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November 14, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: internet infinity INC.
 Listing: Tokyo Stock Exchange
 Securities code: 6545
 URL: <https://iif.jp>
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 Scheduled date to file semi-annual securities report: November 14, 2024
 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, 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	2,619	7.6	224	271.3	227	217.1	143	322.4
September 30, 2023	2,434	16.8	60	71.5	71	35.5	33	25.4

Note: Comprehensive income For the six months ended September 30, 2024: ¥ 143 million [322.1%]
 For the six months ended September 30, 2023: ¥ 33 million [25.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2024	26.93	26.25
September 30, 2023	6.37	6.21

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
September 30, 2024	3,676	1,517	41.3
March 31, 2024	3,751	1,388	37.0

Reference: Equity As of September 30, 2024 : ¥ 1,517 million As of March 31, 2024: ¥ 1,388 million

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 31,2024	—	0.00	—	5.00	5.00
Fiscal year ending March 31,2025	—	0.00			
Fiscal year ending March31,2025 (Forecast)			—	8.00	8.00

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, 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	5,102	2.9	355	54.5	350	29.2	204	56.6	38.41

Note: Revisions to the forecast most recently announced: None

*** 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 semi-annual consolidated financial statements: Yes

(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: None

(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 30,2024	5,427,771 shares
As of March 31,2024	5,427,771 shares

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

As of September 30,2024	94,975 shares
As of March 31,2024	123,743 shares

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

Six months ended September 30,2024	5,316,139 shares
Six months ended September 30,2023	5,319,665 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm: None

* 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. Consolidated financial statements

(1) Consolidated balance sheet

(Unit: thousand yen)

	As of March 31,2024	As of September 30,2024
Assets		
Current assets		
Cash and deposits	1,563,768	1,561,902
Notes and accounts receivable - trade, and contract assets	898,515	885,082
Supplies	16,200	15,868
Other	129,767	113,447
Allowance for doubtful accounts	(5,029)	(3,516)
Total current assets	2,603,223	2,572,784
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	189,218	174,579
Other, net	54,013	50,112
Total property, plant and equipment	243,232	224,691
Intangible assets		
Goodwill	336,284	313,250
Other	226,852	211,720
Total intangible assets	563,137	524,971
Investments and other assets		
Guarantee deposits	145,401	151,419
Deferred tax assets	182,803	186,908
Other	13,697	17,239
Allowance for doubtful accounts	—	(1,285)
Total investments and other assets	341,902	354,282
Total non-current assets	1,148,272	1,103,946
Total assets	3,751,495	3,676,730

(Unit: thousand yen)

	As of March 31,2024	As of September 30,2024
Liabilities		
Current liabilities		
Accounts payable – trade	75,174	71,802
Short-term borrowings	650,000	750,000
Current portion of long-term borrowings	120,727	73,288
Income taxes payable	90,854	91,982
Deposits received	541,782	506,584
Provision for bonuses	100,049	89,344
Provision for bonuses for directors	3,051	—
Other	499,418	312,687
Total current liabilities	2,081,058	1,895,690
Non-current liabilities		
Long-term borrowings	168,189	149,097
Asset retirement obligations	67,878	67,590
Other	46,015	46,370
Total non-current liabilities	282,083	263,057
Total liabilities	2,363,142	2,158,747
Net assets		
Shareholders' equity		
Capital	252,302	252,302
Capital surplus	239,822	239,387
Retained earnings	952,339	1,068,980
Treasury shares	(56,130)	(42,695)
Total shareholders' equity	1,388,334	1,517,975
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19	7
Total accumulated other comprehensive income	19	7
Total net assets	1,388,353	1,517,983
Total liabilities and net assets	3,751,495	3,676,730

(2) Consolidated statement of income and comprehensive income
(Consolidated statement of income)

(Unit: thousand yen)

	Six months ended September 30,2023	Six months ended September 30,2024
Net sales	2,434,130	2,619,757
Cost of sales	1,551,004	1,578,426
Gross profit	883,125	1,041,331
Selling, general and administrative expenses	822,705	817,019
Operating income	60,420	224,312
Non-operating income		
Gain on sale of businesses	16,576	10,799
Subsidy income	26	2,218
Other	4,680	1,489
Total non-operating income	21,283	14,507
Non-operating expenses		
Interest expenses	8,471	10,938
Other	1,393	100
Total non-operating expenses	9,864	11,038
Ordinary profit	71,839	227,780
Extraordinary income		
Gain on sale of non-current assets	29	—
Total extraordinary income	29	—
Extraordinary losses		
Head office relocation expenses	6,237	—
Profit before income taxes	65,631	227,780
Income taxes	31,737	84,619
Profit	33,894	143,161
Profit attributable to owners of parent	33,894	143,161

(Consolidated statement of comprehensive income)

(Unit: thousand yen)

	Six months ended September 30,2023	Six months ended September 30,2024
Profit	33,894	143,161
Other comprehensive income		
Valuation difference on available-for-sale securities	22	(11)
Total other comprehensive income	22	(11)
Comprehensive income	33,916	143,149
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	33,916	143,149

(3) Consolidated statement of cash flows

(Unit: thousand yen)

	Six months ended September 30,2023	Six months ended September 30,2024
Cah flows from operating activities		
Profit before income taxes	65,631	227,780
Depreciation	81,297	53,042
Amortization of goodwill	22,101	23,033
Increase (decrease) in allowance for doubtful accounts	(29)	(226)
Increase (decrease) in provision for bonuses	38,726	(10,704)
Increase (decrease) in provision for bonuses for directors	—	(3,051)
Loss (gain) on sale of businesses	(16,576)	(10,799)
Subsidy income	(26)	(2,218)
Interest expenses	8,471	10,938
Decrease (increase) in trade receivables	(25,807)	13,433
Decrease (increase) in inventories	(2,184)	(3,587)
Increase (decrease) in trade payables	4,209	(3,371)
Increase (decrease) in deposits received	84,367	(34,036)
Increase (decrease) in accounts payable – other	2,280	(8,376)
Other	1,075	(17,866)
Sub-total	263,535	233,989
Interest paid	(8,312)	(10,780)
Proceeds from subsidy income	26	2,218
Income taxes paid	(57,991)	(63,136)
Net cash provided by (used in) operating activities	197,257	162,290
Cash flows from investing activities		
Proceeds from sale of businesses	16,656	799
Payments for acquisition of businesses	(29,595)	(4,477)
Purchase of property, plant and equipment	(32,209)	(737)
Proceeds from sales of property, plant and equipment	70	—
Purchase of intangible assets	—	(158,083)
Payments for guarantee deposits	(38,142)	(5,741)
Proceeds from refund of guarantee deposits	17,161	847
Payments for asset retirement obligations	(3,960)	—
Other	10,000	—
Net cash provided by (used in) investing activities	(60,019)	(167,392)

(Unit: thousand yen)

	Six months ended September 30,2023	Six months ended September 30,2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	100,000
Repayments of long-term borrowings	(53,069)	(66,531)
Dividends paid	—	(26,076)
Purchase of treasury shares	(46,176)	—
Other	(4,653)	(4,156)
Net cash provided by (used in) financing activities	(103,898)	3,235
Net increase (decrease) in cash and cash equivalents	33,339	(1,866)
Cash and cash equivalents at beginning of period	1,107,371	1,563,768
Cash and cash equivalents at end of period	1,140,711	1,561,902