

Translation

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**Summary of Consolidated Financial Results
for the Year Ended December 31, 2024
(Based on Japanese GAAP)**

February 13, 2025

Company name: Aoyama Zaisan Networks Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8929 URL <https://www.azn.co.jp/>
 Representative: President Masazumi Hasumi
 Inquiries: Corporate Finance Division Seichi Ishikawa TEL 03-6439-5800
 Finance Department General Manager
 Scheduled date of ordinary general meeting of shareholders: March 27, 2025
 Scheduled date to file Securities Report: March 27, 2025
 Scheduled date to commence dividend payments: March 28, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

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	%
Year ended December 31, 2024	45,618	26.4	3,506	7.4	3,480	3.6	2,428	17.8
Year ended December 31, 2023	36,098	0.4	3,265	24.2	3,359	34.4	2,062	21.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	100.03	99.84	25.2	15.2	7.7
Year ended December 31, 2023	84.81	84.74	23.2	14.8	9.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	22,392	9,816	43.6	408.17
As of December 31, 2023	23,491	9,584	40.4	390.42

(3) 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	6,662	(2,659)	(5,768)	12,934
Year ended December 31, 2023	2,488	212	(858)	14,693

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2023	–	15.00	–	26.00	41.00	997	48.3	11.2
Year ended December 31, 2024	–	18.00	–	28.00	46.00	1,109	46.0	11.5
Year ending December 31, 2025 (Forecast)	–	20.00	–	31.00	51.00		49.8	

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

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	47,000	3.0	3,850	9.8	3,650	4.9	2,450	0.9	102.32

4. Notes

- (1) Significant changes in the scope of consolidation during the year ended December 31, 2024: No
- (2) 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

(3) Number of issued shares (common shares)

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

As of December 31, 2024	25,103,459 shares	As of December 31, 2023	24,520,859 shares
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Number of treasury shares at the end of the period

As of December 31, 2024	1,159,690 shares	As of December 31, 2023	189,246 shares
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Average number of shares during the period

Year ended December 31, 2024	24,280,309 shares	Year ended December 31, 2023	24,320,628 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	14,696	13,082
Accounts receivable - trade	910	484
Real estate for sale	1,677	1,192
Other inventories	12	22
Other	290	641
Allowance for doubtful accounts	(9)	(8)
Total current assets	17,578	15,415
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,743	376
Accumulated depreciation	(538)	(130)
Buildings and structures, net	2,205	245
Land	195	1
Other	292	301
Accumulated depreciation	(199)	(220)
Other, net	93	81
Total property, plant and equipment	2,494	328
Intangible assets		
Goodwill	10	2,922
Software	255	171
Other	23	21
Total intangible assets	289	3,115
Investments and other assets		
Investment securities	2,514	2,845
Shares of subsidiaries and associates	38	40
Deferred tax assets	178	253
Other	395	394
Total investments and other assets	3,128	3,533
Total non-current assets	5,912	6,977
Total assets	23,491	22,392

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	308	378
Short-term borrowings	200	200
Current portion of long-term borrowings	2,160	1,976
Current portion of bonds payable	30	20
Income taxes payable	755	486
Accounts payable - other	1,070	1,411
Other	935	1,232
Total current liabilities	5,460	5,705
Non-current liabilities		
Bonds payable	–	70
Long-term borrowings	5,781	3,704
Long-term leasehold and guarantee deposits received	2,595	3,032
Long-term accounts payable - other	45	43
Deferred tax liabilities	–	16
Other	23	3
Total non-current liabilities	8,445	6,870
Total liabilities	13,906	12,575
Net assets		
Shareholders' equity		
Share capital	1,210	1,259
Capital surplus	1,381	2,081
Retained earnings	6,756	8,113
Treasury shares	(144)	(1,978)
Total shareholders' equity	9,204	9,475
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	333	350
Foreign currency translation adjustment	(38)	(53)
Total accumulated other comprehensive income	294	297
Share acquisition rights	48	28
Non-controlling interests	37	15
Total net assets	9,584	9,816
Total liabilities and net assets	23,491	22,392

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	36,098	45,618
Cost of sales	29,742	38,649
Gross profit	6,356	6,969
Selling, general and administrative expenses	3,090	3,462
Operating profit	3,265	3,506
Non-operating income		
Interest income	10	10
Dividend income	13	15
Share of profit of entities accounted for using equity method	1	1
Foreign exchange gains	150	37
Gain on investments in silent partnerships	20	16
Other	16	3
Total non-operating income	211	84
Non-operating expenses		
Interest expenses	77	77
Commission expenses	38	30
Other	2	3
Total non-operating expenses	117	111
Ordinary profit	3,359	3,480
Extraordinary losses		
Loss on valuation of investment securities	224	75
Loss on retirement of non-current assets	0	0
Total extraordinary losses	224	75
Profit before income taxes	3,134	3,404
Income taxes - current	1,133	1,060
Income taxes - deferred	(73)	(82)
Total income taxes	1,059	978
Profit	2,075	2,426
Profit (loss) attributable to non-controlling interests	12	(2)
Profit attributable to owners of parent	2,062	2,428

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	2,075	2,426
Other comprehensive income		
Valuation difference on available-for-sale securities	127	17
Foreign currency translation adjustment	(86)	(14)
Total other comprehensive income	40	2
Comprehensive income	2,115	2,428
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,102	2,431
Comprehensive income attributable to non-controlling interests	12	(2)

Consolidated statements of changes in equity

Fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	1,210	1,374	5,593	(168)	8,010	206	47	254	30	24	8,320
Changes during period											
Dividends of surplus			(899)		(899)						(899)
Profit attributable to owners of parent			2,062		2,062						2,062
Disposal of treasury shares (Restricted share Remuneration)		7		23	31						31
Net changes in items other than shareholders' equity						127	(86)	40	17	12	70
Total changes during period	–	7	1,162	23	1,194	127	(86)	40	17	12	1,264
Balance at end of period	1,210	1,381	6,756	(144)	9,204	333	(38)	294	48	37	9,584

Fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	1,210	1,381	6,756	(144)	9,204	333	(38)	294	48	37	9,584
Changes during period											
Dividends of surplus			(1,071)		(1,071)						(1,071)
Issuance of new shares - exercise of share acquisition rights	48	48			97						97
Issuance of new shares - share exchanges		686			686						686
Profit attributable to owners of parent			2,428		2,428						2,428
Purchase of treasury shares				(2,099)	(2,099)						(2,099)
Disposal of treasury shares (Restricted share Remuneration)		12		18	30						30
Disposal of treasury shares (stock exchange)		(48)		247	199						199
Purchase of shares of consolidated subsidiaries		0			0						0
Net changes in items other than shareholders' equity						17	(14)	2	(20)	(21)	(39)
Total changes during period	48	699	1,357	(1,834)	270	17	(14)	2	(20)	(21)	231
Balance at end of period	1,259	2,081	8,113	(1,978)	9,475	350	(53)	297	28	15	9,816

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,134	3,404
Depreciation	285	215
Amortization of goodwill	8	8
Share-based payment expenses	17	4
Increase (decrease) in allowance for doubtful accounts	8	(1)
Interest and dividend income	(23)	(25)
Interest expenses	77	77
Loss (gain) on valuation of investment securities	224	75
Loss (gain) on investments in silent partnerships	(20)	(16)
Loss on retirement of non-current assets	0	0
Decrease (increase) in trade receivables	(231)	513
Decrease (increase) in inventories	95	3,249
Decrease (increase) in accounts receivable - other	(1)	(4)
Decrease (increase) in advance payments to suppliers	(132)	(280)
Decrease (increase) in advances paid	24	6
Increase (decrease) in trade payables	16	(27)
Increase (decrease) in advances received	(100)	(44)
Increase (decrease) in accounts payable - other	(23)	296
Increase (decrease) in deposits received	(216)	87
Increase (decrease) in long-term accounts payable - other	(8)	(2)
Increase (decrease) in accrued consumption taxes	124	186
Increase (decrease) in leasehold and guarantee deposits received	415	437
Other, net	(78)	(53)
Subtotal	3,595	8,107
Interest and dividends received	23	25
Interest paid	(67)	(68)
Income taxes refund (paid)	(1,061)	(1,402)
Net cash provided by (used in) operating activities	2,488	6,662

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from investing activities		
Payments into time deposits	–	(130)
Purchase of property, plant and equipment	(30)	(48)
Purchase of intangible assets	(15)	(17)
Purchase of investment securities	–	(847)
Proceeds from sales and withdrawal of investment securities	290	460
Purchase of golf club membership	(7)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,068)
Payments of leasehold and guarantee deposits	(42)	(12)
Proceeds from refund of leasehold deposits	15	5
Other, net	3	0
Net cash provided by (used in) investing activities	212	(2,659)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	200	–
Proceeds from long-term borrowings	2,000	1,500
Repayments of long-term borrowings	(2,012)	(4,120)
Redemption of bonds	(150)	(30)
Proceeds from exercise of employee share options	–	72
Purchase of treasury shares	–	(2,099)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(19)
Dividends paid	(896)	(1,071)
Net cash provided by (used in) financing activities	(858)	(5,768)
Effect of exchange rate change on cash and cash equivalents	49	6
Net increase (decrease) in cash and cash equivalents	1,892	(1,759)
Cash and cash equivalents at beginning of period	12,801	14,693
Cash and cash equivalents at end of period	14,693	12,934