

**Asahi Net, Inc.****Financial Results for the Three Months Ended June 30, 2019  
[1st Quarter for the fiscal year ending March 31, 2020] (Japan GAAP)****Balance Sheets (Non-consolidated)**

(Millions of Yen)

	March 31, 2019	June 30, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	5,010	2,470
Accounts receivable - trade	1,622	1,616
Securities	2,200	3,400
Supplies	70	200
Other	110	163
Allowance for doubtful accounts	(21)	(23)
<b>Total current assets</b>	<b>8,992</b>	<b>7,827</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,090	1,035
Intangible assets	359	383
Investments and other assets	1,151	1,107
<b>Total non-current assets</b>	<b>2,601</b>	<b>2,526</b>
<b>Total assets</b>	<b>11,593</b>	<b>10,354</b>

**Asahi Net, Inc.**

**Financial Results for the Three Months Ended June 30, 2019  
[1st Quarter for the fiscal year ending March 31, 2020] (Japan GAAP)**

**Balance Sheets (Non-consolidated)**

(Millions of Yen)

	March 31, 2019	June 30, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	520	518
Accounts payable - other	477	392
Income taxes payable	374	129
Other	101	287
<b>Total current liabilities</b>	<b>1,474</b>	<b>1,328</b>
<b>Non-current liabilities</b>	<b>1</b>	<b>1</b>
<b>Total liabilities</b>	<b>1,475</b>	<b>1,329</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	630	630
Capital surplus	783	783
Retained earnings	9,545	9,573
Treasury shares	(1,017)	(2,103)
Total shareholders' equity	9,940	8,883
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	177	140
Total valuation and translation adjustments	177	140
<b>Total net assets</b>	<b>10,118</b>	<b>9,024</b>
<b>Total liabilities and net assets</b>	<b>11,593</b>	<b>10,354</b>

**Asahi Net, Inc.**

**Financial Results for the Three Months Ended June 30, 2019**  
**[1st Quarter for the fiscal year ending March 31, 2020] (Japan GAAP)**

**Statements of Income (Non-consolidated)**

(Millions of Yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
<b>Net sales</b>	<b>2,400</b>	<b>2,534</b>
Cost of sales	1,707	1,698
Gross profit	692	836
Selling, general and administrative expenses	441	441
<b>Operating profit</b>	<b>250</b>	<b>394</b>
Non-operating income		
Dividend income	2	35
Rental income from real estate	1	1
Other	0	0
Total non-operating income	3	37
Non-operating expenses		
Commission for purchase of treasury shares	—	1
Rental expenses on real estate	0	0
Other	—	0
Total non-operating expenses	0	1
<b>Ordinary profit</b>	<b>254</b>	<b>430</b>
Extraordinary income		
Gain on sales of investment securities	6	—
Total extraordinary income	6	—
Extraordinary losses		
Loss on retirement of non-current assets	0	4
Total extraordinary losses	0	4
<b>Profit before income taxes</b>	<b>259</b>	<b>425</b>
Income taxes	80	131
<b>Profit</b>	<b>179</b>	<b>294</b>