



**Supplementary
Briefing Materials
for Financial Results**

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

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

January 31, 2025

Earnings Summary

Net Sales

28,684

(Unit: Million Yen)
Change Compared to the same period last year

471

1.7%

Operating Profit

1,648

(584)

(26.2)%

Net profit

attributable to owners of parent

1,440

(61)

(4.1)%

Overview of sales/operating profit (cumulative)

Sales rose year on year. Information processing services in the stock business were strong. Systems development was supported by financial, manufacturing, and space-related businesses, but sales declined due to a sluggish system development for the energy and distribution industries. Operating profit decreased. In the Q2 and Q3 alone, operating profit was as good as in the previous year, but we were unable to compensate for the slump in the Q1.

Net income for the period managed to remain on par with the same period last year. Sales gain of 630 million yen contributed to the profit.

【Status by Service】

Commissioned Calculation Services (SS: service station)*

- The information processing service for SS (Gas Station) remained steady, maintaining the current status.
- The depreciation cost for in-house systems for service stations is increasing. Although we are moving forward with the transfer of prices, the profitability declined because we were not able to replace them completely.

Data center and Cloud Services*

- Sales of data center cloud services increased due to a revision in sales prices and an increase in the acquisition of new customers.
- We continue to respond to rising costs related to cloud services. Gross margin declined due to higher costs.

Mailing Service*

- New orders increased for Q2 and Q3 alone. Increased revenue and earnings were achieved due to the business integration effect of Fujitsu Coworco with the BPO division.

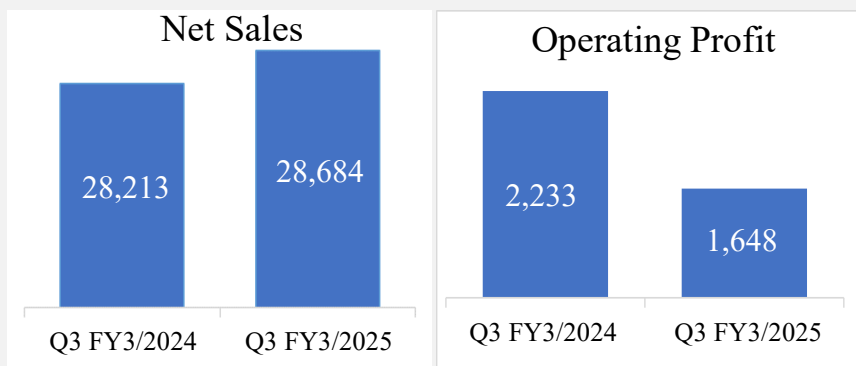
System Development Services

- Sales decreased during the first half of the fiscal year, but sales increased in Q3 alone. Although sales of system development for the energy and distribution industries are decreasing, sales of system development for the financial and manufacturing industries are growing, and the space satellite business is also steadily growing. We are expanding sales of in-house developed services.

*Information Processing Services

Compared to the same period last year

(Unit: million Yen)



Progress compared to the Forecast**

| Unit: Million Yen | Forecast ** | Progress |
|-------------------|-------------|----------|
| Net Sales | 39,500 | 72.6% |
| Operating Profit | 2,500 | 65.9% |
| Ordinary Profit | 2,500 | 67.1% |
| Net profit | 2,200 | 65.5% |

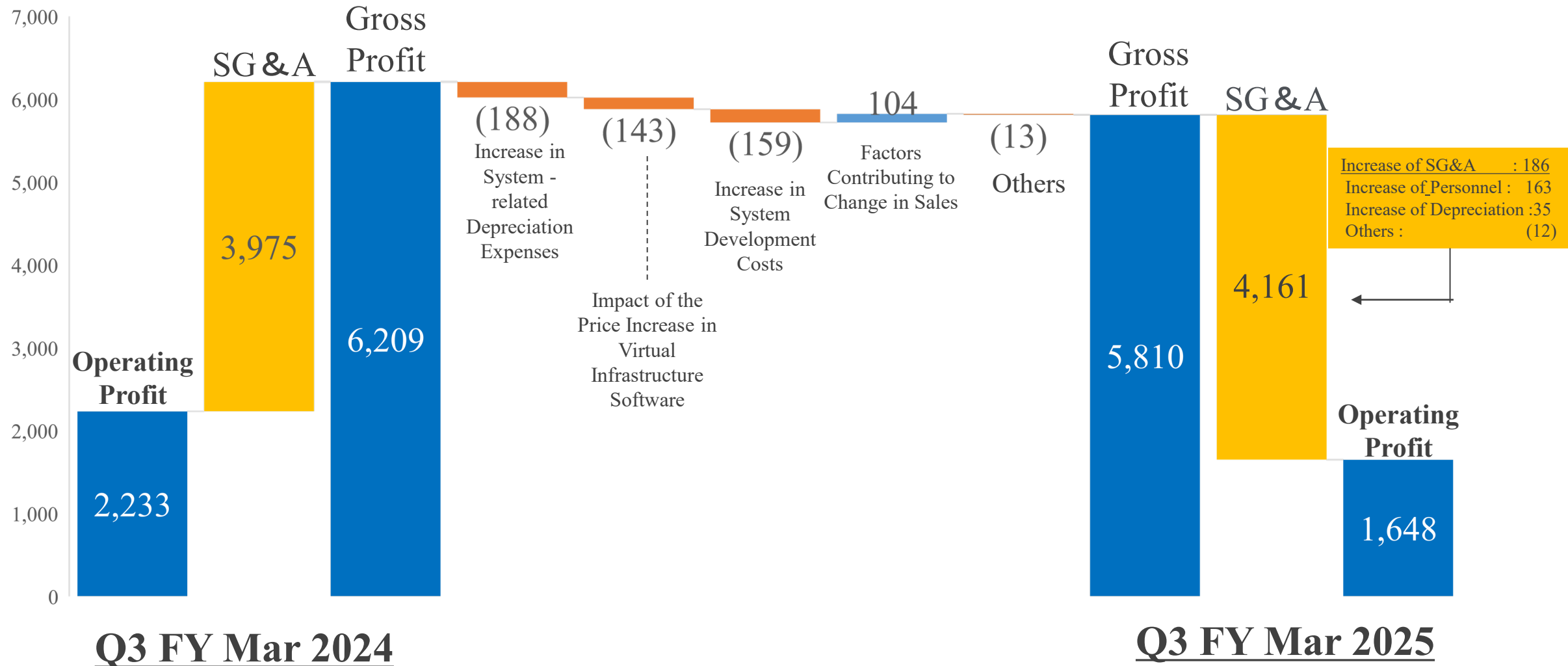
** Based on revisions to the full-year forecast for January 31, 2025.

Note: Amounts are rounded down to the nearest million yen, and year-on-year changes are rounded to the second 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 Q3 FY Mar 2025



| Unit: Million Yen | Q3 FY Mar 2024 | | Q3 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 | 28,213 | 100.0% | 28,684 | 100.0% | 471 | 1.7% | 72.6% |
| Cost of Sales | 22,004 | 78.0% | 22,874 | 79.7% | 870 | 4.0% | -- |
| Gross Profit | 6,209 | 22.0% | 5,810 | 20.3% | (398) | (6.4)% | -- |
| SG&A Expenses | 3,975 | 14.1% | 4,161 | 14.5% | 186 | 4.7% | -- |
| Operating Profit | 2,233 | 7.9% | 1,648 | 5.7% | (584) | (26.2)% | 65.9% |
| Ordinary Profit | 2,291 | 8.1% | 1,676 | 5.8% | (615) | (26.8)% | 67.1% |
| Net Income attributable to owners of parent | 1,501 | 5.3% | 1,440 | 5.0% | (61) | (4.1)% | 65.5% |

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.

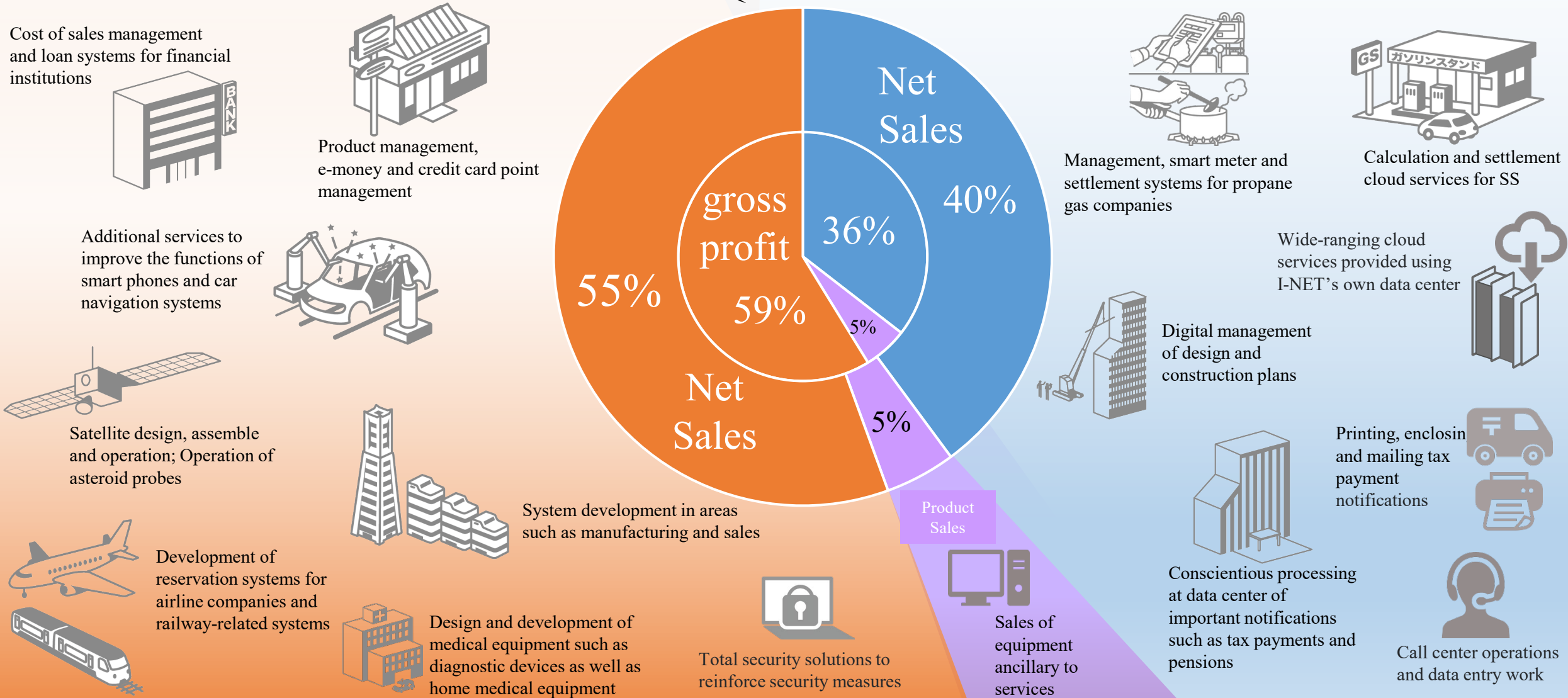
* Based on revisions to the full-year forecast for January 31, 2025.

Sales by Service Category / Composition of gross profit

System Development Services

Information Processing Services

Q3 FY3/2025



Earnings in Q3 FY Mar 2025 by Service

| Unit: Million Yen | | Q3 FY Mar 2024 | | Q3 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 | 11,034 | -- | 11,478 | -- | 444 | 4.0% |
| | Gross Profit | 2,338 | 21.2% | 2,095 | 18.3% | (243) | (10.4)% |
| System Development Services | Net Sales | 15,939 | -- | 15,765 | -- | (173) | (1.1)% |
| | Gross Profit | 3,591 | 22.5% | 3,418 | 21.7% | (172) | (4.8)% |
| Product Sales | Net Sales | 1,239 | -- | 1,440 | -- | 200 | 16.2% |
| | Gross Profit | 278 | 22.5% | 296 | 20.6% | 17 | 6.3% |
| Total | Net Sales | 28,213 | -- | 28,684 | -- | 471 | 1.7% |
| | Gross Profit | 6,209 | 22.0% | 5,810 | 20.3% | (398) | (6.4)% |

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

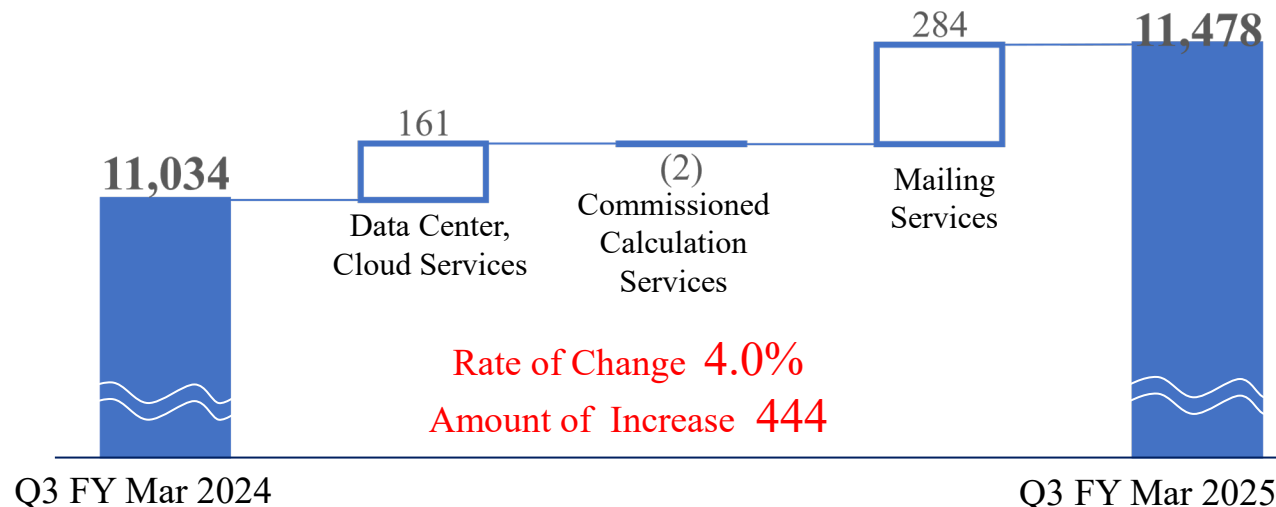
- ✓ Platform for sales management and fee settlement for SS (service stations) (share of over 30% in Japan)
- ✓ Platform for fee settlement compatible with smart meters for propane gas businesses (brand name: PROPANET)

Mailing Services

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

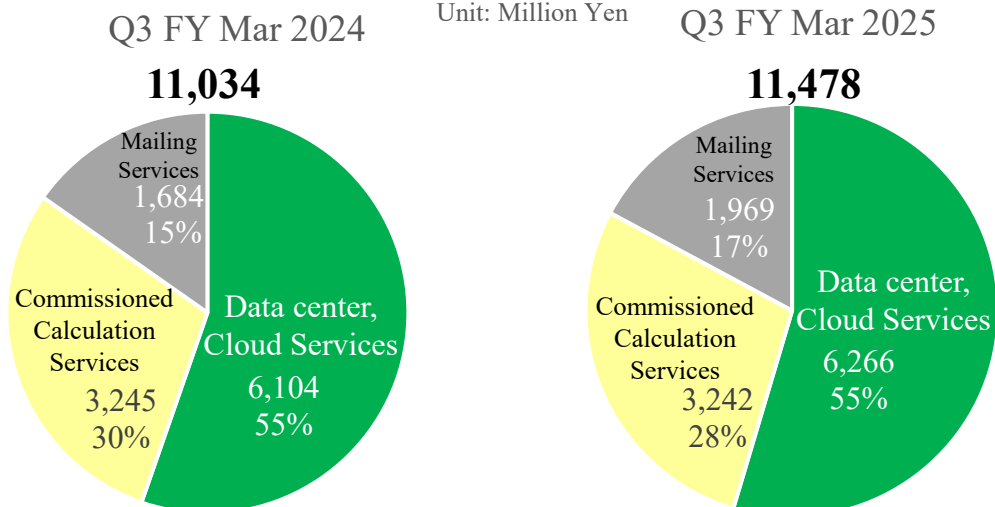
Factors behind changes in Net Sales

Unit: Million Yen



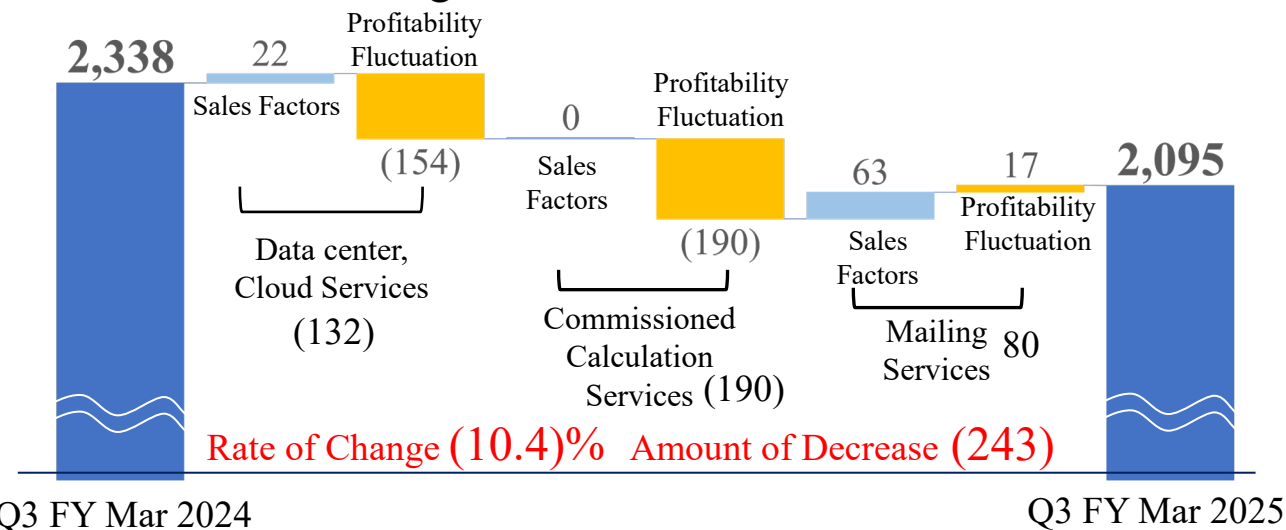
Net Sales by Service

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.

System Development Services

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

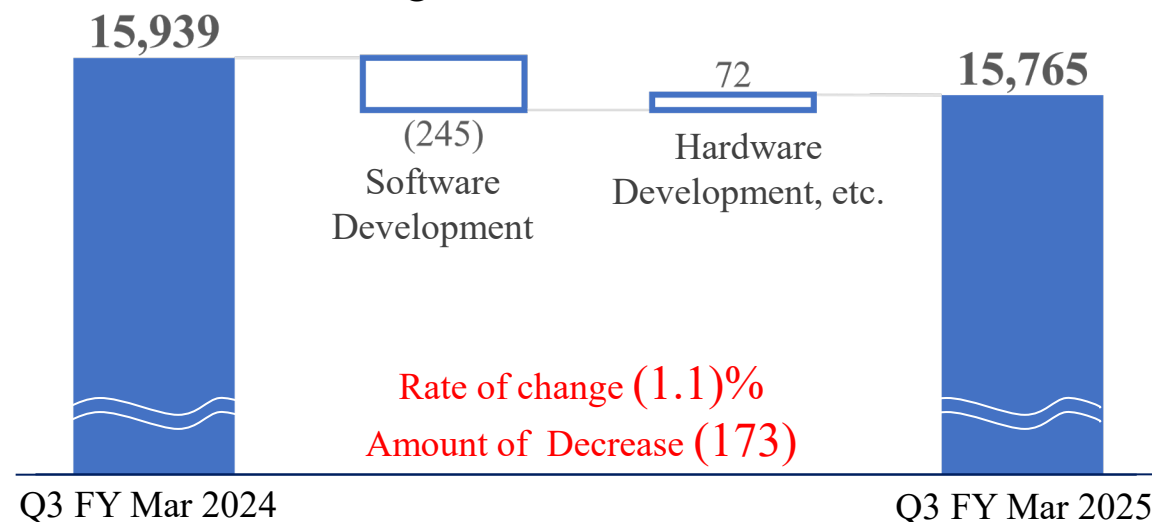
- ✓ Financial products (unsecured loan systems: LOAN RANGER® UC, costing systems for financial institutions: ABC Financial, etc.)
- ✓ Credit settlement systems (i-Gateway), settlement system linked to Pos, etc.
- ✓ Security-related (vulnerability diagnosis, Darktrace, etc.)
- ✓ DX-related products (systems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

Net Sales by Service

| Unit: Million Yen | Q3 FY Mar 2024 | Q3 FY Mar 2025 | Rate of Change |
|----------------------------|----------------|----------------|----------------|
| Software Development | 14,533 | 14,288 | (1.7)% |
| Hardware Development, etc. | 1,405 | 1,477 | 5.1% |

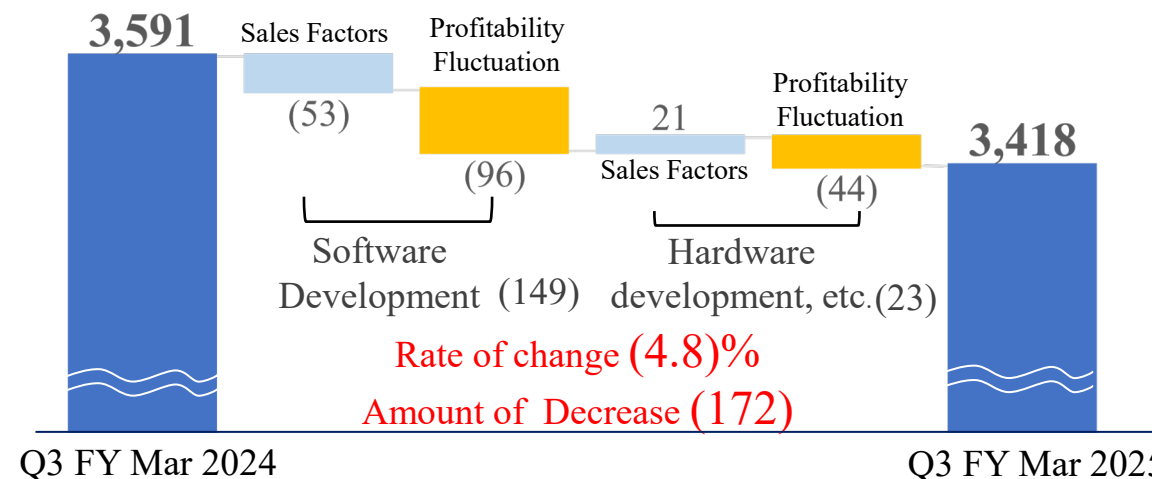
Factors behind changes in net sales

Unit: Million Yen



Factors behind changes in gross profit

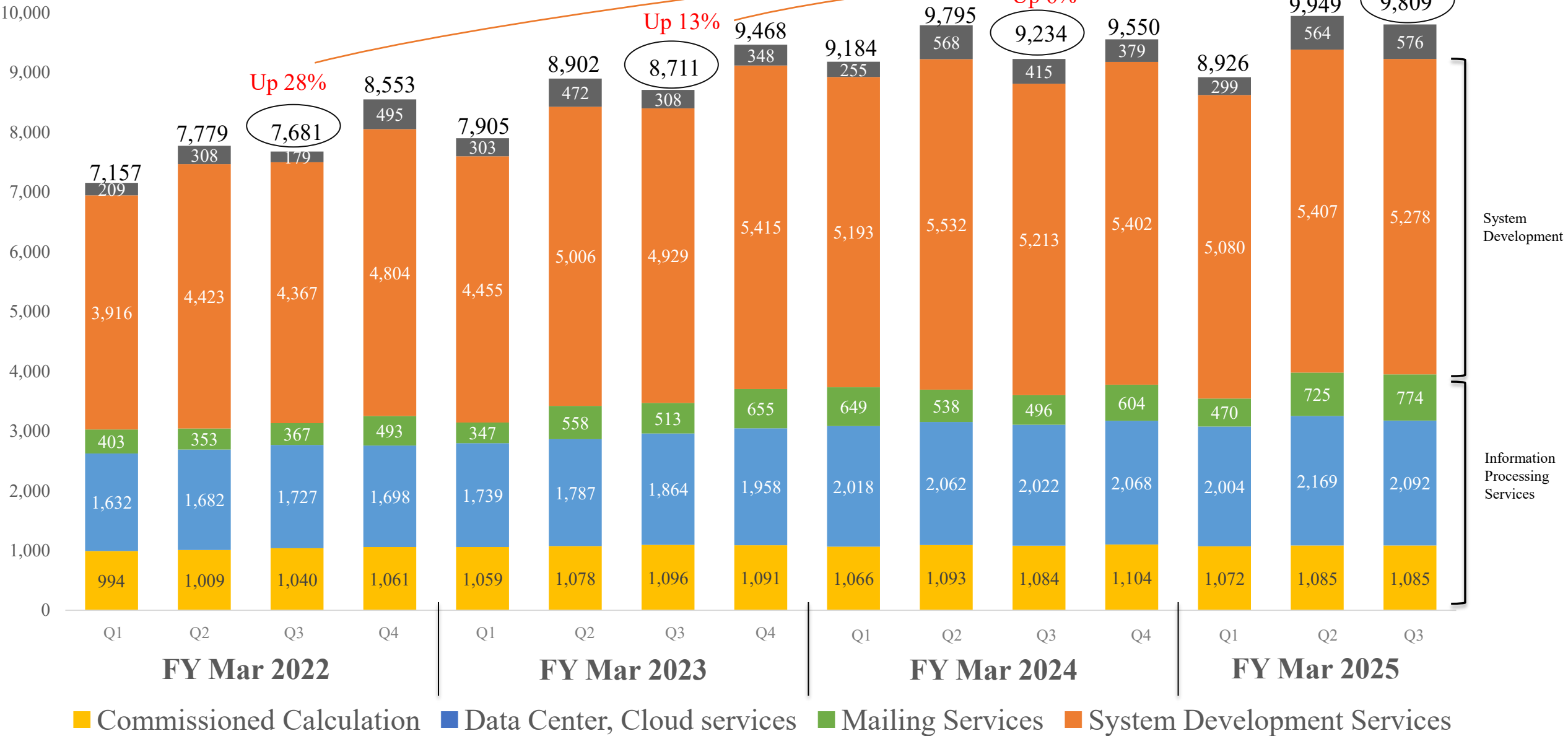
Unit: Million Yen



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.

Changes in Quarterly Net Sales by Service

Unit: Million Yen

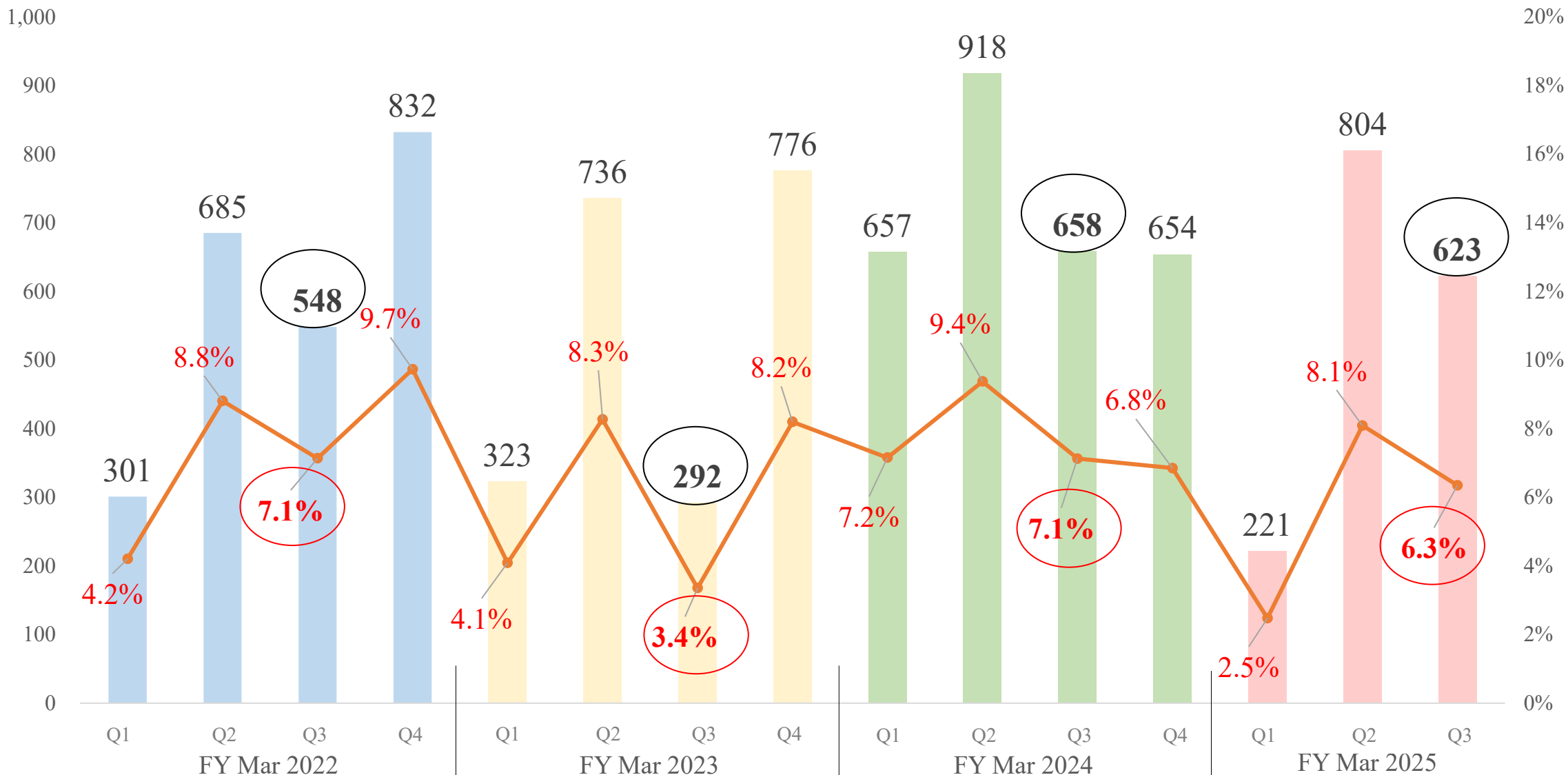


Note: Amounts are rounded down to the nearest million Yen, and the totals may not match.

Summary of Quarterly Earnings (Quarterly Operating Profit)

Unit: Million Yen

The red line shows the Operating Profit Margin



Note: Amounts are rounded down to the nearest million yen, and the profit margin is rounded to the first decimal place.

Regarding the full-year Performance Outlook

Revise forecast of consolidated financial result announced on May 9, 2024

| Unit: Million Yen | Consociated Net Sales | Consolidated Operating Profit | Consolidated Ordinary Profit | Profit Attributable to Owners of Parent | Earnings Per Share |
|--|-----------------------|-------------------------------|------------------------------|---|--------------------|
| Previous Announcement Forecast (A) | 40,420 | 3,250 | 3,225 | 2,625 | 164.22 Yen |
| Revised Forecast (B) | 39,500 | 2,500 | 2,500 | 2,200 | 143.31 Yen |
| Amount of Change (B-A) | (920) | (750) | (725) | (425) | - |
| Rate of Change (%) | (2.3)% | (23.1)% | (22.5)% | (16.2)% | - |
| Consolidated Results for the Previous Year (Mar FY 2024) | 37,763 | 2,887 | 2,935 | 2,197 | 137.50 Yen |

Consolidated sales did not increase during the year under review. Income from information processing services grew as expected, but development delays occurred in software development services. In addition, due to the increase in cloud-related costs for software for virtual infrastructure, the cost increased, and the profits of our group were squeezed.

Under these circumstances, our group has focused on trading at an appropriate price, and has also worked to reduce costs, such as the cost of sales. However, we were unable to reduce sales increases and sales costs just to compensate for the increased costs during the year under review.

Therefore, we are very unfortunate to revise the full-term expectations as shown in the table above.

Enjoy your life with information technology!

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Inquiries

I-Net Corp., Investor Relations

TEL 045-682-0806

E-Mail contact_ir@inet.co.jp