

Translation

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

November 14, 2023

Company name: Aoyama Zaisan Networks Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 8929 URL <https://www.azn.co.jp/>  
 Representative: President Masazumi Hasumi  
 Director, Managing Executive Officer, and  
 Inquiries: Shintaro Hashiba TEL 03-6439-5800  
 Corporate Finance Division  
 Scheduled date to file Quarterly Securities Report: November 14, 2023  
 Scheduled date to commence dividend payments: –  
 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. Consolidated financial results for the nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2023	25,699	(8.3)	1,821	9.4	1,947	21.5	1,267	19.1
Nine months ended September 30, 2022	28,033	56.1	1,665	18.7	1,602	17.7	1,064	(9.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2023	52.13		52.11	
Nine months ended September 30, 2022	43.89		43.84	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	22,572	8,799	38.7	358.67
As of December 31, 2022	21,757	8,320	38.0	340.13

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2022	–	13.00	–	22.00	35.00
Year ending December 31, 2023	–	15.00	–		
Year ending December 31, 2023 (Forecast)				26.00	41.00

### 3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	37,400	4.0	3,300	25.5	3,370	34.8	2,040	20.4	83.84

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) 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	24,520,859 shares	As of December 31, 2022	24,520,859 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	189,246 shares	As of December 31, 2022	220,328 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2023	24,316,926 shares	Nine months ended September 30, 2022	24,259,222 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2022	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	12,804	11,827
Accounts receivable - trade	684	769
Real estate for sale	1,751	3,635
Other inventories	15	12
Other	160	195
Allowance for doubtful accounts	(0)	(9)
<b>Total current assets</b>	<b>15,416</b>	<b>16,430</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	2,324	2,235
Land	195	195
Other, net	110	103
<b>Total property, plant and equipment</b>	<b>2,630</b>	<b>2,534</b>
<b>Intangible assets</b>		
Goodwill	19	12
Software	365	283
Other	25	23
<b>Total intangible assets</b>	<b>410</b>	<b>320</b>
<b>Investments and other assets</b>		
Investment securities	2,727	2,835
Shares of subsidiaries and associates	37	38
Deferred tax assets	160	39
Other	375	373
<b>Total investments and other assets</b>	<b>3,300</b>	<b>3,287</b>
<b>Total non-current assets</b>	<b>6,341</b>	<b>6,141</b>
<b>Total assets</b>	<b>21,757</b>	<b>22,572</b>

(Millions of yen)

	As of December 31, 2022	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	291	205
Short-term borrowings	–	1,925
Current portion of long-term borrowings	1,950	1,942
Current portion of bonds payable	150	60
Income taxes payable	687	252
Accounts payable - other	1,128	621
Provision for bonuses	–	548
Other	935	771
<b>Total current liabilities</b>	<b>5,142</b>	<b>6,326</b>
<b>Non-current liabilities</b>		
Bonds payable	30	–
Long-term borrowings	6,003	4,902
Long-term leasehold and guarantee deposits received	2,180	2,473
Long-term accounts payable - other	54	46
Other	26	24
<b>Total non-current liabilities</b>	<b>8,295</b>	<b>7,445</b>
<b>Total liabilities</b>	<b>13,437</b>	<b>13,772</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,210	1,210
Capital surplus	1,374	1,381
Retained earnings	5,593	5,961
Treasury shares	(168)	(144)
<b>Total shareholders' equity</b>	<b>8,010</b>	<b>8,409</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	206	358
Foreign currency translation adjustment	47	(41)
<b>Total accumulated other comprehensive income</b>	<b>254</b>	<b>317</b>
Share acquisition rights	30	43
Non-controlling interests	24	28
<b>Total net assets</b>	<b>8,320</b>	<b>8,799</b>
<b>Total liabilities and net assets</b>	<b>21,757</b>	<b>22,572</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Net sales	28,033	25,699
Cost of sales	24,058	21,603
Gross profit	3,975	4,096
Selling, general and administrative expenses	2,309	2,274
Operating profit	1,665	1,821
Non-operating income		
Foreign exchange gains	82	173
Other	12	28
Total non-operating income	94	201
Non-operating expenses		
Interest expenses	60	58
Commission expenses	84	16
Other	12	0
Total non-operating expenses	157	75
Ordinary profit	1,602	1,947
Extraordinary income		
Gain on reversal of share acquisition rights	0	-
Total extraordinary income	0	-
Extraordinary losses		
Impairment losses	5	-
Total extraordinary losses	5	-
Profit before income taxes	1,597	1,947
Income taxes - current	558	621
Income taxes - deferred	(21)	53
Total income taxes	536	675
Profit	1,060	1,271
Profit (loss) attributable to non-controlling interests	(4)	4
Profit attributable to owners of parent	1,064	1,267

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit	1,060	1,271
Other comprehensive income		
Valuation difference on available-for-sale securities	(7)	152
Foreign currency translation adjustment	126	(89)
Total other comprehensive income	118	62
Comprehensive income	1,178	1,334
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,182	1,330
Comprehensive income attributable to non-controlling interests	(4)	4