

May 9, 2025

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Asahi Net, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 3834
 URL: <https://asahi-net.jp/>
 Representative: Jiro Hijikata, Representative Director, President and Corporate Officer
 Inquiries: Masaru Komatsu, Executive Director, Senior
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 Scheduled date of annual general meeting of shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 26, 2025
 Scheduled date to file annual securities report: June 24, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	13,078	7.1	2,345	19.3	2,364	19.1	1,752	35.9
March 31, 2024	12,217	0.4	1,965	6.7	1,986	7.6	1,289	0.3

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	64.99	-	13.7	16.3	17.9
March 31, 2024	46.46	-	10.5	14.2	16.1

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	14,787	13,091	88.5	487.63
March 31, 2024	14,279	12,506	87.6	450.96

Reference: Equity

As of March 31, 2025: ¥13,091 million
 As of March 31, 2024: ¥12,506 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	2,462	(563)	(1,247)	4,161
March 31, 2024	2,468	(1,770)	(836)	3,509

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	11.50	-	11.50	23.00	637	49.5	5.2
Fiscal year ended March 31, 2025	-	12.00	-	12.50	24.50	657	37.7	5.2
Fiscal year ending March 31, 2026 (Forecast)		12.50		12.50	25.00		40.5	

3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	13,500	3.2	2,350	0.2	2,370	0.2	1,659	(5.4)	61.79

* **Notes**

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (common shares)

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

As of March 31, 2025	32,000,000 shares
As of March 31, 2024	32,000,000 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	5,152,987 shares
As of March 31, 2024	4,266,987 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	26,973,475 shares
Fiscal year ended March 31, 2024	27,766,552 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors. For the conditions on which earnings forecasts are based, see "1. Please refer to "Summary of Business Results (4) Future Outlook".

(Method of accessing supplementary material on financial results)

Supplementary financial results explanatory materials will be posted on the Company's website after the announcement of financial results.

Balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	3,509	4,161
Accounts receivable - trade, and contract assets	2,087	2,120
Securities	2,000	1,000
Supplies	1,352	1,347
Advance payments to suppliers	29	13
Prepaid expenses	215	224
Other	76	72
Allowance for doubtful accounts	(16)	(15)
Total current assets	9,254	8,924
Non-current assets		
Property, plant and equipment		
Buildings, net	112	108
Machinery and equipment, net	1,580	1,520
Tools, furniture and fixtures, net	211	204
Construction in progress	335	0
Total property, plant and equipment	2,239	1,834
Intangible assets		
Software	827	1,892
Software in progress	1,090	1,126
Other	2	1
Total intangible assets	1,919	3,020
Investments and other assets		
Investment securities	354	401
Investments in capital	4	-
Long-term prepaid expenses	121	164
Deferred tax assets	154	195
Leasehold deposits	229	246
Other	0	0
Total investments and other assets	865	1,008
Total non-current assets	5,024	5,863
Total assets	14,279	14,787

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	621	402
Accounts payable - other	660	603
Income taxes payable	295	539
Accrued consumption taxes	121	105
Advances received	1	0
Deposits received	16	17
Contract liabilities	55	27
Other	1	1
Total current liabilities	1,772	1,696
Non-current liabilities	0	0
Total liabilities	1,772	1,696
Net assets		
Shareholders' equity		
Share capital	630	630
Capital surplus		
Legal capital surplus	780	780
Other capital surplus	79	88
Total capital surplus	859	868
Retained earnings		
Legal retained earnings	5	5
Other retained earnings		
Retained earnings brought forward	12,983	14,095
Total retained earnings	12,989	14,101
Treasury shares	(2,165)	(2,737)
Total shareholders' equity	12,313	12,862
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	192	228
Total valuation and translation adjustments	192	228
Total net assets	12,506	13,091
Total liabilities and net assets	14,279	14,787

Statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	12,217	13,078
Cost of sales	8,422	8,641
Gross profit	3,794	4,437
Selling, general and administrative expenses	1,829	2,091
Operating profit	1,965	2,345
Non-operating income		
Interest income	0	2
Dividend income	5	7
Gain on receipt of donated non-current assets	4	6
Gain on sale of goods	10	3
Other	0	1
Total non-operating income	21	20
Non-operating expenses		
Commission for purchase of treasury shares	0	0
Total non-operating expenses	0	0
Ordinary profit	1,986	2,364
Extraordinary income		
Gain on sale of investment securities	-	137
Total extraordinary income	-	137
Extraordinary losses		
Impairment losses	41	-
Loss on retirement of non-current assets	66	5
Loss on valuation of investment securities	0	-
loss on retirement of communication equipment	11	-
Total extraordinary losses	120	5
Profit before income taxes	1,865	2,497
Income taxes - current	590	800
Income taxes - deferred	(14)	(56)
Total income taxes	575	744
Profit	1,289	1,752

Statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance at beginning of period	630	780	71		5	12,334		(1,998)	11,824
Dividends of surplus						(641)			(641)
Profit						1,289			1,289
Purchase of treasury shares								(195)	(195)
Disposal of treasury shares			7					28	36
Net changes in items other than shareholders' equity									
Total changes during period	-	-	7		-	648		(166)	489
Balance at end of period	630	780	79		5	12,983		(2,165)	12,313

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	137	137	11,961
Dividends of surplus			(641)
Profit			1,289
Purchase of treasury shares			(195)
Disposal of treasury shares			36
Net changes in items other than shareholders' equity	55	55	55
Total changes during period	55	55	545
Balance at end of period	192	192	12,506

Statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance at beginning of period	630	780	79		5	12,983		(2,165)	12,313
Dividends of surplus						(641)			(641)
Profit						1,752			1,752
Purchase of treasury shares								(606)	(606)
Disposal of treasury shares			9					34	43
Net changes in items other than shareholders' equity									
Total changes during period	-	-	9		-	1,111		(572)	548
Balance at end of period	630	780	88		5	14,095		(2,737)	12,862

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	192	192	12,506
Dividends of surplus			(641)
Profit			1,752
Purchase of treasury shares			(606)
Disposal of treasury shares			43

Net changes in items other than shareholders' equity	36	36	36
Total changes during period	36	36	585
Balance at end of period	228	228	13,091

Statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	1,865	2,497
Depreciation	883	974
Impairment losses	41	-
Increase (decrease) in allowance for doubtful accounts	(4)	(0)
Interest and dividend income	(5)	(10)
Loss (gain) on sale of investment securities	-	(137)
Loss on retirement of non-current assets	66	5
Decrease (increase) in accounts receivable - trade, and contract assets	(62)	(33)
Decrease (increase) in inventories	(0)	5
Increase (decrease) in trade payables	193	(274)
Other, net	168	(6)
Subtotal	3,146	3,020
Interest and dividends received	5	9
Income taxes paid	(683)	(567)
Net cash provided by (used in) operating activities	2,468	2,462
Cash flows from investing activities		
Proceeds from redemption of securities	-	1,000
Purchase of property, plant and equipment	(750)	(256)
Purchase of intangible assets	(1,001)	(1,435)
Proceeds from sale of investment securities	-	143
Other, net	(18)	(14)
Net cash provided by (used in) investing activities	(1,770)	(563)
Cash flows from financing activities		
Purchase of treasury shares	(195)	(606)
Dividends paid	(640)	(640)
Net cash provided by (used in) financing activities	(836)	(1,247)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	(138)	652
Cash and cash equivalents at beginning of period	3,647	3,509
Cash and cash equivalents at end of period	3,509	4,161