

Asahi Net, Inc.

**Financial Results for the Six Months Ended September 30, 2018
[2nd Quarter for the fiscal year ending March 31, 2019] (Japan GAAP)**

Balance Sheets (Non-consolidated)

(Millions of Yen)

	March 31, 2018	September 30, 2018
Assets		
Current assets		
Cash and deposits	4,065	4,494
Accounts receivable - trade	1,653	1,567
Securities	2,200	2,200
Supplies	11	121
Other	196	119
Allowance for doubtful accounts	(20)	(19)
Total current assets	8,105	8,483
Non-current assets		
Property, plant and equipment	1,030	1,128
Intangible assets	326	302
Investments and other assets		
Investments and other assets, gross	1,244	1,334
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,244	1,334
Total non-current assets	2,601	2,765
Total assets	10,707	11,249

Asahi Net, Inc.

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[2nd Quarter for the fiscal year ending March 31, 2019] (Japan GAAP)**

Balance Sheets (Non-consolidated)

(Millions of Yen)

	March 31, 2018	September 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	516	525
Accounts payable - other	407	370
Income taxes payable	2	196
Other	99	229
Total current liabilities	1,026	1,322
Non-current liabilities	1	1
Total liabilities	1,027	1,323
Net assets		
Shareholders' equity		
Capital stock	630	630
Capital surplus	780	783
Retained earnings	9,125	9,260
Treasury shares	(1,027)	(1,017)
Total shareholders' equity	9,508	9,655
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	170	269
Total valuation and translation adjustments	170	269
Total net assets	9,679	9,925
Total liabilities and net assets	10,707	11,249

Asahi Net, Inc.

**Financial Results for the Six Months Ended September 30, 2018
[2nd Quarter for the fiscal year ending March 31, 2019] (Japan GAAP)**

Statements of Income (Non-consolidated)

(Millions of Yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Net sales	4,568	4,789
Cost of sales	3,361	3,369
Gross profit	1,206	1,420
Selling, general and administrative expenses	898	851
Operating profit	308	569
Non-operating income		
Dividend income	2	2
Real estate rent	2	2
Other	0	0
Total non-operating income	5	5
Non-operating expenses		
Rent expenses on real estates	0	0
Other	0	0
Total non-operating expenses	0	0
Ordinary profit	313	574
Extraordinary income		
Gain on sales of investment securities	—	6
Total extraordinary income	—	6
Extraordinary losses		
Loss on retirement of non-current assets	—	0
Total extraordinary losses	—	0
Profit before income taxes	313	579
Income taxes	90	179
Profit	223	400