

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

October 31, 2024

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 Semi-annual Securities Report: November 8, 2024  
 Scheduled date to commence dividend payments: December 5, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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	%
Six months ended September 30, 2024	18,875	(0.5)	1,025	(34.9)	1,020	(36.3)	1,005	(3.5)
Six months ended September 30, 2023	18,979	12.9	1,575	48.7	1,601	49.0	1,041	60.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	65.11		-	
Six months ended September 30, 2023	65.19		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	36,436	18,549	50.9
As of March 31, 2024	37,607	20,097	53.4

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, 2024	-	26.00	-	27.00	53.00
Year ending March 31, 2025	-	28.00	-	-	-
Year ending March 31, 2025 (Forecast)	-	-	-	28.00	56.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	40,420	7.0	3,250	12.6	3,225	9.9	2,625	19.4	172.04

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No
- (2) Application of special accounting methods for preparing semi-annual consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
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|--|-----|
| 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 September 30, 2024	16,242,424 shares	As of March 31, 2024	16,242,424 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	984,732 shares	As of March 31, 2024	257,684 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	15,443,965 shares	Six months ended September 30, 2023	15,984,872 shares
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**Semi-annual consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	5,279,892	4,759,796
Notes and accounts receivable - trade, and contract assets	6,647,366	6,886,882
Merchandise and finished goods	164,259	43,570
Work in process	152,618	203,314
Raw materials and supplies	92,837	96,381
Other	477,061	709,320
Allowance for doubtful accounts	(245)	(172)
Total current assets	<u>12,813,790</u>	<u>12,699,093</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,609,956	10,694,215
Land	2,954,476	2,950,519
Other, net	1,695,420	1,930,013
Total property, plant and equipment	<u>15,259,853</u>	<u>15,574,748</u>
Intangible assets		
Goodwill	135,803	120,988
Software	2,097,223	2,016,199
Other	381	381
Total intangible assets	<u>2,233,408</u>	<u>2,137,569</u>
Investments and other assets		
Investment securities	4,854,983	3,612,693
Retirement benefit asset	1,451,869	1,477,062
Other	1,021,781	963,545
Allowance for doubtful accounts	(28,241)	(28,142)
Total investments and other assets	<u>7,300,392</u>	<u>6,025,158</u>
Total non-current assets	<u>24,793,654</u>	<u>23,737,476</u>
Total assets	<u>37,607,445</u>	<u>36,436,569</u>

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	2,171,721	2,289,342
Short-term borrowings	2,714,508	5,353,426
Income taxes payable	783,704	629,255
Provision for bonuses	1,019,786	1,105,173
Provision for loss on orders received	70,566	8,700
Asset retirement obligations	61,817	–
Other	5,223,251	3,678,474
Total current liabilities	12,045,355	13,064,373
Non-current liabilities		
Long-term borrowings	4,584,718	4,132,636
Retirement benefit liability	550	5,271
Asset retirement obligations	172,021	222,481
Other	707,793	462,689
Total non-current liabilities	5,465,083	4,823,077
Total liabilities	17,510,439	17,887,450
Net assets		
Shareholders' equity		
Share capital	3,203,992	3,203,992
Capital surplus	3,147,381	3,155,379
Retained earnings	12,559,884	13,133,924
Treasury shares	(304,839)	(1,791,800)
Total shareholders' equity	18,606,419	17,701,496
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,264,573	628,142
Remeasurements of defined benefit plans	226,013	219,479
Total accumulated other comprehensive income	1,490,586	847,622
Total net assets	20,097,006	18,549,119
Total liabilities and net assets	37,607,445	36,436,569

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

**Consolidated statements of income (cumulative)**

	(Thousands of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	18,979,782	18,875,882
Cost of sales	14,749,651	15,059,207
Gross profit	4,230,131	3,816,674
Selling, general and administrative expenses	2,654,503	2,790,724
Operating profit	1,575,628	1,025,950
Non-operating income		
Interest income	5	124
Dividend income	38,845	31,365
Gain on investments in investment partnerships	3,781	18,799
Other	10,763	17,500
Total non-operating income	53,395	67,790
Non-operating expenses		
Interest expenses	18,391	25,404
Share of loss of entities accounted for using equity method	487	29,086
Commission expenses	8,386	10,496
Other	109	8,603
Total non-operating expenses	27,374	73,591
Ordinary profit	1,601,648	1,020,148
Extraordinary income		
Gain on sale of investment securities	–	634,392
Gain on sale of non-current assets	5,644	–
Total extraordinary income	5,644	634,392
Extraordinary losses		
Losses related to head office relocation	–	59,780
Loss on retirement of non-current assets	56	5,826
Loss on cancellation of leases	1,627	–
Total extraordinary losses	1,684	65,607
Profit before income taxes	1,605,608	1,588,933
Income taxes	563,627	583,305
Profit	1,041,981	1,005,628
Profit attributable to owners of parent	1,041,981	1,005,628

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

	(Thousands of yen)	
	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	1,041,981	1,005,628
Other comprehensive income		
Valuation difference on available-for-sale securities	501,936	(636,430)
Remeasurements of defined benefit plans, net of tax	1,488	(6,534)
Total other comprehensive income	503,424	(642,964)
Comprehensive income	1,545,405	362,663
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,545,405	362,663
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,605,608	1,588,933
Depreciation	1,006,813	1,133,121
Amortization of goodwill	14,814	14,814
Loss (gain) on sale of investment securities	–	(634,392)
Losses related to head office relocation	–	59,780
Loss on cancellation of leases	1,627	–
Increase (decrease) in allowance for doubtful accounts	(147)	(171)
Interest and dividend income	(38,850)	(31,490)
Interest expenses	18,391	25,404
Loss on retirement of non-current assets	56	5,826
Loss (gain) on sale of non-current assets	(5,644)	–
Decrease (increase) in trade receivables	(223,936)	(239,600)
Decrease (increase) in inventories	(50,068)	66,448
Increase (decrease) in trade payables	704,246	117,621
Increase (decrease) in contract liabilities	187,818	(303,034)
Increase (decrease) in accrued consumption taxes	193,140	(128,785)
Other, net	499,488	(502,650)
Subtotal	3,913,360	1,171,826
Interest and dividends received	38,850	31,488
Proceeds from dividends income from investments in partnership	11,840	22,200
Interest paid	(18,244)	(23,972)
Income taxes paid	(228,156)	(728,243)
Net cash provided by (used in) operating activities	3,717,649	473,299
Cash flows from investing activities		
Purchase of property, plant and equipment	(800,548)	(2,004,654)
Proceeds from sale of property, plant and equipment	15,135	4,177
Purchase of intangible assets	(396,172)	(204,864)
Payments of leasehold and guarantee deposits	(2,264)	(767)
Proceeds from refund of leasehold and guarantee deposits	272	120,586
Purchase of investment securities	(41,043)	(45,489)
Proceeds from sale of investment securities	17,494	994,842
Other, net	(392)	6,400
Net cash provided by (used in) investing activities	(1,207,519)	(1,129,769)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,000,000	2,700,000
Proceeds from long-term borrowings	–	900,000
Repayments of long-term borrowings	(1,657,464)	(1,413,164)
Purchase of treasury shares	(103)	(1,559,558)
Dividends paid	(383,081)	(430,752)
Repayments of lease liabilities	(41,550)	(60,150)
Net cash provided by (used in) financing activities	(1,082,199)	136,374
Net increase (decrease) in cash and cash equivalents	1,427,930	(520,096)
Cash and cash equivalents at beginning of period	2,310,183	5,279,892
Cash and cash equivalents at end of period	3,738,113	4,759,796