

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022 (Based on Japanese GAAP)

May 10, 2022

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, Deputy Executive Officer, General Manager for Management Headquarters Masayuki Yagi TEL 03-6439-5800
 Inquiries: Masayuki Yagi
 Scheduled date to file Quarterly Securities Report: May 10, 2022
 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 three months ended March 31, 2022 (from January 1, 2022 to March 31, 2022)

(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	%
Three months ended March 31, 2022	12,651	274.7	675	139.4	627	126.7	458	(3.3)
Three months ended March 31, 2021	3,376	(52.2)	282	(26.7)	276	(14.0)	474	127.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2022	18.96		18.90	
Three months ended March 31, 2021	19.52		19.42	

(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, 2022	20,644	7,252	35.0	298.05
As of December 31, 2021	17,426	7,128	40.8	294.61

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, 2021	–	22.00	–	17.00	–
Year ending December 31, 2022	–				
Year ending December 31, 2022 (Forecast)		13.00	–	18.00	31.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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	36,500	50.7	2,550	37.4	2,420	34.7	1,690	14.1	69.63

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2022
(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: 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 March 31, 2022	24,491,600 shares	As of December 31, 2021	24,362,800 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	220,248 shares	As of December 31, 2021	220,248 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, 2022	24,183,903 shares	Three months ended March 31, 2021	24,293,812 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	10,865	12,205
Accounts receivable - trade	567	398
Real estate for sale	118	2,278
Other inventories	5	4
Income taxes receivable	25	–
Other	483	437
Allowance for doubtful accounts	(3)	(2)
Total current assets	12,062	15,320
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,369	2,415
Land	195	195
Other, net	116	131
Total property, plant and equipment	2,681	2,742
Intangible assets		
Goodwill	28	26
Software	495	462
Other	27	26
Total intangible assets	551	515
Investments and other assets		
Investment securities	1,587	1,581
Shares of subsidiaries and associates	34	36
Deferred tax assets	122	72
Other	386	376
Total investments and other assets	2,131	2,066
Total non-current assets	5,364	5,324
Total assets	17,426	20,644

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	189	270
Short-term borrowings	200	200
Current portion of long-term borrowings	1,298	1,952
Current portion of bonds payable	232	210
Income taxes payable	204	95
Accounts payable - other	986	739
Provision for bonuses	–	273
Other	736	522
Total current liabilities	3,846	4,264
Non-current liabilities		
Bonds payable	180	120
Long-term borrowings	4,679	7,159
Long-term leasehold and guarantee deposits received	1,528	1,783
Long-term accounts payable - other	57	57
Other	6	6
Total non-current liabilities	6,452	9,127
Total liabilities	10,298	13,391
Net assets		
Shareholders' equity		
Share capital	1,167	1,190
Capital surplus	1,330	1,354
Retained earnings	4,625	4,673
Treasury shares	(167)	(167)
Total shareholders' equity	6,955	7,050
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	181	178
Foreign currency translation adjustment	(24)	4
Total accumulated other comprehensive income	156	183
Share acquisition rights	11	14
Non-controlling interests	4	4
Total net assets	7,128	7,252
Total liabilities and net assets	17,426	20,644

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Net sales	3,376	12,651
Cost of sales	2,504	11,195
Gross profit	871	1,455
Selling, general and administrative expenses	589	780
Operating profit	282	675
Non-operating income		
Foreign exchange gains	24	27
Other	6	4
Total non-operating income	30	32
Non-operating expenses		
Interest expenses	15	16
Commission expenses	19	55
Other	1	7
Total non-operating expenses	36	79
Ordinary profit	276	627
Extraordinary income		
Gain on sale of investment securities	23	–
Gain on reversal of share acquisition rights	190	0
Total extraordinary income	213	0
Profit before income taxes	490	628
Income taxes - current	26	117
Income taxes - deferred	(9)	51
Total income taxes	16	169
Profit	473	458
Profit (loss) attributable to non-controlling interests	(0)	0
Profit attributable to owners of parent	474	458

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	473	458
Other comprehensive income		
Valuation difference on available-for-sale securities	10	(2)
Foreign currency translation adjustment	30	29
Total other comprehensive income	41	26
Comprehensive income	515	485
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	515	485
Comprehensive income attributable to non-controlling interests	(0)	0