

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended March 31, 2014
(Based on Japanese GAAP)**

May 13, 2014

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 13, 2014
 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, 2014 (from January 1, 2014 to March 31, 2014)

(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, 2014	1,362	91.8	55	–	91	–	43	–
Three months ended March 31, 2013	710	(53.1)	(115)	–	(126)	–	(135)	–

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended March 31, 2014	3.72		–	
Three months ended March 31, 2013	(12.78)		–	

(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, 2014	5,665	2,142	37.6	182.12
As of December 31, 2013	4,698	2,151	45.7	183.17

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, 2013	–	0.00	–	1,000.00	1,000.00
Year ending December 31, 2014	–	–	–	–	–
Year ending December 31, 2014 (Forecast)	–	0.00	–	10.00	10.00

3. Forecast of consolidated financial results for the year ending December 31, 2014 (from January 1, 2014 to December 31, 2014)

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, 2014	2,825	77.5	29	–	29	–	19	(38.6)	1.62
Full year	7,060	10.8	260	62.2	250	75.0	230	14.4	19.64

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2014
(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, 2014	11,709,600 shares	As of December 31, 2013	11,709,600 shares
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Number of treasury shares at the end of the period

As of March 31, 2014	– shares	As of December 31, 2013	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2014	11,709,600 shares	Three months ended March 31, 2013	10,570,500 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	2,588,371	2,035,320
Accounts receivable - trade	214,755	339,535
Real estate for sale	14,900	1,471,208
Other inventories	11,407	11,313
Other	147,583	100,231
Allowance for doubtful accounts	(10,031)	(29,500)
Total current assets	2,966,986	3,928,108
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	57,359	55,192
Land	1,406	1,406
Other, net	30,371	29,870
Total property, plant and equipment	89,136	86,468
Intangible assets		
Software	42,796	39,247
Goodwill	385,232	364,957
Other	3,266	3,221
Total intangible assets	431,295	407,426
Investments and other assets		
Investment securities	1,024,181	1,032,927
Shares of subsidiaries and associates	9,956	15,056
Other	176,716	196,000
Total investments and other assets	1,210,853	1,243,984
Total non-current assets	1,731,285	1,737,879
Total assets	4,698,271	5,665,988

(Thousands of yen)

	As of December 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Accounts payable - trade	51,492	35,674
Short-term loans payable	-	1,000,000
Current portion of long-term loans payable	248,400	285,600
Current portion of bonds	60,000	60,000
Provision for bonuses	4,595	81,558
Other provision	19,738	12,041
Other	470,031	309,050
Total current liabilities	854,258	1,783,923
Non-current liabilities		
Bonds payable	210,000	180,000
Long-term loans payable	670,000	673,400
Long-term deposits received	20,703	2,883
Long-term lease and guarantee deposited	722,356	779,451
Long-term accounts payable - other	-	51,933
Provision for retirement benefits	63,436	11,895
Deferred tax liabilities	3,588	37,469
Other	2,167	2,167
Total non-current liabilities	1,692,253	1,739,202
Total liabilities	2,546,511	3,523,126
Net assets		
Shareholders' equity		
Capital stock	1,030,817	1,030,817
Capital surplus	736,896	736,896
Retained earnings	372,062	298,516
Total shareholders' equity	2,139,775	2,066,229
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,479	67,663
Foreign currency translation adjustment	(1,428)	(1,362)
Total accumulated other comprehensive income	5,050	66,301
Subscription rights to shares	6,933	10,332
Total net assets	2,151,760	2,142,862
Total liabilities and net assets	4,698,271	5,665,988

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

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Operating revenue		
Operating revenue	614,446	860,215
Real estate sales	96,020	502,371
Total operating revenue	710,467	1,362,587
Operating cost		
Cost For Sales	464,636	528,038
Cost of sales - real estate	104,270	444,889
Total operating cost	568,907	972,928
Operating gross profit	141,560	389,659
Selling, general and administrative expenses	256,730	333,865
Operating income (loss)	(115,169)	55,793
Non-operating income		
Interest income	86	216
Dividend income	904	41,823
Foreign exchange gains	685	-
Other	339	7,788
Total non-operating income	2,015	49,828
Non-operating expenses		
Interest expenses	5,833	6,631
Bond issuance cost	6,287	-
Loss on liquidation of subsidiaries silent partnership	-	6,363
Other	873	1,021
Total non-operating expenses	12,994	14,016
Ordinary income (loss)	(126,149)	91,605
Extraordinary income		
Gain on sales of investment securities	-	7,899
Total extraordinary income	-	7,899
Extraordinary losses		
Loss on valuation of investment securities	3,199	1,099
Total extraordinary losses	3,199	1,099
Income (loss) before dividends distribution from silent partnership, income taxes	(129,349)	98,405
Dividends distribution from silent partnership	(661)	27,730
Income (loss) before income taxes and minority interests	(128,688)	70,674
Income taxes - current	314	27,124
Total income taxes	314	27,124
Income (loss) before minority interests	(129,002)	43,549
Minority interests in income	6,074	-
Net income (loss)	(135,076)	43,549

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Income (loss) before minority interests	(129,002)	43,549
Other comprehensive income		
Valuation difference on available-for-sale securities	139,646	61,183
Foreign currency translation adjustment	(877)	66
Total other comprehensive income	138,768	61,250
Comprehensive income	9,766	104,799
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,691	104,799
Comprehensive income attributable to minority interests	6,074	-