

Asahi Net, Inc.

**Financial Results for the Three Months Ended June 30, 2016
[1st Quarter for the fiscal year ending March 31, 2017] (Japan GAAP)**

Balance Sheets (Non-consolidated)

(Thousands of Yen)

	March 31, 2016	June 30, 2016
Assets		
Current assets		
Cash and deposits	2,040,590	3,019,136
Accounts receivable - trade	1,524,439	1,522,080
Securities	4,401,468	3,400,000
Supplies	176,020	166,442
Income taxes receivable	39,258	-
Other	81,012	120,193
Allowance for doubtful accounts	(13,654)	(19,702)
Total current assets	8,249,135	8,208,149
Non-current assets		
Property, plant and equipment	502,868	564,625
Intangible assets	313,456	305,427
Investments and other assets		
Investments and other assets, gross	1,390,305	1,302,542
Allowance for doubtful accounts	(215,927)	(215,927)
Total investments and other assets	1,174,377	1,086,614
Total non-current assets	1,990,702	1,956,668
Total assets	10,239,837	10,164,818
Liabilities		
Current liabilities		
Accounts payable - trade	416,836	426,136
Accounts payable - other	352,548	343,294
Income taxes payable	-	36,704
Other	82,066	269,238
Total current liabilities	851,450	1,075,373
Non-current liabilities	1,161	1,161
Total liabilities	852,611	1,076,534
Net assets		
Shareholders' equity		
Capital stock	630,480	630,480
Capital surplus	780,808	780,808
Retained earnings	8,664,998	8,601,706
Treasury shares	(881,730)	(1,027,929)
Total shareholders' equity	9,194,556	8,985,065
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	192,669	103,218
Total valuation and translation adjustments	192,669	103,218
Total net assets	9,387,225	9,088,283
Total liabilities and net assets	10,239,837	10,164,818

Asahi Net, Inc.

**Financial Results for the Three Months Ended June 30, 2016
 [1st Quarter for the fiscal year ending March 31, 2017] (Japan GAAP)**

Statements of Income (Non-consolidated)

(Thousands of Yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net sales	1,971,560	2,132,161
Cost of sales	1,169,015	1,392,111
Gross profit	802,545	740,050
Selling, general and administrative expenses	443,986	456,369
Operating income	358,558	283,680
Non-operating income		
Interest income	4,184	902
Dividend income	1,100	1,100
Real estate rent	1,080	1,080
Foreign exchange gains	4,890	-
Other	18	137
Total non-operating income	11,273	3,219
Non-operating expenses		
Rent expenses on real estates	220	220
Commission for purchase of treasury shares	-	1,749
Foreign exchange losses	-	503
Commission fee	9,321	-
Other	33	-
Total non-operating expenses	9,575	2,473
Ordinary income	360,256	284,426
Extraordinary income		
Gain on sales of investment securities	15,383	-
Total extraordinary income	15,383	-
Profit before income taxes	375,639	284,426
Income taxes	99,168	78,786
Profit	276,470	205,640