

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2015 (Based on Japanese GAAP)

November 13, 2015

Company name: Aoyama Zaisan Networks Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8929 URL <http://www.azn.co.jp/>
 Representative: President Masazumi Hasumi
 Inquiries: Director, Administration Division Yoshikazu Mizushima TEL 03-6439-5800
 Scheduled date to file Quarterly Securities Report: November 13, 2015
 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. Consolidated financial results for the nine months ended September 30, 2015 (from January 1, 2015 to September 30, 2015)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2015	7,769	41.9	247	33.3	244	14.4	207	35.0
Nine months ended September 30, 2014	5,476	53.9	185	84.6	214	140.5	153	(3.6)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended September 30, 2015	17.71		17.53	
Nine months ended September 30, 2014	13.13		–	

(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, 2015	5,975	2,606	43.2	219.93
As of December 31, 2014	5,930	2,447	40.9	207.26

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 December 31, 2014	–	5.00	–	10.00	15.00
Year ending December 31, 2015	–	5.00	–		
Year ending December 31, 2015 (Forecast)				10.00	15.00

3. Forecast of consolidated financial results for the year ending December 31, 2015 (from January 1, 2015 to December 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,850	5.9	460	3.3	470	0.5	400	10.3	34.16

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2015
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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: No
- 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, 2015	11,749,600 shares	As of December 31, 2014	11,709,600 shares
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Number of treasury shares at the end of the period

As of September 30, 2015	– shares	As of December 31, 2014	– 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, 2015	11,721,385 shares	Nine months ended September 30, 2014	11,709,600 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2014	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	3,069,579	2,083,996
Accounts receivable - trade	200,316	331,567
Real estate for sale	772,590	959,497
Other inventories	11,540	12,387
Other	158,610	318,159
Allowance for doubtful accounts	(32,278)	(32,142)
Total current assets	4,180,358	3,673,466
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,632	51,722
Land	1,406	1,406
Other, net	27,307	26,973
Total property, plant and equipment	77,346	80,102
Intangible assets		
Goodwill	304,130	243,304
Software	48,708	88,268
Other	3,087	2,963
Total intangible assets	355,926	334,535
Investments and other assets		
Investment securities	1,101,620	1,653,314
Shares of subsidiaries and associates	9,956	1
Other	205,754	234,059
Total investments and other assets	1,317,330	1,887,374
Total non-current assets	1,750,603	2,302,012
Total assets	5,930,962	5,975,479

(Thousands of yen)

	As of December 31, 2014	As of September 30, 2015
Liabilities		
Current liabilities		
Accounts payable - trade	96,870	55,544
Short-term loans payable	546,000	133,710
Current portion of long-term loans payable	309,600	309,600
Current portion of bonds	60,000	120,000
Income taxes payable	41,282	1,372
Provision for bonuses	–	164,565
Other provision	17,252	6,073
Other	733,624	444,042
Total current liabilities	1,804,629	1,234,908
Non-current liabilities		
Bonds payable	150,000	330,000
Long-term loans payable	611,200	786,864
Long-term lease and guarantee deposited	796,092	852,721
Long-term accounts payable - other	50,537	50,330
Net defined benefit liability	13,599	14,832
Deferred tax liabilities	57,275	99,694
Other	514	–
Total non-current liabilities	1,679,218	2,134,443
Total liabilities	3,483,848	3,369,351
Net assets		
Shareholders' equity		
Capital stock	1,030,817	1,039,897
Capital surplus	736,896	745,976
Retained earnings	559,220	587,937
Total shareholders' equity	2,326,933	2,373,810
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	103,430	209,339
Foreign currency translation adjustment	(3,472)	949
Total accumulated other comprehensive income	99,957	210,289
Subscription rights to shares	20,223	22,028
Total net assets	2,447,113	2,606,128
Total liabilities and net assets	5,930,962	5,975,479

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2014	Nine months ended September 30, 2015
Operating revenue		
Operating revenue	2,519,798	2,757,330
Real estate sales	2,957,113	5,012,161
Total operating revenue	5,476,912	7,769,491
Operating cost		
Cost For Sales	1,616,671	1,800,898
Cost of sales - real estate	2,679,371	4,606,073
Total operating cost	4,296,043	6,406,972
Operating gross profit	1,180,869	1,362,519
Selling, general and administrative expenses	995,183	1,114,948
Operating income	185,686	247,570
Non-operating income		
Interest income	567	779
Dividend income	47,689	7,197
Insurance premiums refunded cancellation	-	4,035
Compensation income	-	6,677
Other	18,036	12,094
Total non-operating income	66,293	30,783
Non-operating expenses		
Interest expenses	21,862	17,957
Bond issuance cost	-	6,287
Loss on liquidation of subsidiaries silent partnership	6,363	-
Other	9,633	9,200
Total non-operating expenses	37,860	33,446
Ordinary income	214,119	244,908
Extraordinary income		
Gain on sales of investment securities	17,502	2,418
Total extraordinary income	17,502	2,418
Extraordinary losses		
Loss on valuation of investment securities	1,099	-
Total extraordinary losses	1,099	-
Income before dividends distribution from silent partnership, income taxes	230,521	247,326
Dividends distribution from silent partnership	28,796	-
Income before income taxes and minority interests	201,724	247,326
Income taxes - current	47,968	39,778
Total income taxes	47,968	39,778
Income before minority interests	153,756	207,547
Net income	153,756	207,547

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2014	Nine months ended September 30, 2015
Income before minority interests	153,756	207,547
Other comprehensive income		
Valuation difference on available-for-sale securities	71,510	105,908
Foreign currency translation adjustment	(733)	4,422
Total other comprehensive income	70,777	110,331
Comprehensive income	224,534	317,879
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	224,534	317,879