

Asahi Net, Inc.

Financial Results for the Year Ended March 31, 2019
[Full Year for the fiscal year ended March 31, 2019] (Japan GAAP)

Balance Sheets (Non-consolidated)

(Millions of Yen)

	March 31, 2018	March 31, 2019
Assets		
Current assets		
Cash and deposits	4,065	5,010
Accounts receivable - trade	1,653	1,622
Securities	2,200	2,200
Supplies	11	70
Advance payments - trade	101	—
Prepaid expenses	81	91
Other	14	18
Allowance for doubtful accounts	(20)	(21)
Total current assets	8,105	8,992
Non-current assets		
Property, plant and equipment		
Buildings, net	54	48
Machinery and equipment, net	784	853
Tools, furniture and fixtures, net	192	189
Total property, plant and equipment	1,030	1,090
Intangible assets		
Software	295	335
Other	30	23
Total intangible assets	326	359
Investments and other assets		
Investment securities	509	515
Shares of subsidiaries and associates	6	6
Investments in capital	5	5
Long-term loans receivable from subsidiaries and associates	40	—
Long-term prepaid expenses	36	57
Deferred tax assets	217	141
Real estate for investment	205	205
Leasehold deposits	222	220
Other	0	0
Allowance for doubtful accounts	0	—
Total investments and other assets	1,244	1,151
Total non-current assets	2,601	2,601
Total assets	10,707	11,593

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(Millions of Yen)

	March 31, 2018	March 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	516	520
Accounts payable - other	407	477
Accrued expenses	5	—
Income taxes payable	2	374
Accrued consumption taxes	54	57
Advances received	0	0
Deposits received	18	18
Unearned revenue	20	24
Other	0	0
Total current liabilities	1,026	1,474
Non-current liabilities	1	1
Total liabilities	1,027	1,475
Net assets		
Shareholders' equity		
Capital stock	630	630
Capital surplus		
Legal capital surplus	780	780
Other capital surplus	—	2
Total capital surpluses	780	783
Retained earnings		
Legal retained earnings	5	5
Other retained earnings		
Retained earnings brought forward	9,119	9,539
Total retained earnings	9,125	9,545
Treasury shares	(1,027)	(1,017)
Total shareholders' equity	9,508	9,940
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	170	177
Total valuation and translation adjustments	170	177
Total net assets	9,679	10,118
Total liabilities and net assets	10,707	11,593

Asahi Net, Inc.

Financial Results for the Year Ended March 31, 2019
[Full Year for the fiscal year ended March 31, 2019] (Japan GAAP)

Statements of Income (Non-consolidated)

(Millions of Yen)

	Fiscal Year ended March 31, 2018	Fiscal Year ended March 31, 2019
Net sales	9,338	9,739
Cost of sales	6,780	6,755
Gross profit	2,557	2,983
Selling, general and administrative expenses	1,714	1,714
Operating profit	843	1,269
Non-operating income		
Dividend income	2	2
Real estate rent	4	4
Other	1	2
Total non-operating income	9	9
Non-operating expenses		
Rent expenses on real estates	0	0
Other	0	0
Total non-operating expenses	0	1
Ordinary profit	851	1,277
Extraordinary income		
Gain on sales of investment securities	—	115
Total extraordinary income	—	115
Extraordinary losses		
Loss on retirement of non-current assets	—	5
Loss on valuation of investment securities	29	—
Total extraordinary losses	29	5
Profit before income taxes	822	1,387
Income taxes - current	182	437
Income taxes - deferred	62	(2)
Total income taxes	244	435
Profit	577	952

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Financial Results for the Year Ended March 31, 2019
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Statements of Cash Flows (Non-consolidated)

(Millions of Yen)

	Fiscal Year ended March 31, 2018	Fiscal Year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	822	1,387
Depreciation	408	410
Increase (decrease) in allowance for doubtful accounts	(224)	(0)
Interest and dividend income	(3)	(4)
Loss (gain) on sales of investment securities	—	(115)
Loss (gain) on valuation of investment securities	29	—
Loss on retirement of non-current assets	—	5
Decrease (increase) in notes and accounts receivable - trade	(53)	30
Decrease (increase) in inventories	142	(58)
Increase (decrease) in notes and accounts payable - trade	104	23
Other, net	149	98
Subtotal	1,374	1,777
Interest and dividend income received	3	4
Income taxes paid	(462)	(93)
Income taxes refund	—	10
Net cash provided by (used in) operating activities	915	1,698
Cash flows from investing activities		
Payments into time deposits	(2,000)	(2,000)
Proceeds from withdrawal of time deposits	2,000	2,000
Purchase of property, plant and equipment	(312)	(314)
Purchase of intangible assets	(151)	(199)
Proceeds from sales of investment securities	—	195
Purchase of shares of subsidiaries and associates	(6)	—
Payments of loans receivable from subsidiaries and associates	(20)	—
Collection of loans receivable from subsidiaries and affiliates	—	40
Other, net	(51)	57
Net cash provided by (used in) investing activities	(541)	(220)
Cash flows from financing activities		
Cash dividends paid	(532)	(532)
Net cash provided by (used in) financing activities	(532)	(532)
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	(158)	945
Cash and cash equivalents at beginning of period	4,224	4,065
Cash and cash equivalents at end of period	4,065	5,010