

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 9, 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 of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	12,217	0.4	1,965	6.7	1,986	7.6	1,289	0.3
Year ended March 31, 2023	12,170	5.1	1,841	0.4	1,846	0.4	1,285	2.4

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	46.46	—	10.5	14.2	16.1
Year ended March 31, 2023	45.92	—	11.1	13.9	15.1

(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, 2024	14,279	12,506	87.6	450.96
As of March 31, 2023	13,660	11,961	87.6	427.08

[Reference] Equity As of March 31, 2024: 12,506 million yen As of March 31, 2023: 11,961 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, 2024	2,468	(1,770)	(836)	3,509
Year ended March 31, 2023	1,363	(1,093)	(615)	3,647

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, 2023	—	11.00	—	11.50	22.50	630	49.0	5.4
Year ended March 31, 2024	—	11.50	—	11.50	23.00	637	49.5	5.2
Year ending March 31, 2025 (Forecast)	—	12.00	—	12.00	24.00		43.2	

3. Forecast of non-consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	12,800	4.8	2,200	12.0	2,200	10.8	1,540	19.4	55.53

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, 2024	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 March 31, 2024	4,266,987 shares	As of March 31, 2023	3,992,986 shares
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Average number of shares during the period

Year ended March 31, 2024	27,766,552 shares	Year ended March 31, 2023	27,992,245 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,647	3,509
Accounts receivable - trade, and contract assets	2,025	2,087
Securities	2,000	2,000
Supplies	1,352	1,352
Advance payments to suppliers	53	29
Prepaid expenses	160	215
Other	118	76
Allowance for doubtful accounts	(21)	(16)
Total current assets	9,336	9,254
Non-current assets		
Property, plant and equipment		
Buildings, net	55	112
Machinery and equipment, net	1,803	1,580
Tools, furniture and fixtures, net	247	211
Construction in progress	162	335
Total property, plant and equipment	2,268	2,239
Intangible assets		
Software	861	827
Software in progress	407	1,090
Other	3	2
Total intangible assets	1,272	1,919
Investments and other assets		
Investment securities	276	354
Investments in capital	4	4
Long-term prepaid expenses	122	121
Deferred tax assets	163	154
Leasehold deposits	215	229
Other	0	0
Total investments and other assets	783	865
Total non-current assets	4,324	5,024
Total assets	13,660	14,279

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	435	621
Accounts payable - other	800	660
Income taxes payable	391	295
Accrued consumption taxes	—	121
Advances received	1	1
Deposits received	17	16
Contract liabilities	51	55
Other	1	1
Total current liabilities	1,698	1,772
Non-current liabilities	0	0
Total liabilities	1,699	1,772
Net assets		
Shareholders' equity		
Share capital	630	630
Capital surplus		
Legal capital surplus	780	780
Other capital surplus	71	79
Total capital surplus	852	859
Retained earnings		
Legal retained earnings	5	5
Other retained earnings		
Retained earnings brought forward	12,334	12,983
Total retained earnings	12,340	12,989
Treasury shares	(1,998)	(2,165)
Total shareholders' equity	11,824	12,313
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	137	192
Total valuation and translation adjustments	137	192
Total net assets	11,961	12,506
Total liabilities and net assets	13,660	14,279

Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	12,170	12,217
Cost of sales	8,618	8,422
Gross profit	3,551	3,794
Selling, general and administrative expenses	1,709	1,829
Operating profit	1,841	1,965
Non-operating income		
Dividend income	3	5
Gain on receipt of donated non-current assets	–	4
Gain on sale of goods	–	10
Other	0	0
Total non-operating income	4	21
Non-operating expenses		
Commission for purchase of treasury shares	–	0
Total non-operating expenses	–	0
Ordinary profit	1,846	1,986
Extraordinary income		
Gain on sale of investment securities	474	–
Total extraordinary income	474	–
Extraordinary losses		
Impairment losses	372	41
Loss on retirement of non-current assets	22	66
Loss on valuation of investment securities	–	0
loss on retirement of communication equipment	66	11
Total extraordinary losses	461	120
Profit before income taxes	1,858	1,865
Income taxes - current	637	590
Income taxes - deferred	(63)	(14)
Total income taxes	573	575
Profit	1,285	1,289

Non-consolidated statements of changes in equity

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 brought forward
Balance at beginning of period	630	780	68	5	11,664
Changes during period					
Dividends of surplus					(615)
Profit					1,285
Purchase of treasury shares					
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
Purchase of treasury shares		–			–
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

Fiscal year ended March 31, 2024

(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	71	5	12,334
Changes during period					
Dividends of surplus					(641)
Profit					1,289
Purchase of treasury shares					
Disposal of treasury shares			7		
Net changes in items other than shareholders' equity					
Total changes during period	–	–	7	–	648
Balance at end of period	630	780	79	5	12,983

	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	(1,998)	11,824	137	137	11,961
Changes during period					
Dividends of surplus		(641)			(641)
Profit		1,289			1,289
Purchase of treasury shares	(195)	(195)			(195)
Disposal of treasury shares	28	36			36
Net changes in items other than shareholders' equity			55	55	55
Total changes during period	(166)	489	55	55	545
Balance at end of period	(2,165)	12,313	192	192	12,506

Non-consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,858	1,865
Depreciation	895	883
Impairment losses	372	41
Increase (decrease) in allowance for doubtful accounts	1	(4)
Interest and dividend income	(3)	(5)
Loss (gain) on sale of investment securities	(474)	–
Loss on retirement of non-current assets	22	66
Decrease (increase) in accounts receivable - trade, and contract assets	(10)	(62)
Decrease (increase) in inventories	(729)	(0)
Increase (decrease) in trade payables	139	193
Other, net	(166)	168
Subtotal	1,905	3,146
Interest and dividends received	3	5
Income taxes paid	(546)	(683)
Net cash provided by (used in) operating activities	1,363	2,468
Cash flows from investing activities		
Purchase of property, plant and equipment	(661)	(750)
Purchase of intangible assets	(1,081)	(1,001)
Proceeds from sale of investment securities	649	–
Other, net	–	(18)
Net cash provided by (used in) investing activities	(1,093)	(1,770)
Cash flows from financing activities		
Purchase of treasury shares	–	(195)
Dividends paid	(615)	(640)
Net cash provided by (used in) financing activities	(615)	(836)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(345)	(138)
Cash and cash equivalents at beginning of period	3,992	3,647
Cash and cash equivalents at end of period	3,647	3,509