

Translation

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Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 4, 2022

Company name: Asahi Net, Inc.
 Stock exchange listing: Tokyo
 Stock code: 3834 URL <https://asahi-net.jp/>
 Representative: President Jiro Hijikata
 Inquiries: Senior Corporate Officer Masaru Komatsu TEL 03-3541-8311
 Scheduled date to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: December 5, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	6,045	6.2	898	(4.8)	902	(4.8)	667	(0.7)
Six months ended September 30, 2021	5,693	—	944	—	948	—	671	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	23.84	—
Six months ended September 30, 2021	24.05	—

[Note] The “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020), etc., has been applied from the beginning of the first quarter ended June 30, 2021. The amounts for the second quarter of FY2021 (FY2021 ending March 31, 2022) are applied with the said accounting standard etc., and the increase/decrease compared to the same period of the previous fiscal year is not stated.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	13,491	11,814	87.6
As of March 31, 2022	12,940	11,281	87.2

[Reference] Equity As of September 30, 2022: 11,814 million yen As of March 31, 2022: 11,281 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	—	10.00	—	11.00	21.00
Year ending March 31, 2023	—	11.00			
Year ending March 31, 2023 (Forecast)			—	11.00	22.00

[Note] Revision from the most recently announced dividend forecast: None

3. Forecast of non-consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	12,400	7.1	2,000	9.0	2,000	8.7	1,300	3.6	46.50

[Note] Revision from the most recently announced forecast of non-consolidated financial results: None

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	32,000,000 shares	As of March 31, 2022	32,000,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	3,992,986 shares	As of March 31, 2022	4,040,986 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	27,979,585 shares	Six months ended September 30, 2021	27,930,967 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	3,992	3,509
Accounts receivable - trade and contract assets	2,014	2,009
Securities	2,000	2,000
Supplies	623	865
Other	240	528
Allowance for doubtful accounts	(20)	(20)
Total current assets	8,851	8,891
Non-current assets		
Property, plant and equipment		
Machinery and equipment, net	1,941	1,931
Other, net	420	365
Total property, plant and equipment	2,361	2,296
Intangible assets	830	1,279
Investments and other assets	898	1,024
Total non-current assets	4,089	4,599
Total assets	12,940	13,491
Liabilities		
Current liabilities		
Accounts payable - trade	454	434
Accounts payable - other	739	620
Income taxes payable	296	317
Other	169	304
Total current liabilities	1,659	1,676
Non-current liabilities	0	0
Total liabilities	1,659	1,676
Net assets		
Shareholders' equity		
Share capital	630	630
Capital surplus	848	852
Retained earnings	11,670	12,029
Treasury shares	(2,023)	(1,998)
Total shareholders' equity	11,126	11,513
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	154	301
Total valuation and translation adjustments	154	301
Total net assets	11,281	11,814
Total liabilities and net assets	12,940	13,491

Non-consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	5,693	6,045
Cost of sales	3,864	4,260
Gross profit	1,829	1,784
Selling, general and administrative expenses	885	885
Operating profit	944	898
Non-operating income		
Dividend income	3	3
Other	0	0
Total non-operating income	4	4
Ordinary profit	948	902
Extraordinary income		
Gain on sale of investment securities	—	74
Gain on sale of shares of subsidiaries and associates	29	—
Total extraordinary income	29	74
Extraordinary losses		
Impairment losses	7	—
Loss on retirement of non-current assets	2	13
loss on retirement of communication equipment	—	2
Total extraordinary losses	9	16
Profit before income taxes	967	961
Income taxes	296	294
Profit	671	667