

Asahi Net, Inc.**Financial Results for the Nine Months Ended December 31, 2018
[3rd Quarter for the fiscal year ending March 31, 2019] (Japan GAAP)****Balance Sheets (Non-consolidated)**

(Millions of Yen)

	March 31, 2018	December 31, 2018
Assets		
Current assets		
Cash and deposits	4,065	4,357
Accounts receivable - trade	1,653	1,614
Securities	2,200	2,200
Supplies	11	120
Other	196	303
Allowance for doubtful accounts	(20)	(20)
Total current assets	8,105	8,575
Non-current assets		
Property, plant and equipment	1,030	1,112
Intangible assets	326	331
Investments and other assets		
Investments and other assets, gross	1,244	1,155
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,244	1,154
Total non-current assets	2,601	2,598
Total assets	10,707	11,173

Asahi Net, Inc.

**Financial Results for the Nine Months Ended December 31, 2018
[3rd Quarter for the fiscal year ending March 31, 2019] (Japan GAAP)**

Balance Sheets (Non-consolidated)

(Millions of Yen)

	March 31, 2018	December 31, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	516	508
Accounts payable - other	407	387
Income taxes payable	2	236
Other	99	197
Total current liabilities	1,026	1,329
Non-current liabilities	1	1
Total liabilities	1,027	1,330
Net assets		
Shareholders' equity		
Capital stock	630	630
Capital surplus	780	783
Retained earnings	9,125	9,299
Treasury shares	(1,027)	(1,017)
Total shareholders' equity	9,508	9,695
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	170	147
Total valuation and translation adjustments	170	147
Total net assets	9,679	9,843
Total liabilities and net assets	10,707	11,173

Asahi Net, Inc.

**Financial Results for the Nine Months Ended December 31, 2018
[3rd Quarter for the fiscal year ending March 31, 2019] (Japan GAAP)**

Statements of Income (Non-consolidated)

(Millions of Yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	6,928	7,231
Cost of sales	5,083	5,053
Gross profit	1,845	2,177
Selling, general and administrative expenses	1,311	1,270
Operating profit	533	906
Non-operating income		
Dividend income	2	2
Real estate rent	3	3
Other	1	1
Total non-operating income	7	7
Non-operating expenses		
Rent expenses on real estates	0	0
Other	0	0
Total non-operating expenses	0	0
Ordinary profit	539	913
Extraordinary income		
Gain on sales of investment securities	—	115
Total extraordinary income	—	115
Extraordinary losses		
Loss on retirement of non-current assets	—	5
Total extraordinary losses	—	5
Profit before income taxes	539	1,022
Income taxes	154	316
Profit	384	706