

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended March 31, 2015 (Based on Japanese GAAP)

May 12, 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: May 12, 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 three months ended March 31, 2015 (from January 1, 2015 to March 31, 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	%
Three months ended March 31, 2015	2,872	110.8	100	80.5	108	18.3	85	96.6
Three months ended March 31, 2014	1,362	91.8	55	–	91	–	43	–

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended March 31, 2015	7.31		7.25	
Three months ended March 31, 2014	3.72		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2015	5,131		2,432		47.0		205.79	
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
Year ended December 31, 2014	–	5.0	–	10.0	15.0
Year ending December 31, 2015	–	–	–	–	–
Year ending December 31, 2015 (Forecast)	–	5.0	–	10.0	15.0

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
Six months ending June 30, 2015	4,450	5.6	170	18.0	170	(6.1)	150	25.2	12.81
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 three months ended March 31, 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 March 31, 2015	11,709,600 shares	As of December 31, 2014	11,709,600 shares
----------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2015	– shares	As of December 31, 2014	– shares
----------------------	----------	-------------------------	----------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2015	11,709,600 shares	Three months ended March 31, 2014	11,709,600 shares
-----------------------------------	-------------------	-----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	3,069,579	2,694,753
Accounts receivable - trade	200,316	256,138
Real estate for sale	772,590	336,489
Other inventories	11,540	13,747
Other	158,610	115,136
Allowance for doubtful accounts	(32,278)	(28,580)
Total current assets	4,180,358	3,387,686
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,632	56,147
Land	1,406	1,406
Other, net	27,307	29,494
Total property, plant and equipment	77,346	87,048
Intangible assets		
Goodwill	304,130	283,855
Software	48,708	61,396
Other	3,087	3,045
Total intangible assets	355,926	348,297
Investments and other assets		
Investment securities	1,101,620	1,115,010
Shares of subsidiaries and associates	9,956	–
Other	205,754	193,167
Total investments and other assets	1,317,330	1,308,177
Total non-current assets	1,750,603	1,743,523
Total assets	5,930,962	5,131,209

(Thousands of yen)

	As of December 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Accounts payable - trade	96,870	98,957
Short-term loans payable	546,000	85,668
Current portion of long-term loans payable	309,600	309,600
Current portion of bonds	60,000	60,000
Income taxes payable	41,282	1,506
Provision for bonuses	–	87,867
Other provision	17,252	6,970
Other	733,624	401,144
Total current liabilities	1,804,629	1,051,714
Non-current liabilities		
Bonds payable	150,000	120,000
Long-term loans payable	611,200	533,800
Long-term lease and guarantee deposited	796,092	871,982
Long-term accounts payable - other	50,537	50,537
Net defined benefit liability	13,599	13,822
Deferred tax liabilities	57,275	56,360
Other	514	257
Total non-current liabilities	1,679,218	1,646,760
Total liabilities	3,483,848	2,698,475
Net assets		
Shareholders' equity		
Capital stock	1,030,817	1,030,817
Capital surplus	736,896	736,896
Retained earnings	559,220	524,687
Total shareholders' equity	2,326,933	2,292,400
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	103,430	118,130
Foreign currency translation adjustment	(3,472)	(829)
Total accumulated other comprehensive income	99,957	117,301
Subscription rights to shares	20,223	23,032
Total net assets	2,447,113	2,432,734
Total liabilities and net assets	5,930,962	5,131,209

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2014	Three months ended March 31, 2015
Operating revenue		
Operating revenue	860,215	932,266
Real estate sales	502,371	1,940,709
Total operating revenue	1,362,587	2,872,975
Operating cost		
Cost For Sales	528,038	618,546
Cost of sales - real estate	444,889	1,777,418
Total operating cost	972,928	2,395,964
Operating gross profit	389,659	477,010
Selling, general and administrative expenses	333,865	376,319
Operating income	55,793	100,691
Non-operating income		
Interest income	216	506
Dividend income	41,823	577
Insurance premiums refunded cancellation	-	4,035
Compensation income	-	4,670
Other	7,788	6,910
Total non-operating income	49,828	16,699
Non-operating expenses		
Interest expenses	6,631	6,835
Loss on liquidation of subsidiaries silent partnership	6,363	-
Other	1,021	2,213
Total non-operating expenses	14,016	9,049
Ordinary income	91,605	108,341
Extraordinary income		
Gain on sales of investment securities	7,899	218
Total extraordinary income	7,899	218
Extraordinary losses		
Loss on valuation of investment securities	1,099	-
Total extraordinary losses	1,099	-
Income before dividends distribution from silent partnership, income taxes	98,405	108,559
Dividends distribution from silent partnership	27,730	-
Income before income taxes and minority interests	70,674	108,559
Income taxes - current	27,124	22,923
Total income taxes	27,124	22,923
Income before minority interests	43,549	85,636
Net income	43,549	85,636

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2014	Three months ended March 31, 2015
Income before minority interests	43,549	85,636
Other comprehensive income		
Valuation difference on available-for-sale securities	61,183	14,700
Foreign currency translation adjustment	66	2,643
Total other comprehensive income	61,250	17,343
Comprehensive income	104,799	102,980
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	104,799	102,980
Comprehensive income attributable to minority interests	—	—