

Aoyama Zaisan Networks

Business Summary for Fiscal Year 2012 (22nd period)

January 1 to December 31, 2012



On July 5, 2012, Funai Zaisan Consultants Co., Ltd. changed its name to Aoyama Zaisan Networks Co., Ltd.

~ We will remain your best partner over 100 years ~

Core Values

1. We always put our customers' happiness first.
2. We work on all things with modesty, loyalty and in good faith.
3. We value the feelings of consideration and gratitude.

Management Objectives

1. We will contribute to our customer's happiness through the investment, administration, and succession of assets.
2. We aim for the physical and mental wellbeing of our coworkers.



President

Masazumi Hasumi

Message from management

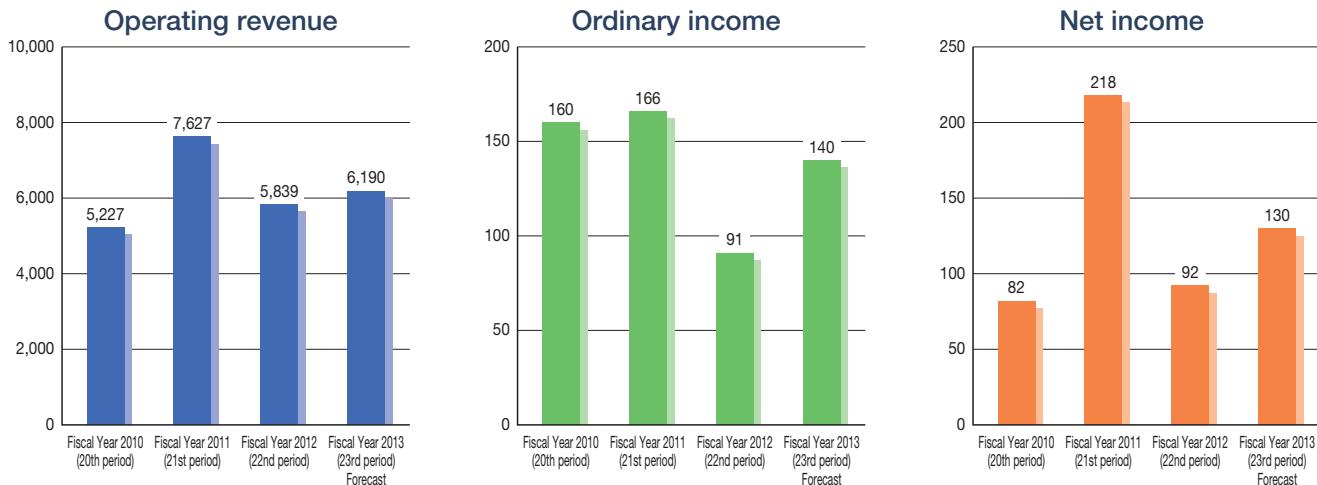
At Aoyama Zaisan Networks Co., Ltd., based on our corporate goal of “contributing to the customer’s happiness through the investment, management, and succession of assets,” we focus on individuals and corporate owners and provide consulting services in relation to preservation of assets, business succession, and improving the profitability, effective use, purchase, and sale of real estate that accounts for two-thirds of the wealth of people in Japan.

To survive these tough times, it is essential to formulate management plans for the investment and succession of assets and business succession plans based on understanding the current state of assets and forecasts regarding the future economic trends, and to steadily implement asset management based on these plans.

Based on our management philosophy of being “Your best partner for the next 100 years,” and in order to respond to the asset management needs of various customers, we will strive to leverage our bountiful knowledge, improve our personal capabilities, and foster the capabilities required to always live up to the expectations of our customers. As an independent integrated asset consulting company, the entire company will work together in its efforts to be a company that can satisfy its customers.

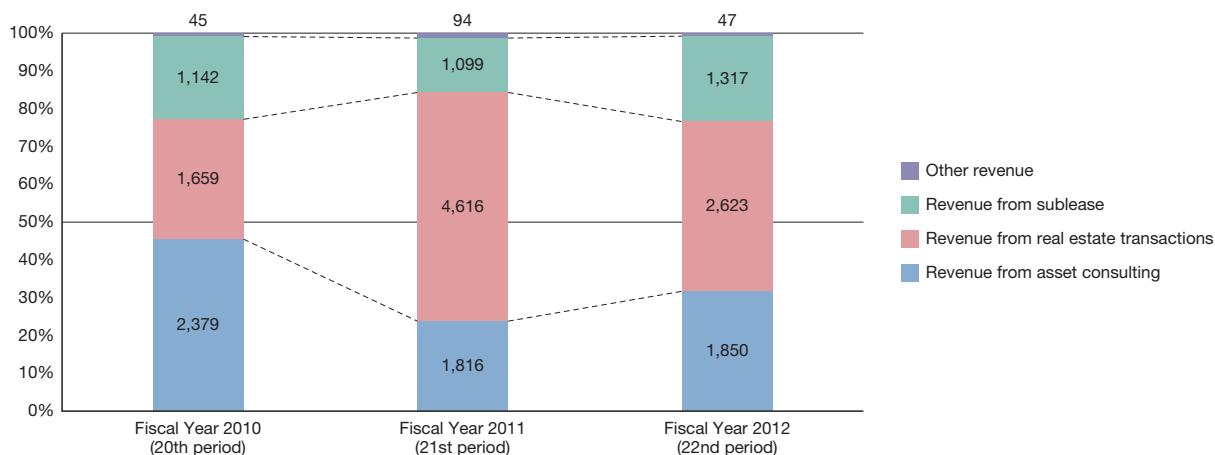
Business Results for Fiscal Year 2012

Highlights of Consolidated Business Results (unit: million yen, rounded down to the nearest million yen)



The above forecasts are based on the information available as of the preparation of this document, involving some uncertainty. Actual business results might prove different from these forecasts, depending on the changes in business conditions.

Revenue by Segments (unit: million yen, rounded down to the nearest million yen)



Operating Results

During the consolidated fiscal year under review, while the excessive appreciation of the yen has recently undergone some corrections, the economy overseas still remains highly uncertain as typified by the European sovereign debt crisis, while domestic corporate enthusiasm has been dampened by factors such as a slowdown in the growth of the domestic economy and a reduction in youth employment, as well as a delay in reconstruction from the recent natural disasters. With regards to the real estate industry, which has a profound influence upon the Aoyama Zaisan Networks Group experienced high. Vacancy rates at offices within five wards of central Tokyo with rent prices trended remained very weak, and overall operating conditions remained difficult too.

Against this backdrop, our Group (including Aoyama Zaisan Networks and its five consolidated subsidiaries) provides services designed to protect the assets and ensure the continuation of businesses of individuals and business owners. We also provide services designed to raise the earnings generation potential of real estate, which accounts for two thirds of assets within Japan, and various real estate solutions including purchase, sale and other means of leveraging real estate as part of its asset consulting business. At the same time we maintain a philosophy that “assets act as the foundation of happy lifestyles.” Against the backdrop of the current severe economic environment, it is important to accurately predict future economic trends and assess the current status of individuals’ assets, and develop a strategy to deal with asset management, inheritance related issues, and continuation of business measures to get over the current “period of uncertainty regarding the future.”

The Aoyama Zaisan Networks Group seeks to maintain its position as the “best partner for over 100 years into the future” by accurately responding to customers’ various needs. As part of our response, we seek to raise the quality of our services by leveraging our bountiful knowledge and experiences of the financial, real estate and other markets.

We changed our name to Aoyama Zaisan Networks Co. Ltd. on July 5, 2012 as part of our efforts to fortify our ability to respond to the constantly changing needs of our customers and to maintain growth of our company. At the same time we maintain the view that “inability to change will lead to loss of future opportunities.”

In addition, we published the “Property White Paper 2012” on July 9, 2012. This year’s “Property White Paper 2012” included updated data regarding various aspects of property and assets, in addition to information on Japan’s fiscal conditions, and trends in the Japanese real estate market. Furthermore our White Paper includes surveys and analysis of new asset management issues including dementia in the aging Japanese society and survey results of our customers regarding their concerns over their assets.

As a result of our activities, during the consolidated fiscal year ended December 2012, operating revenue decreased by 23.4% year-over-year to ¥5,839 million, operating income decreased by 47.2% year-over-year to ¥98 million, ordinary income decreased by 44.8% year-over-year to ¥91 million, and net income decreased by 57.8% year-over-year to ¥92 million.

Consolidated Balance Sheet (Summary)

(unit: million yen, rounded down to the nearest million yen)

Consolidated Balance Sheet

Item	Term	Fiscal Year 2011 Dec. 31, 2011	Fiscal Year 2012 Dec. 31, 2012
Assets			
Current assets		1,790	1,154
Cash and deposits		1,474	746
Accounts receivable		215	247
Real estate held for sale		0	90
Other inventories		11	16
Purchased receivables		52	16
Others		88	60
Allowance for doubtful accounts		(51)	(22)
Fixed assets		1,907	3,614
Tangible fixed assets		63	1,922
Intangible fixed assets		322	155
Investments and other assets		1,520	1,535
Total assets		3,698	4,769

Item	Term	Fiscal Year 2011 Dec. 31, 2011	Fiscal Year 2012 Dec. 31, 2012
Liabilities			
Current liabilities		1,486	1,148
Fix liabilities		986	1,678
Total liabilities		2,473	2,827
Net assets			
Shareholder's equity		1,600	1,623
Common stock		1,030	1,030
Capital surplus		334	334
Retained earnings		235	258
Accumulated other comprehensive income		(375)	(360)
Valuation difference on available-for-sale securities		(375)	(360)
Minority interests		–	678
Total net assets		1,224	1,941
Total liabilities and net assets		3,698	4,769

Consolidated Balance Sheet (Summary)

(unit: million yen, rounded down to the nearest million yen)

Consolidated Income Statements

Item	Term	Fiscal Year 2011 from Jan. 1, 2011 to Dec. 31, 2011	Fiscal Year 2012 from Jan. 1, 2012 to Dec. 31, 2012
Operating revenue		7,627	5,839
Operating cost		6,219	4,601
Operating gross profit		1,407	1,237
SG & A		1,221	1,139
Operating income		186	98
Non-operating income		11	17
Non-operating expenses		31	24
Ordinary income		166	91
Extraordinary income		118	1
Extraordinary loss		75	0
Income before dividends distribution from silent partnership		208	92
Dividends distribution from silent partnership		(12)	(3)
Income before income taxes and minority interests		221	95
Total income taxes		3	(2)
Net income		218	92

Consolidated Cash Flows

Item	Term	Fiscal Year 2011 from Jan. 1, 2011 to Dec. 31, 2011	Fiscal Year 2012 from Jan. 1, 2012 to Dec. 31, 2012
Cash flow from operating activities		579	227
Cash flow from investing activities		122	(1,203)
Cash flow from financing activities		(602)	247
Net increase (decrease) in cash and cash equivalents		100	(728)
Cash and cash equivalents at beginning of period		1,374	1,474
Cash and cash equivalents at end of period		1,474	746

TOPICS

TOPIC 1

Holding seminars

During the fiscal year under review, we held a total of 63 seminars for individual asset holders and corporate owners, mainly on the themes of inheritance planning, effective use of real estate, and business succession. All of the seminars were successful, indicating a high level of interest in the issues discussed by the participants.

Seminars on inheritance planning and effective use of real estate for individual customers: 33 seminars
Seminars on business succession for corporate owners: 16 seminars
Others*: 14 seminars

*Seminars held for our nationwide network group and partners.



TOPIC 2

ADVANTAGE CLUB

As part of our asset consulting business, we launched the ADVANTAGE CLUB, which is a joint ownership system of real estate in response to the asset management needs of our customers. In this fiscal year under review, we formed one system “ADVANTAGE CLUB Kyobashi Chuo.” This system is based on the Real Estate Specified Joint Enterprise Act in which real estate that would be difficult for individuals to purchase is jointly purchased through investments in units of 10 million yen. Real estate rental income is then received through the conclusion of a voluntary partnership contract. The ADVANTAGE CLUB represents a new form of asset management and inheritance planning through real estate in line with our current times.



TOPIC 3

Numerous coverage in the mass media

- ▶ September 3rd issue of Shinnihon Hoken Shimbun
- ▶ September 26th issue of Japan Metal Bulletin
- ▶ October 1st issue of Nikkei Top Leader
- ▶ October 15th issue of Shukan Zenkoku Chintai Jutaku Shimbun
- ▶ October 15th issue of Shukan Biru Keiei
- ▶ October 16th issue of Keizaikai
- ▶ October 20th issue of Shukan Diamond
- ▶ December 26th issue of Shukan Bunshun



Corporate Data

Corporate Data

as of December 31, 2012

Name of Company	Aoyama Zaisan Networks Company, Limited
Head Office	3F Aoyama Tower Place, 8-4-14 Akasaka, Minato-ku, Tokyo 107-0052
	Tel. +81-6439-5800
Incorporated	September 17, 1991
Capital stock	1,030.81 million yen
Business line	Comprehensive individual asset consulting, business succession consulting and real estate solutions consulting
Number of employees	93 (Group)
Consolidated subsidiaries	6 companies including Aoyama Estate Co., Ltd. and Project Holdings Co., Ltd.

Executives

(as of March 28, 2013)

President	Masazumi Hasumi
Managing Director	Hisao Nakatsuka
Director	Masayuki Yagi
Outside Director	Haruo Shimada
Outside Director	Keiji Watanabe
Standing Auditor	Muneo Harada
Outside Auditor	Takao Kitamura
Outside Auditor	Hiroaki Rokugawa

Nationwide Network (35 bases as of December 31, 2012)

Chugoku, Shikoku

- ▶ Midori Zaisan Consultants Co., Ltd.
- ▶ Zaisan Consultants Tokushima Co., Ltd.
- ▶ Aoyama Zaisan Networks Tottori Support
- ▶ Aoyama Zaisan Networks Shimane Support

Kinki

- ▶ Zaisan Networks Kyoto Co., Ltd.
- ▶ Zaisan Networks Osaka Co., Ltd.
- ▶ Zaisan Networks Hyogo Co., Ltd.
- ▶ Seki Soken Zaisan Partners Co., Ltd.
- ▶ Aoyama Zaisan Networks Kyoto Nijo Support
- ▶ Aoyama Zaisan Networks Mie Support
- ▶ Aoyama Zaisan Networks Wakayama Support

Kyushu, Okinawa

- ▶ Zaisan Networks Fukuoka Co., Ltd.
- ▶ Zaisan Networks Nagasaki Co., Ltd.
- ▶ Zaisan Networks Okinawa Co., Ltd.
- ▶ Aoyama Zaisan Networks Saga Support
- ▶ Aoyama Zaisan Networks Miyazaki Support

Hokkaido, Tohoku

- ▶ Zaisan Networks Sendai Co., Ltd.
- ▶ Zaisan Networks Fukushima Co., Ltd.
- ▶ Aoyama Zaisan Networks Hokkaido Support
- ▶ Aoyama Zaisan Networks Aomori Support
- ▶ Aoyama Zaisan Networks Yamagata Support

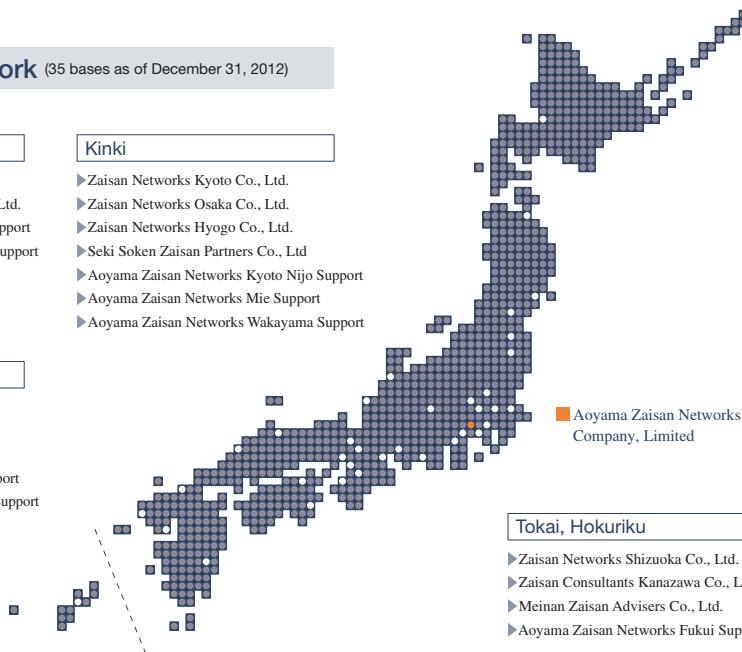
Kanto, Koshinetsu

- ▶ Zaisan Networks Tochigi Co., Ltd.
- ▶ Zaisan Networks Motegi Co., Ltd.
- ▶ Zaisan Networks Saitama Co., Ltd.
- ▶ Nihon Shisan Soken Works Co., Ltd.
- ▶ Zaisan Networks Kawasaki Co., Ltd.
- ▶ Zaisan Networks Nagano Co., Ltd.
- ▶ Aoyama Zaisan Networks Ibaraki Support
- ▶ Aoyama Zaisan Networks Kanto Chuo Support
- ▶ Aoyama Zaisan Networks Denenchofu Support
- ▶ Aoyama Zaisan Networks Yokohama Support

Tokai, Hokuriku

- ▶ Zaisan Networks Shizuoka Co., Ltd.
- ▶ Zaisan Consultants Kanazawa Co., Ltd.
- ▶ Meinan Zaisan Advisers Co., Ltd.
- ▶ Aoyama Zaisan Networks Fukui Support

■ Aoyama Zaisan Networks Company, Limited



Stock Information

Stock Overview

(as of December 31, 2012)

Number of shares in issue	105,705
Number of shareholders	5,714

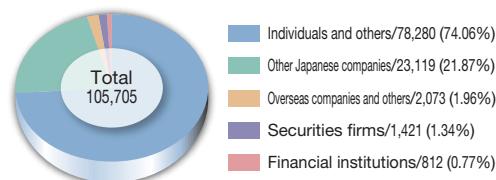
Major Shareholders (Top 10)

Name	Shares held	Shareholding ratio
MID Investment Co., Ltd.	11,003	10.41
Funai Consulting Inc.	9,132	8.64
Masazumi Hasumi	6,057	5.73
Mutsumi Shimada	4,370	4.13
Hideo Murakami	1,977	1.87
Tomio Sugimura	1,941	1.84
Mitsuyoshi Watanabe	1,451	1.37
Takaaki Odaka	950	0.90
HSBC Bank Plc. Clients UK Tax Treaty	947	0.90
Sayumi Aoyagi	908	0.86

Number of Shareholders by Category



Number of shares held by Category



Notes for Shareholder

Fiscal year

January 1 to December 31

Base date for the determination of shareholders with year-end dividend entitlements

December 31

Base date for the determination of shareholders with interim dividend entitlements

June 30

General meeting of shareholders

in March

Administrator of the shareholder registry

Mitsubishi UFJ Trust and Banking Corporation

Contact

Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Department
7-10-11, Higashisuna, Koto-ku, Tokyo, 137-8081
Tel. 0120-232-711 (toll-free, Japan only)

Account administrator for special accounts

Sumitomo Mitsui Trust Bank, Limited
Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Department
2-8-4, Izumi, Suginami-ku, Tokyo 168-8507
Tel. 0120-782-031 (toll free, Japan only)

Contact

TSE Mothers

Stock exchange listings

Please refer to the Aoyama Zaisan Networks website

Public announcements

(For reference)

- Due to the dematerialization share certificates, shareholders' address changes, repurchase requests, and such other procedures, as a rule, are filled with the account-administrating institutions where shareholders have their accounts (securities companies, etc). Shareholders are requested to contact their account holding securities companies, etc., for information. Shareholders are reminded that application filings cannot be made with the administrator of shareholder registry (Mitsubishi UFJ Trust and Banking Corporation).
- For information on procedures concerning shares recorded in special accounts, shareholders are requested to contact The Sumitomo Mitsui Trust Bank, Limited, the account administration institution for special accounts. Shareholders are reminded that procedures cannot be processed by Mitsubishi UFJ Trust and Banking Corporation, which serves as the administrator of the shareholder registry.
- Dividends hitherto uncollected by shareholders are paid by Mitsubishi UFJ Trust and Banking Corporation, Head Office Branch.

Notice About Our Shareholder Special Benefit Plan

Based on our shareholder special benefit plan, a gift equivalent to 3,000 yen will be presented to shareholders holding over 10 shares of the company and listed on the shareholder registry as of June 30, 2013.



Aoyama Zaisan Networks Company, Limited