales, gross profit and changes for each are rounded down to the nearest million Yen. The rate of year-on-year change is rounded to the first decimal place. Totals, breakdowns and changes may not match due to rounding.

Commissioned Development

- ✓ System development and contracts for energy industry-related companies
- ✓ System development and contracts for financial institutions
- ✓ System development and contracts for transportation system-related companies
- ✓ System development and contracts, inspections/tests, and operation/evaluation analysis for space-related companies
- ✓ System development and contracts for the distribution industry, general companies, and manufacturers
- ✓ Introduction, development, and contracts for security-related systems
- ✓ System development and contracts for communication businesses
- ✓ Embedded control system development and contracts

System Product Development

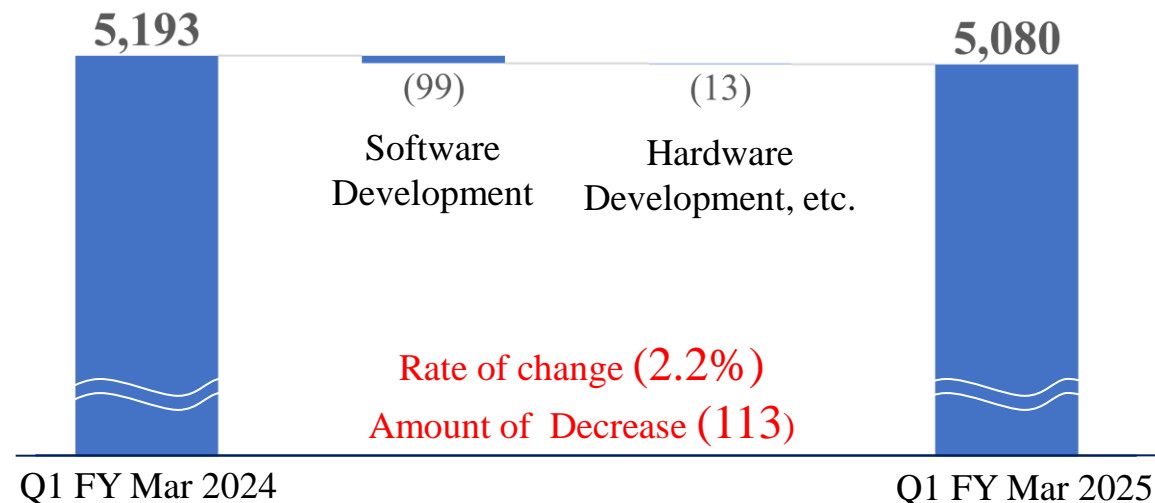
- ✓ Financial products (unsecured loan systems: LOAN RANGER® UC, costing systems for financial institutions: ABC Financial, etc.)
- ✓ Credit settlement systems (i-Gateway), settlement system linked to Pos, etc.
- ✓ Security-related (vulnerability diagnosis, Darktrace, etc.)
- ✓ DX-related products (systems to improve operational efficiency, RPA, etc.)

Net Sales by Service

Unit: Million Yen	Q1 FY Mar 2024	Q1 FY Mar 2025	Rate of Change
Software Development	4,744	4,644	(2.1%)
Hardware Development, etc.	448	435	(2.9%)

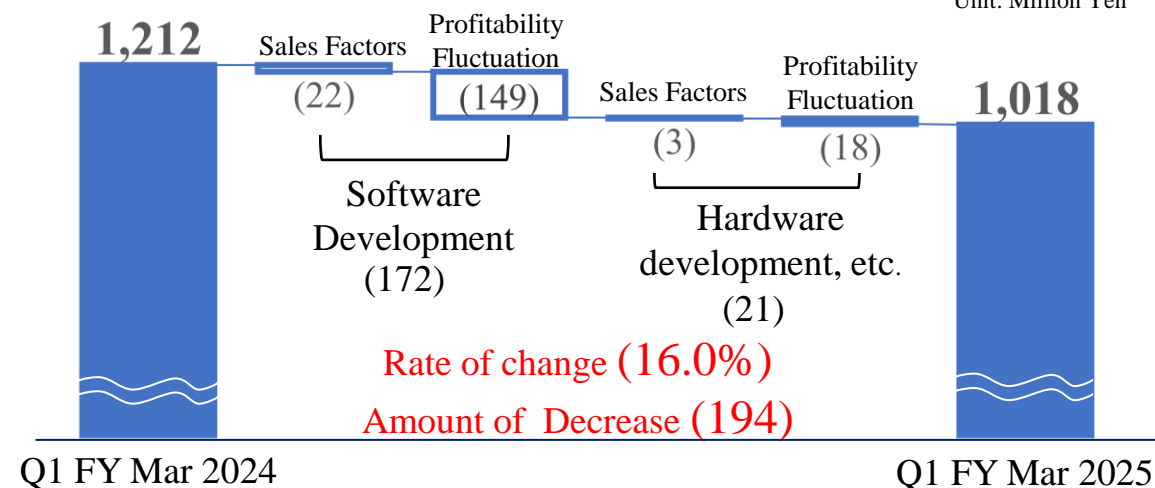
Factors behind changes in net sales

Unit: Million Yen



Factors behind changes in gross profit

Unit: Million Yen

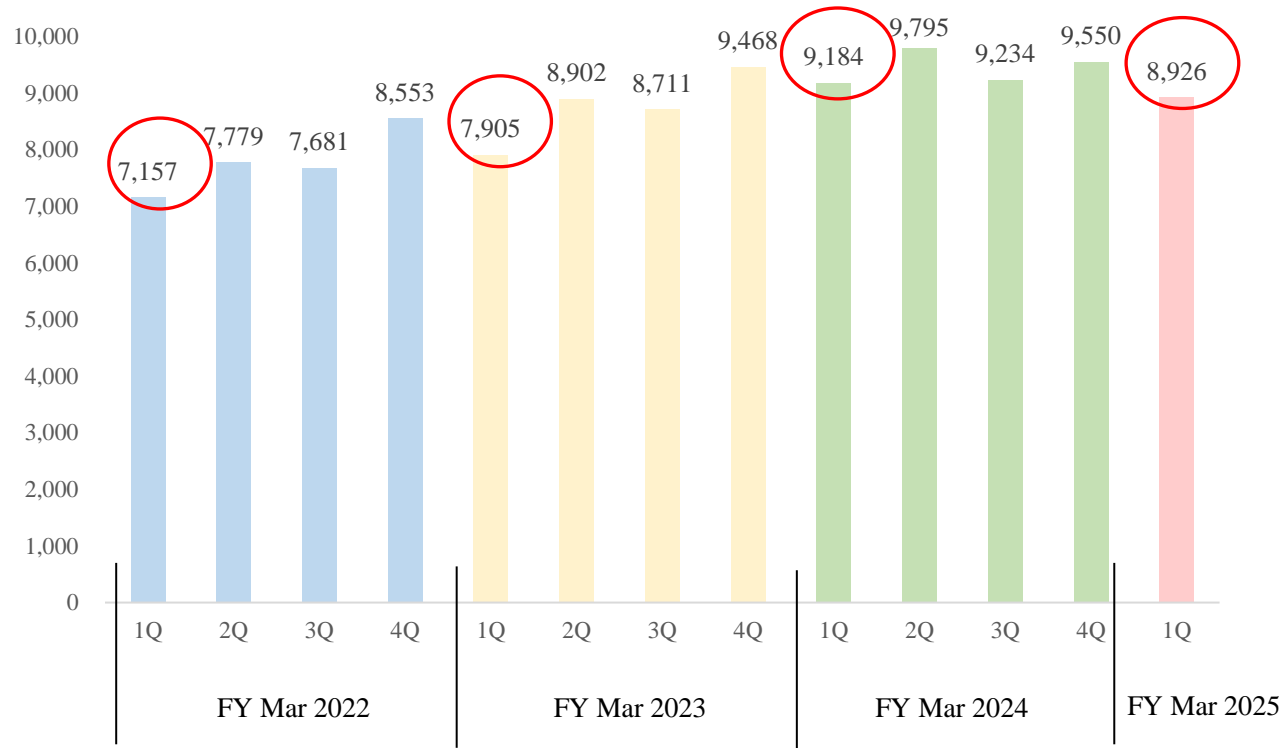


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Summary of Quarterly Earnings

Net Sales (Quarterly)

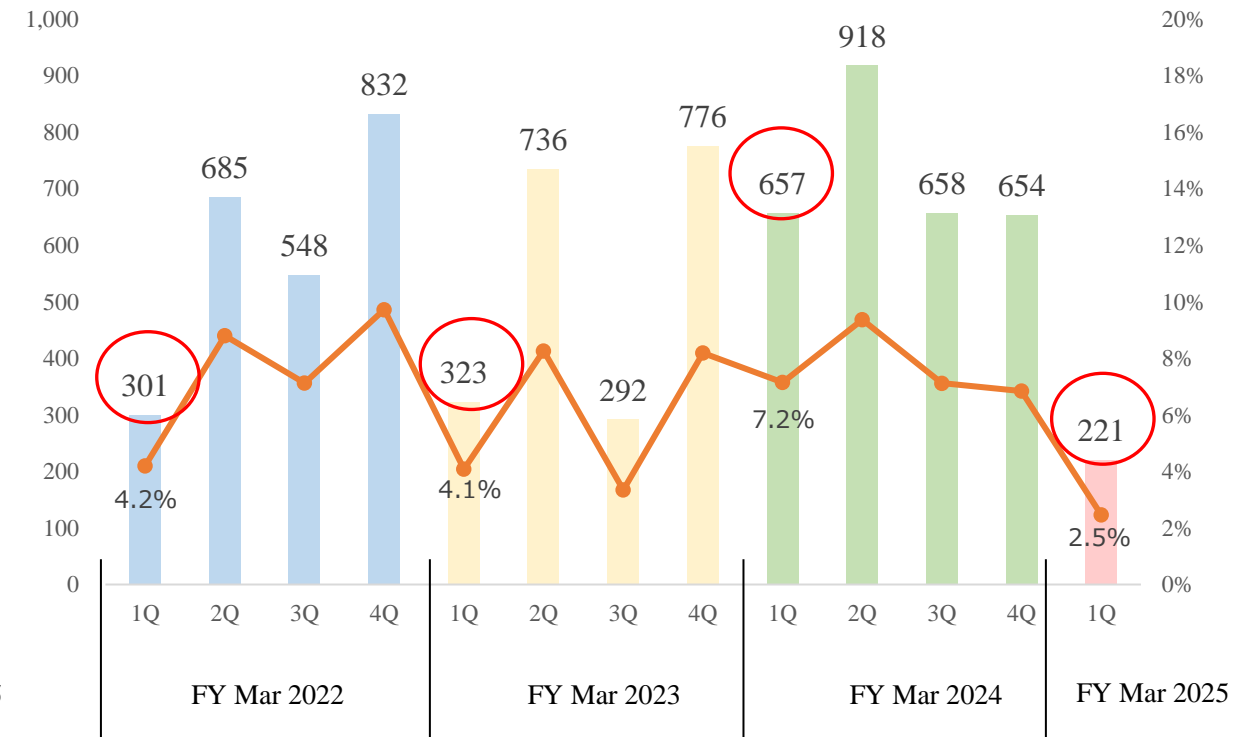
Unit: Million Yen



Operating Profit (Quarterly)

The red line shows the Operating Profit Margin

Unit: Million Yen

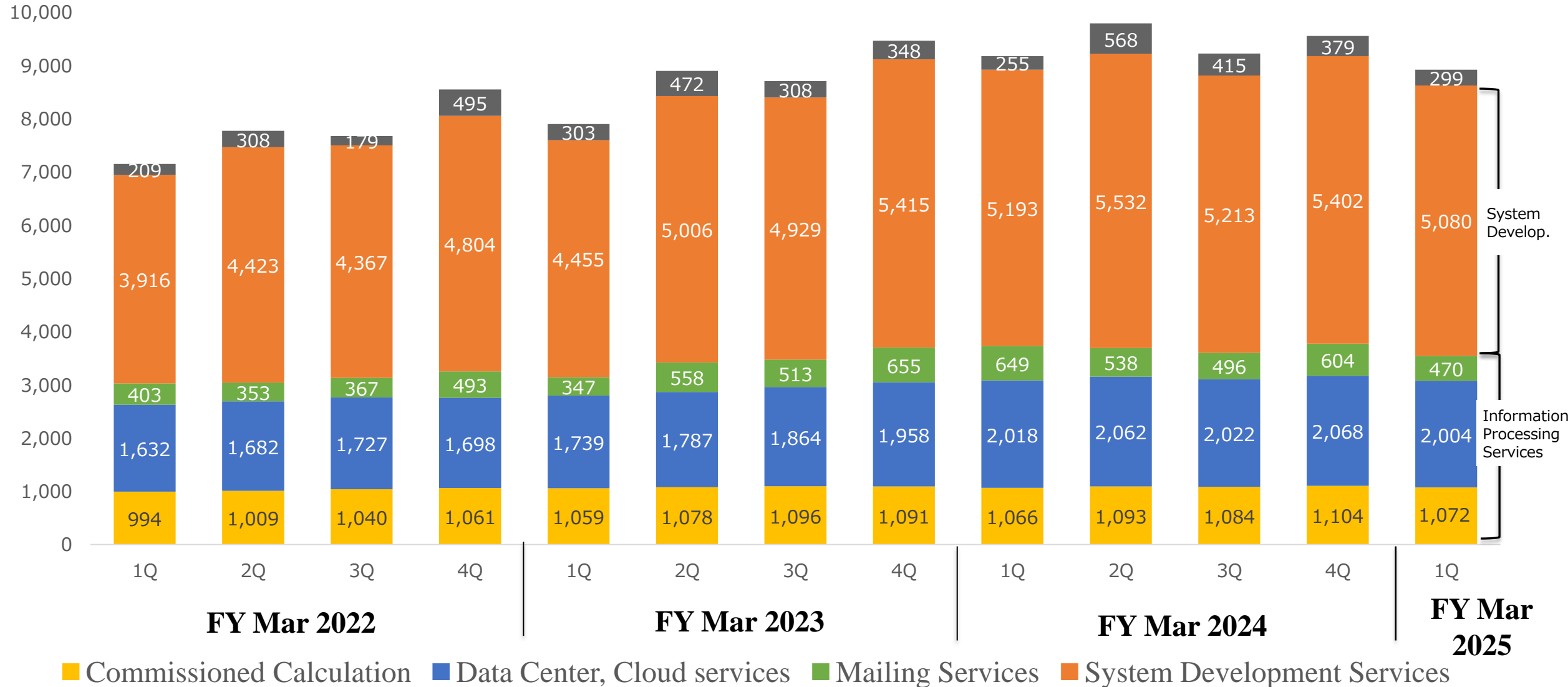


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Changes in Quarterly Net Sales by Service



Unit: Million Yen



Note: Amounts are rounded down to the nearest million Yen, and the totals may not match.

Regarding the full-year Performance Outlook

Although the performance in the first quarter was sluggish, we anticipate a stronger second half compared to usual. At this point, we do not plan to revise the full-year forecast.

- The lack of growth in sales compared to the same period last year was within our initial expectations. Considering the current order intake and inquiries, we believe that a recovery in sales for the full year is achievable.
- Profit levels have significantly declined compared to the same period last year. In the information processing services division, we are experiencing increased costs due to higher prices for virtual infrastructure software and rising system amortization expenses. However, we are working on passing these costs onto sales prices, and we expect profitability to improve in the future.
- In system development, we are currently in a transitional period between projects, leading to increased costs. We are focusing on securing orders for development projects starting in the second quarter and beyond. Specifically, by securing orders for the highly sought-after SaaS-based development services, we aim to achieve our profit targets.
- The mailing services are increasing the number of orders for both large and small projects, with expected revenue improvement in the second quarter.

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