

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 3, 2023

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: February 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	9,087	5.8	1,366	(5.1)	1,370	(5.1)	1,004	(0.7)
Nine months ended December 31, 2021	8,592	–	1,439	–	1,444	–	1,011	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	35.88		–	
Nine months ended December 31, 2021	36.21		–	

[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 December 31, 2022	13,739	11,927	86.8
As of March 31, 2022	12,940	11,281	87.2

[Reference] Equity As of December 31, 2022: 11,927 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2022	27,987,814 shares	Nine months ended December 31, 2021	27,939,881 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	3,992	3,846
Accounts receivable - trade and contract assets	2,014	2,044
Securities	2,000	2,000
Supplies	623	866
Other	240	335
Allowance for doubtful accounts	(20)	(21)
Total current assets	8,851	9,072
Non-current assets		
Property, plant and equipment		
Machinery and equipment, net	1,941	1,825
Other, net	420	330
Total property, plant and equipment	2,361	2,155
Intangible assets	830	1,421
Investments and other assets	898	1,089
Total non-current assets	4,089	4,667
Total assets	12,940	13,739
Liabilities		
Current liabilities		
Accounts payable - trade	454	658
Accounts payable - other	739	739
Income taxes payable	296	181
Other	169	223
Total current liabilities	1,659	1,802
Non-current liabilities	0	9
Total liabilities	1,659	1,812
Net assets		
Shareholders' equity		
Share capital	630	630
Capital surplus	848	852
Retained earnings	11,670	12,059
Treasury shares	(2,023)	(1,998)
Total shareholders' equity	11,126	11,542
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	154	384
Total valuation and translation adjustments	154	384
Total net assets	11,281	11,927
Total liabilities and net assets	12,940	13,739

Non-consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	8,592	9,087
Cost of sales	5,846	6,411
Gross profit	2,746	2,676
Selling, general and administrative expenses	1,306	1,309
Operating profit	1,439	1,366
Non-operating income		
Dividend income	3	3
Other	0	0
Total non-operating income	4	4
Non-operating expenses		
Loss on valuation of investments in capital	0	—
Total non-operating expenses	0	—
Ordinary profit	1,444	1,370
Extraordinary income		
Gain on sale of investment securities	—	127
Gain on sale of shares of subsidiaries and associates	29	—
Total extraordinary income	29	127
Extraordinary losses		
Impairment losses	7	—
Loss on retirement of non-current assets	5	22
Loss on retirement of communication equipment	2	29
Total extraordinary losses	15	51
Profit before income taxes	1,457	1,447
Income taxes	446	442
Profit	1,011	1,004