

# Translation

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## Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 10, 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 of ordinary general meeting of shareholders: June 28, 2023  
 Scheduled date to file Securities Report: June 28, 2023  
 Scheduled date to commence dividend payments: June 29, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Non-consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Non-consolidated operating results

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	%
Year ended March 31, 2023	12,170	5.1	1,841	0.4	1,846	0.4	1,285	2.4
Year ended March 31, 2022	11,577	—	1,834	—	1,839	—	1,255	—

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	45.92	—	11.1	13.9	15.1
Year ended March 31, 2022	44.92	—	11.3	14.3	15.8

[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 said quarter 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	13,660	11,961	87.6	427.08
As of March 31, 2022	12,940	11,281	87.2	403.48

[Reference] Equity As of March 31, 2023: 11,961 million yen As of March 31, 2022: 11,281 million yen

#### (3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	1,363	(1,093)	(615)	3,647
Year ended March 31, 2022	1,428	(1,116)	(558)	3,992

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	—	10.00	—	11.00	21.00	587	46.7	5.3
Year ended March 31, 2023	—	11.00	—	11.50	22.50	630	49.0	5.4
Year ending March 31, 2024 (Forecast)	—	11.50	—	11.50	23.00		46.0	

3. Forecast of non-consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	12,600	3.5	2,000	8.6	2,000	8.3	1,400	8.9	49.99

4. Notes

(1) 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

(2) Number of issued shares (common shares)

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

As of March 31, 2023	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 March 31, 2023	3,992,986 shares	As of March 31, 2022	4,040,986 shares
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Average number of shares during the period

Year ended March 31, 2023	27,992,245 shares	Year ended March 31, 2022	27,944,296 shares
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**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	3,992	3,647
Accounts receivable Trade and Contract Assets	2,014	2,025
Securities	2,000	2,000
Supplies	623	1,352
Advance payments to suppliers	35	53
Prepaid expenses	125	160
Other	79	118
Allowance for doubtful accounts	(20)	(21)
Total current assets	8,851	9,336
Non-current assets		
Property, plant and equipment		
Buildings, net	60	55
Machinery and equipment, net	1,941	1,803
Tools, furniture and fixtures, net	359	247
Construction in progress	—	162
Total property, plant and equipment	2,361	2,268
Intangible assets		
Software	468	861
Other	361	411
Total intangible assets	830	1,272
Investments and other assets		
Investment securities	475	276
Investments in capital	4	4
Long-term prepaid expenses	103	122
Deferred tax assets	92	163
Leasehold deposits	221	215
Other	0	0
Total investments and other assets	898	783
Total non-current assets	4,089	4,324
Total assets	12,940	13,660

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	454	435
Accounts payable - other	739	800
Income taxes payable	296	391
Accrued consumption taxes	76	—
Advances received	2	1
Deposits received	19	17
Contract liabilities	68	51
Other	0	1
Total current liabilities	1,659	1,698
Non-current liabilities	0	0
Total liabilities	1,659	1,699
Net assets		
Shareholders' equity		
Share capital	630	630
Capital surplus		
Legal capital surplus	780	780
Other capital surplus	68	71
Total capital surplus	848	852
Retained earnings		
Legal retained earnings	5	5
Other retained earnings		
Retained earnings brought forward	11,664	12,334
Total retained earnings	11,670	12,340
Treasury shares	(2,023)	(1,998)
Total shareholders' equity	11,126	11,824
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	154	137
Total valuation and translation adjustments	154	137
Total net assets	11,281	11,961
Total liabilities and net assets	12,940	13,660

## Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	11,577	12,170
Cost of sales	7,990	8,618
Gross profit	3,587	3,551
Selling, general and administrative expenses	1,752	1,709
Operating profit	1,834	1,841
Non-operating income		
Dividend income	3	3
Other	1	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	1,839	1,846
Extraordinary income		
Gain on sale of investment securities	—	474
Gain on sale of shares of subsidiaries and associates	29	—
Total extraordinary income	29	474
Extraordinary losses		
Impairment losses	7	372
Loss on retirement of non-current assets	30	22
loss on retirement of communication equipment	17	66
Total extraordinary losses	55	461
Profit before income taxes	1,813	1,858
Income taxes - current	545	637
Income taxes - deferred	12	(63)
Total income taxes	558	573
Profit	1,255	1,285

# Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Other capital surplus	Legal retained earnings	Other retained earnings
					Retained earnings brought forward
Balance at beginning of period	630	780	58	5	10,944
Cumulative effects of changes in accounting policies					23
Restated balance	630	780	58	5	10,968
Changes during period					
Dividends of surplus					(558)
Profit					1,255
Disposal of treasury shares			9		
Net changes in items other than shareholders' equity					
Total changes during period	—	—	9	—	696
Balance at end of period	630	780	68	5	11,664

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(2,049)	10,371	558	558	10,930
Cumulative effects of changes in accounting policies		23			23
Restated balance	(2,049)	10,394	558	558	10,953
Changes during period					
Dividends of surplus		(558)			(558)
Profit		1,255			1,255
Disposal of treasury shares	26	36			36
Net changes in items other than shareholders' equity			(404)	(404)	(404)
Total changes during period	26	732	(404)	(404)	327
Balance at end of period	(2,023)	11,126	154	154	11,281

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus		Retained earnings	
		Legal capital surplus	Other capital surplus	Legal retained earnings	Other retained earnings
					Retained earnings brought forward
Balance at beginning of period	630	780	68	5	11,664
Changes during period					
Dividends of surplus					(615)
Profit					1,285
Disposal of treasury shares			3		
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3	—	669
Balance at end of period	630	780	71	5	12,334

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(2,023)	11,126	154	154	11,281
Changes during period					
Dividends of surplus		(615)			(615)
Profit		1,285			1,285
Disposal of treasury shares	24	27			27
Net changes in items other than shareholders' equity			(17)	(17)	(17)
Total changes during period	24	697	(17)	(17)	680
Balance at end of period	(1,998)	11,824	137	137	11,961

# Non-consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,813	1,858
Depreciation	818	895
Impairment losses	7	372
Increase (decrease) in allowance for doubtful accounts	(0)	1
Interest and dividend income	(3)	(3)
Loss (gain) on sale of investment securities	—	(474)
Loss (gain) on sale of shares of subsidiaries and associates	(29)	—
Loss on retirement of non-current assets	30	22
Decrease (increase) in notes and accounts receivable - trade and contract assets	(179)	(10)
Decrease (increase) in inventories	(368)	(729)
Increase (decrease) in trade payables	(55)	139
Other, net	(2)	(166)
Subtotal	2,030	1,905
Interest and dividends received	3	3
Income taxes paid	(605)	(546)
Net cash provided by (used in) operating activities	1,428	1,363
Cash flows from investing activities		
Purchase of property, plant and equipment	(765)	(661)
Purchase of intangible assets	(382)	(1,081)
Proceeds from sale of investment securities	—	649
Proceeds from sale of shares of subsidiaries and associates	36	—
Other, net	(5)	—
Net cash provided by (used in) investing activities	(1,116)	(1,093)
Cash flows from financing activities		
Dividends paid	(558)	(615)
Net cash provided by (used in) financing activities	(558)	(615)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(246)	(345)
Cash and cash equivalents at beginning of period	4,239	3,992
Cash and cash equivalents at end of period	3,992	3,647