

## ASAHI Net Group

### Financial Results for the Six Months Ended September 30, 2014 【2nd Quarter for the fiscal year ending March 31, 2015】 (Japan GAAP)

#### Consolidated quarterly balance sheets

(Thousands of Yen)

	March 31, 2014	September 30, 2014
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,374,236	2,470,740
Accounts receivable - trade	1,304,287	1,362,911
Securities	4,400,404	4,400,702
Inventories	8,649	136,150
Other	77,866	99,445
Allowance for doubtful accounts	△9,242	△9,152
<b>Total current assets</b>	<b>8,156,201</b>	<b>8,460,797</b>
<b>Non-current assets</b>		
Property, plant and equipment	285,546	355,961
Intangible assets	404,569	407,198
Investments and other assets		
Investment securities	524,754	502,511
Deferred tax assets	151,114	154,050
Other	392,716	390,105
Total investments and other assets	1,068,585	1,046,667
<b>Total non-current assets</b>	<b>1,758,700</b>	<b>1,809,826</b>
<b>Total assets</b>	<b>9,914,902</b>	<b>10,270,624</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	274,399	298,872
Accounts payable - other	356,679	365,056
Income taxes payable	191,536	331,667
Other	168,614	373,341
Total current liabilities	991,229	1,368,936
<b>Non-current liabilities</b>	<b>3,540</b>	<b>1,706</b>
<b>Total liabilities</b>	<b>994,769</b>	<b>1,370,642</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	630,480	630,480
Capital surplus	780,808	780,808
Retained earnings	7,942,128	8,170,068
Treasury shares	△606,344	△857,082
Total shareholders' equity	8,747,073	8,724,274
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	155,508	145,224
Foreign currency translation adjustment	17,550	30,482
Total accumulated other comprehensive income	173,059	175,707
<b>Total net assets</b>	<b>8,920,132</b>	<b>8,899,981</b>
<b>Total liabilities and net assets</b>	<b>9,914,902</b>	<b>10,270,624</b>

## Consolidated quarterly statements of (comprehensive) income

(Thousands of Yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
<b>Net sales</b>	<b>3,743,843</b>	<b>3,844,297</b>
Cost of sales	2,004,272	2,153,802
Gross profit	1,739,571	1,690,495
Selling, general and administrative expenses	850,919	869,981
<b>Operating income</b>	<b>888,651</b>	<b>820,513</b>
Non-operating income		
Interest income	4,244	3,195
Dividend income	2,105	1,110
Real estate rent	2,184	2,160
Foreign exchange gains	—	3,005
Other	930	179
Total non-operating income	9,464	9,649
Non-operating expenses		
Share of loss of entities accounted for using equity method	16,344	—
Rent expenses on real estates	741	575
Commission for purchase of treasury shares	—	3,339
Other	535	—
Total non-operating expenses	17,621	3,914
<b>Ordinary income</b>	<b>880,494</b>	<b>826,248</b>
Extraordinary losses		
Loss on retirement of non-current assets	—	10,589
Loss on valuation of investment securities	—	12,075
Loss on closing of stores	11,817	—
Total extraordinary losses	11,817	22,665
<b>Income before income taxes and minority interests</b>	<b>868,677</b>	<b>803,583</b>
Income taxes	361,415	313,150
Income before minority interests	507,261	490,432
<b>Net income</b>	<b>507,261</b>	<b>490,432</b>

Net income per share (yen)

15.91

16.05

Consolidated quarterly statements of comprehensive income (Thousands of Yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
<b>Income before minority interests</b>	<b>507,261</b>	<b>490,432</b>
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ187,639	Δ10,283
Foreign currency translation adjustment	13,921	12,931
Share of other comprehensive income of entities accounted for using equity method	Δ54	—
Total other comprehensive income	Δ173,772	2,648
<b>Comprehensive income</b>	<b>333,489</b>	<b>493,080</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	333,489	493,080

## Consolidated quarterly statements of cash flows

(Thousands of Yen)

	Six months ended September 30, 2013	Six months ended September 30, 2014
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	868,677	803,583
Depreciation	60,682	84,370
Amortization of goodwill	5,631	6,138
Increase (decrease) in allowance for doubtful accounts	893	△90
Interest and dividend income	△6,349	△4,305
Foreign exchange losses (gains)	535	△3,005
Share of (profit) loss of entities accounted for using equity method	16,344	—
Loss (gain) on valuation of investment securities	—	12,075
Loss on retirement of non-current assets	—	10,589
Decrease (increase) in notes and accounts receivable - trade	119,041	△58,238
Decrease (increase) in inventories	△1,808	△127,500
Increase (decrease) in notes and accounts payable - trade	△92,611	37,992
Other, net	89,050	189,059
Subtotal	1,060,088	950,669
Interest and dividend income received	6,984	3,550
Income taxes paid	△312,181	△194,551
Income taxes refund	—	7,218
<b>Net cash provided by (used in) operating activities</b>	<b>754,891</b>	<b>766,886</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	△300,000	△300,000
Proceeds from withdrawal of time deposits	1,500,000	300,000
Purchase of securities	△1,200,000	—
Proceeds from redemption of securities	2,200,000	—
Purchase of property, plant and equipment	△73,393	△107,607
Purchase of intangible assets	△33,070	△55,765
Payments for transfer of business	△195,980	—
Other, net	△98,897	△2,440
<b>Net cash provided by (used in) investing activities</b>	<b>1,798,657</b>	<b>△165,813</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	△196	△250,738
Cash dividends paid	△254,757	△262,371
<b>Net cash provided by (used in) financing activities</b>	<b>△254,954</b>	<b>△513,110</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>14,023</b>	<b>8,840</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,312,618</b>	<b>96,802</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,010,325</b>	<b>5,274,640</b>
<b>Cash and cash equivalents at end of period</b>	<b>5,322,943</b>	<b>5,371,442</b>