

## Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

# Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 7, 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: November 13, 2023  
 Scheduled date to commence dividend payments: December 4, 2023  
 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, 2023 (from April 1, 2023 to September 30, 2023)

### (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, 2023 | 6,043           | (0.0) | 843              | (6.1) | 853             | (5.4) | 555             | (16.8) |
| Six months ended September 30, 2022 | 6,045           | 6.2   | 898              | (4.8) | 902             | (4.8) | 667             | (0.7)  |

|                                     | Earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------|--|----------------------------|--|
|                                     | Yen                |  | Yen                        |  |
| Six months ended September 30, 2023 | 19.97              |  | —                          |  |
| Six months ended September 30, 2022 | 23.84              |  | —                          |  |

### (2) Non-consolidated financial position

|                          | Total assets    | Net assets      | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
|                          | Millions of yen | Millions of yen | %            |
| As of September 30, 2023 | 13,919          | 12,005          | 86.2         |
| As of March 31, 2023     | 13,660          | 11,961          | 87.6         |

[Reference]Equity As of September 30, 2023: 12,005million yen As of March 31, 2023: 11,961 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, 2023             | —                          | 11.00           | —               | 11.50           | 22.50 |
| Year ending March 31, 2024            | —                          | 11.50           |                 |                 |       |
| Year ending March 31, 2024 (Forecast) |                            |                 | —               | 11.50           | 23.00 |

## 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) 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, 2023 | 32,000,000 shares | As of March 31, 2023 | 32,000,000 shares |
|--------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                          |                  |                      |                  |
|--------------------------|------------------|----------------------|------------------|
| As of September 30, 2023 | 4,266,986 shares | As of March 31, 2023 | 3,992,986 shares |
|--------------------------|------------------|----------------------|------------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                     |                   |                                     |                   |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Six months ended September 30, 2023 | 27,795,300 shares | Six months ended September 30, 2022 | 27,979,585 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

## Quarterly non-consolidated financial statements

### Non-consolidated balance sheets

(Millions of yen)

|   | As of March 31, 2023 | As of September 30, 2023 |
|---|----------------------|--------------------------|
| <b>Assets</b>   |                      |                          |
| Current assets  |                      |                          |
| Cash and deposits                                     | 3,647                | 3,859                    |
| Accounts receivable - trade and contract assets       | 2,025                | 1,968                    |
| Securities  | 2,000                | 2,000                    |
| Supplies  | 1,352                | 1,365                    |
| Other   | 332                  | 383                      |
| Allowance for doubtful accounts                       | (21)                 | (17)                     |
| Total current assets                                  | 9,336                | 9,559                    |
| Non-current assets                                    |                      |                          |
| Property, plant and equipment                         |                      |                          |
| Machinery and equipment, net                          | 1,803                | 1,818                    |
| Other, net  | 464                  | 308                      |
| Total property, plant and equipment                   | 2,268                | 2,127                    |
| Intangible assets                                     | 1,272                | 1,500                    |
| Investments and other assets                          | 783                  | 731                      |
| Total non-current assets                              | 4,324                | 4,359                    |
| Total assets  | 13,660               | 13,919                   |
| <b>Liabilities</b>                                    |                      |                          |
| Current liabilities                                   |                      |                          |
| Accounts payable - trade                              | 435                  | 624                      |
| Accounts payable - other                              | 800                  | 683                      |
| Income taxes payable                                  | 391                  | 270                      |
| Other   | 72                   | 335                      |
| Total current liabilities                             | 1,698                | 1,913                    |
| Non-current liabilities                               | 0                    | 0                        |
| Total liabilities                                     | 1,699                | 1,913                    |
| <b>Net assets</b>                                     |                      |                          |
| Shareholders' equity                                  |                      |                          |
| Share capital   | 630                  | 630                      |
| Capital surplus                                       | 852                  | 859                      |
| Retained earnings                                     | 12,340               | 12,573                   |
| Treasury shares                                       | (1,998)              | (2,165)                  |
| Total shareholders' equity                            | 11,824               | 11,898                   |
| Valuation and translation adjustments                 |                      |                          |
| Valuation difference on available-for-sale securities | 137                  | 106                      |
| Total valuation and translation adjustments           | 137                  | 106                      |
| Total net assets                                      | 11,961               | 12,005                   |
| Total liabilities and net assets                      | 13,660               | 13,919                   |

**Non-consolidated statements of income (cumulative)**

(Millions of yen)

|   | Six months ended<br>September 30, 2022 | Six months ended<br>September 30, 2023 |
|---|--|--|
| Net sales                                     | 6,045                                  | 6,043                                  |
| Cost of sales                                 | 4,260                                  | 4,300                                  |
| Gross profit                                  | 1,784                                  | 1,742                                  |
| Selling, general and administrative expenses  | 885                                    | 899                                    |
| Operating profit                              | 898                                    | 843                                    |
| Non-operating income                          |  |  |
| Dividend income                               | 3                                      | 5                                      |
| Gain on receipt of donated non-current assets | –                                      | 4                                      |
| Other   | 0                                      | 0                                      |
| Total non-operating income                    | 4                                      | 10                                     |
| Non-operating expenses                        |  |  |
| Commission for purchase of treasury shares    | –                                      | 0                                      |
| Non-operating expenses                        | –                                      | 0                                      |
| Ordinary profit                               | 902                                    | 853                                    |
| Extraordinary income                          |  |  |
| Gain on sale of investment securities         | 74                                     | –                                      |
| Total extraordinary income                    | 74                                     | –                                      |
| Extraordinary losses                          |  |  |
| Impairment losses                             | –                                      | 41                                     |
| Loss on retirement of non-current assets      | 13                                     | 0                                      |
| Loss on valuation of investment securities    | –                                      | 0                                      |
| loss on retirement of communication equipment | 2                                      | 10                                     |
| Total extraordinary losses                    | 16                                     | 52                                     |
| Profit before income taxes                    | 961                                    | 801                                    |
| Income taxes                                  | 294                                    | 245                                    |
| Profit  | 667                                    | 555                                    |