

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 6, 2024

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 13, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	9,067	(0.2)	1,335	(2.3)	1,346	(1.7)	892	(11.1)
Nine months ended December 31, 2022	9,087	5.8	1,366	(5.1)	1,370	(5.1)	1,004	(0.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	32.13		–	
Nine months ended December 31, 2022	35.88		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	13,867	12,055	86.9
As of March 31, 2023	13,660	11,961	87.6

[Reference] Equity As of December 31, 2023: 12,055 million 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 December 31, 2023	32,000,000 shares	As of March 31, 2023	32,000,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	4,266,986 shares	As of March 31, 2023	3,992,986 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, 2023	27,776,614 shares	Nine months ended December 31, 2022	27,987,814 shares
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Quarterly non-consolidated financial statements

Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	3,647	3,236
Accounts receivable - trade and contract assets	2,025	1,996
Securities	2,000	2,000
Supplies	1,352	1,355
Other	332	338
Allowance for doubtful accounts	(21)	(16)
Total current assets	9,336	8,910
Non-current assets		
Property, plant and equipment		
Machinery and equipment, net	1,803	1,647
Other, net	464	778
Total property, plant and equipment	2,268	2,426
Intangible assets	1,272	1,736
Investments and other assets	783	793
Total non-current assets	4,324	4,956
Total assets	13,660	13,867
Liabilities		
Current liabilities		
Accounts payable - trade	435	623
Accounts payable - other	800	807
Income taxes payable	391	88
Other	72	291
Total current liabilities	1,698	1,811
Non-current liabilities	0	0
Total liabilities	1,699	1,811
Net assets		
Shareholders' equity		
Share capital	630	630
Capital surplus	852	859
Retained earnings	12,340	12,591
Treasury shares	(1,998)	(2,165)
Total shareholders' equity	11,824	11,916
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	137	139
Total valuation and translation adjustments	137	139
Total net assets	11,961	12,055
Total liabilities and net assets	13,660	13,867

Non-consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	9,087	9,067
Cost of sales	6,411	6,369
Gross profit	2,676	2,697
Selling, general and administrative expenses	1,309	1,361
Operating profit	1,366	1,335
Non-operating income		
Dividend income	3	5
Gain on receipt of donated non-current assets	–	4
Other	0	1
Total non-operating income	4	11
Non-operating expenses		
Commission for purchase of treasury shares	–	0
Total non-operating expenses	–	0
Ordinary profit	1,370	1,346
Extraordinary income		
Gain on sale of investment securities	127	–
Total extraordinary income	127	–
Extraordinary losses		
Impairment losses	–	41
Loss on retirement of non-current assets	22	6
Loss on valuation of investment securities	–	0
Loss on retirement of communication equipment	29	10
Total extraordinary losses	51	59
Profit before income taxes	1,447	1,287
Income taxes	442	395
Profit	1,004	892