

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 12, 2021

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Under Japanese GAAP)

Company name: internet infinity INC.
 Listing: Tokyo Stock Exchange
 Securities code: 6545
 URL: https://iif.jp
 Representative: Keiichi Beck, Representative director
 Inquiries: Kenji Hoshino, Managing director
 Telephone: +81-03-6779-4777
 Scheduled date to file quarterly securities report: November 12, 2021
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	2,090	—	67	—	162	—	106	—
September 30, 2020	—	—	—	—	—	—	—	—

Note: Comprehensive income For the six months ended September 30, 2021: ¥106 million [—%]
 For the six months ended September 30, 2020: ¥— million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2021	19.90	19.33
September 30, 2020	—	—

Note: As the Company started preparing quarterly consolidated financial statements from the three months ended June 30, 2021, figures for the quarterly consolidated financial statements from the six months ended September 30, 2020 and year-on-year changes are not presented.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
September 30, 2021	2,576	1,165	45.3
March 31, 2021	—	—	—

Reference: Equity As of September 30, 2021: ¥1,165 million As of March 31, 2021: ¥— million

Note: As the Company started preparing quarterly consolidated financial statements from the three months ended June 30, 2021, figures for the fiscal year ended March 31, 2021 are not provided.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31,2021	—	0.00	—	0.00	0.00
Fiscal year ending March 31,2022	—				
Fiscal year ending March31,2022 (Forecast)		0.00	—	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to Owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	4,135	—	189	—	283	—	184	—	34.28

Note: 1. Revisions to the forecast most recently announced: None

2. As the Company started preparing quarterly consolidated financial statements from the three months ended June 30,2021, year-on-year changes are not presented.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: — companies

Excluded: — companies

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30,2021	5,427,771 shares
As of March 31,2021	5,427,771 shares

(ii) Number of treasury shares at the end of the period

As of September 30,2021	49,395 shares
As of March 31,2021	74,306 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30,2021	5,364,355 shares
Six months ended September 30,2020	5,338,043 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements such as the earnings forecasts included here are based on currently available information and on certain assumptions we believe to be reasonable, and we make no assurance that they will be met. Actual performance and other results may differ significantly due to a variety of factors.

4. Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Unit: thousand yen)

As of September 30,2021

Assets	
Current assets	
Cash and deposits	800,840
Notes and accounts receivable - trade	741,301
Supplies	16,323
Other	90,501
Allowance for doubtful accounts	(2,427)
Total current assets	1,646,539
Non-current assets	
Property, plant and equipment	
Buildings, net	346,311
Other, net	37,609
Total property, plant and equipment	383,920
Intangible assets	
Goodwill	211,301
Other	31,333
Total intangible assets	242,635
Investments and other assets	
Guarantee deposits	185,517
Deferred tax assets	75,149
Other	46,021
Allowance for doubtful accounts	(3,571)
Total investments and other assets	303,117
Total non-current assets	929,673
Total assets	2,576,213

(Unit: thousand yen)

As of September 30,2021

Liabilities	
Current liabilities	
Accounts payable - trade	69,381
Short-term borrowings	30,000
Current portion of long-term borrowings	122,297
Income taxes payable	28,855
Deposits received	393,050
Provision for bonuses	52,050
Other	191,856
Total current liabilities	887,491
Non-current liabilities	
Long-term borrowings	399,431
Asset retirement obligations	48,076
Other	75,400
Total non-current liabilities	522,907
Total liabilities	1,410,398
Net assets	
Shareholders' equity	
Capital	252,302
Capital surplus	237,302
Retained earnings	718,824
Treasury shares	(42,615)
Total shareholders' equity	1,165,814
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	—
Total accumulated other comprehensive income	—
Total net assets	1,165,814
Total liabilities and net assets	2,576,213

(2) Quarterly consolidated statement of income and comprehensive income
(Quarterly consolidated statement of income)

(Unit: thousand yen)

	Six months ended September 30,2021
Net sales	2,090,084
Cost of sales	1,348,508
Gross profit	741,576
Selling, general and administrative expenses	674,512
Operating income	67,064
Non-operating income	
Gain on sale of businesses	25,609
Subsidy income	74,896
Other	3,025
Total non-operating income	103,531
Non-operating expenses	
Interest expenses	7,254
Other	538
Total non-operating expenses	7,793
Ordinary profit	162,802
Profit before income taxes	162,802
Income taxes – current	16,462
Income taxes – deferred	39,604
Total income taxes	56,067
Profit	106,735
Profit attributable to owners of parent	106,735

(Quarterly consolidated statement of comprehensive income)

(Unit: thousand yen)

	Six months ended September 30,2021
Profit	106,735
Other comprehensive income	
Valuation difference on available-for-sale securities	—
Total other comprehensive income	—
Comprehensive income	106,735
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	106,735

(Quarterly consolidated statement of cash flows)

(Unit: thousand yen)

	Six months ended September 30,2021
<hr/>	
Cash flows from operating activities	
Profit before income taxes	162,802
Depreciation	70,622
Amortization of goodwill	10,253
Increase (decrease) in allowance for doubtful accounts	(2,011)
Increase (decrease) in provision for bonuses	(39,855)
Loss (gain) on sale of businesses	(25,609)
Subsidy income	(74,896)
Interest expenses	7,254
Decrease (increase) in trade receivables	13,395
Decrease (increase) in inventories	(3,942)
Increase (decrease) in trade payables	(1,971)
Increase (decrease) in deposits received	30,769
Increase (decrease) in accounts payable - other	(22,171)
Other	(20,216)
Sub-total	<hr/> 104,422
Interest paid	(7,151)
Proceeds from subsidy income	73,672
Income taxes paid	(52,156)
Net cash provided by (used in) operating activities	<hr/> 118,787
Cash flows from investing activities	
Proceeds from sale of businesses	39,408
Payments for acquisition of businesses	(10,235)
Purchase of property, plant and equipment	(11,263)
Proceeds from sales of property, plant and equipment	200
Purchase of intangible assets	(1,893)
Proceeds from sales of investment securities	10,738
Payments for guarantee deposits	(4,434)
Proceeds from refund of guarantee deposits	5,539
Payments for asset retirement obligations	(1,567)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(274,356)
Other	2,498
Net cash provided by (used in) investing activities	<hr/> (245,362)

(Unit: thousand yen)

Six months ended
September 30,2021

Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	(80,000)
Proceeds from long-term borrowings	200,000
Repayments of long-term borrowings	(60,780)
Other	(4,534)
Net cash provided by (used in) financing activities	54,685
Net increase (decrease) in cash and cash equivalents	(71,890)
Cash and cash equivalents at beginning of period	845,183
Cash and cash equivalents at end of period	773,292