

Aoyama Zaisan Networks

First Half Business Summary for Fiscal Year 2012 (22nd period)

January 1 to June 30, 2012



On July 5, 2012, Funai Zaisan Consultants Co., Ltd. changed its name to Aoyama Zaisan Networks Co., Ltd.

~ We will remain your best partner over 100 years ~

Core Values

1. We always put our customers' happiness first.
2. We work on all things with modesty, loyalty and in good faith.
3. We value the feelings of consideration and gratitude.

Management Objectives

1. We will contribute to the society by offering optimum solutions for the preservation of individual asset and corporate value.
2. We aim for the physical and mental wellbeing of our coworkers.



President

Masazumi Hasumi

Aoyama Zaisan Networks Provides the Most Comprehensive Asset Management Solutions

The operating environment for “individual asset holders” changes from day to day, and has entered a period of great instability.

Real estate and share prices have fallen by over 50% and 75% respectively during the past 20 years, interest rates on bank savings have been held at effectively 0% for over 20 years, and consumption, income and inheritance taxes have undergone large increases more recently.

These issues are compounded by a financial deterioration in Japan, declines in funding for future pension, social welfare and other public functions, and other unstable economic factors that threaten individuals’ abilities to maintain adequate funding for post-retirement life.

Furthermore with regards to “corporate owners,” many entrepreneurs are faced with a lack of successors and uncertainties in the future prospects to carry on their businesses. And this inability to maintain the continuity of their businesses raises the risk of potential loss of personal assets.

Amidst the current turbulent environment where “few guarantees for the future exist,” **Funai Zaisan Consultants adopted the new company name of Aoyama Zaisan Networks** on July 5, 2012 as part of its efforts to provide comprehensive asset management consulting solutions and services designed to deal with the preservation and management of assets, continuation of businesses, and inheritance issues. Please keep your high expectations on our new beginning.

Business Results for the First Half of Fiscal Year 2012

Operating Results

During the first half of the fiscal year 2012, signs of a recovery in the Japanese economy appeared on the back of disaster relief demand in the wake of the Great East Japan Earthquake, however the reappearance of the European sovereign debt crisis, slowing in the Chinese economy, the threat of electric power shortages within Japan, and other factors limited the recovery in Japan's economy. With regards to the real estate industry, which has a profound influence upon the Aoyama Zaisan Networks Group experienced high. Vacancy rates at offices within five wards of central Tokyo with rent prices trended remained very weak, and overall operating conditions remained difficult too.

Against this backdrop, our Group (including Aoyama Zaisan Networks and its five consolidated subsidiaries) provides services designed to protect the assets and ensure the continuation of businesses of individuals and business owners. We also provide services designed to raise the earnings generation potential of real estate, which accounts for two thirds of assets within Japan, and various real estate solutions including purchase, sale and other means of leveraging real estate as part of its asset consulting business. At the same time we maintain a philosophy that "assets act as the foundation of happy lifestyles." Against the backdrop of the current severe economic environment, it is important to accurately predict future economic trends and assess the current status of individuals' assets, and develop a strategy to deal with asset management, inheritance related issues, and continuation of business measures to get over the current "period of uncertainty regarding the future."

The Aoyama Zaisan Networks Group seeks to maintain its position as the "best partner for over 100 years into the future" by accurately responding to customers' various needs. As part of our response, we seek to raise the quality of our services by leveraging our bountiful knowledge and experiences of the financial, real estate and other markets.

September 2011 marked the 20th year of our operations and we changed our name to Aoyama Zaisan Networks Co. Ltd. on July 5, 2012 as part of our efforts to fortify our ability to respond to the constantly changing needs of our customers and to maintain growth of our company. At the same time we maintain the view that "inability to change will lead to loss of future opportunities." In addition, we published the "Property White Paper 2012" on July 9, 2012. This year's "Property White Paper 2012" included updated data regarding various aspects of property and assets, in addition to information on Japan's fiscal conditions, and trends in the Japanese real estate market. Furthermore our White Paper includes surveys and analysis of new asset management issues including dementia in the aging Japanese society and survey results of our customers regarding their concerns over their assets.

As a result of our activities, net sales during the first half of fiscal year December 2012 rose by 31.7% year-over-year to ¥4,090 million, while operating and ordinary incomes fell by 40.0% and 5.3% year-over-year to ¥31 and ¥35 million respectively. At the same time a net loss of ¥33 million was recorded (Compared with a net loss of ¥11 million in the same period of the previous term).

Highlights of Consolidated Business Results (unit: million yen)

	First half of Fiscal Year 2010 (20th period)	First half of Fiscal Year 2011 (21st period)	First half of Fiscal Year 2012 (22nd period)	Forecast for Fiscal Year 2012 (22nd period)
Revenue	2,017	3,105	4,090	8,400
Ordinary income	188	38	35	290
Net income (loss)	119	(11)	33	280

Revenue by Segments

	First half of Fiscal Year 2011 (21st period)		First half of Fiscal Year 2012 (22st period)	
	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Ratio (%)
Revenue from asset consulting	1,022	32.9	826	20.2
Revenue from real estate transactions	1,497	48.2	2,591	63.3
Revenue from sublease	551	17.8	637	15.6
Other revenue	34	1.1	35	0.9
Total	3,105	100.0	4,090	100.0

The above forecasts are based on the information available as of the preparation of this document, involving some uncertainty. Actual business results might prove different from these forecasts, depending on the changes in business conditions.

Consolidated Balance Sheet in the Second Quarter

Million of yen, rounded down to the nearest million

Consolidated Balance Sheet

Item	Term	Fiscal Year 2011 Dec. 31, 2011	First half of Fiscal Year 2012 Jun. 30, 2012
Assets			
Current assets		1,790	1,561
Cash and deposits		1,474	978
Accounts receivable		215	279
Real estate held for sale		0	65
Purchased receivables		52	49
Others		100	238
Allowance for doubtful accounts		(51)	(49)
Fixed assets		1,907	2,572
Tangible fixed assets		63	814
Intangible fixed assets		322	234
Investments and other assets		1,520	1,524
Total assets		3,698	4,133

Item	Term	Fiscal Year 2011 Dec. 31, 2011	First half of Fiscal Year 2012 Jun. 30, 2012
Liabilities			
Current liabilities		1,486	1,247
Fix liabilities		986	1,699
Total liabilities		2,473	2,946
Net assets			
Shareholder's equity		1,600	1,565
Common stock		1,030	1,030
Capital surplus		334	334
Retained earnings		235	200
Valuation difference on available-for-sale securities		(375)	(377)
Unrealized gain on securities		(375)	(377)
Total net assets		1,224	1,187
Total inabilities and net assets		3,698	4,133

Consolidated Income Statements

Item	Term	First half of Fiscal Year 2011 from Jan. 1, 2011 to Jun. 30, 2011	First half of Fiscal Year 2012 from Jan. 1, 2012 to Jun. 30, 2012
Revenue		3,105	4,090
Operating cost		2,359	3,476
Gross operating income		745	614
SG & A		694	582
Operating income		51	31
Non-operating revenue		6	15
Non-operating expenses		20	10
Ordinary income		38	35
Extraordinary income		-	1
Extraordinary loss		49	0
Net income (loss) before income taxes and minority interests before loss distribution to anonymous association		(11)	37
Loss distribution to anonymous association		(2)	(0)
Net income (loss) before income taxes and minority interests		(9)	37
Total income taxes		1	3
Net income (loss)		(11)	33

Consolidated Cash Flows

Item	Term	First half of Fiscal Year 2011 from Jan. 1, 2011 to Jun. 30, 2011	First half of Fiscal Year 2012 from Jan. 1, 2012 to Jun. 30, 2012
Cash flow from operating activities		199	(188)
Cash flow from investing activities		48	(752)
Cash flow from financing activities		(436)	444
Change in cash and equivalents		(188)	(496)
Cash and equivalents at start of year		1,374	1,474
Cash and equivalents at end of the year		1,186	978

TOPIC 1

“Property White Paper 2012” Released

The “Property White Paper 2012” went on sale on July 9, 2012 and contains updated data and other information on overall assets, including surveys and analysis of the uses of assets and attitudes of individual asset holders within Japan, and their attitudes toward and awareness of asset management overall.

The key highlights of our most recent White Paper also includes information regarding the financial conditions of Japan trends in the Japanese real estate market, survey results of our Group’s asset holding customers regarding the threats and uncertainties they are confronted with, dementia and other newer issues for asset management in the era of the aging Japanese society, economic patterns after the financial collapse of various countries, and surveys and analysis of other topical issues.

Similar to last year’s White Paper, we have carefully chosen approximately 400 out of over 1,000 different types of data to clarify the abstract concepts of the “asset holder market” and “high net worth market” through clean and easily understandable analysis of the necessary services to protect assets and enrich asset holders’ lives. In addition to this information, we have also included a CD-ROM for regional asset holders with various data regarding regional economies and societies to enable easy analysis of those regions.



Title: Property White Paper 2012
 Author: Aoyama Zaisan Networks Co., Ltd.
 Chief Editor: Aoyama Zaisan Networks Co., Ltd. President, Masazumi Hasumi
 Joint Author: P&E Directions Inc.
 Pages: approx. 300 pages, also packaged with a CD-ROM
 Price: ¥84,000 (Including tax)

Many of Japan’s top media have written about our “Property White Paper 2012”

List of Japanese media making reference to the “Property White Paper 2012”

- ▶ Nikkan Shouhin Tousei Tokuhon published by Sangyo Press Co., Ltd.
- ▶ Shukan Jutaku published by Shukan Jutaku Shimbun Sha
- ▶ Real Estate Economic Report published by Real Estate Economic Institute Co., Ltd.
- ▶ Tax Accounting Flash Report published by Gyosei Corporation
- ▶ Hoken Joho published by Hokensha
- ▶ Searchina updated on SBI Searchina Co., Ltd.
- ▶ Livedoor News updated on Livedoor
- ▶ Check Time broadcasted on Tokyo Metropolitan Television Broadcasting Corp
- ▶ Hapimo broadcasted on Chiba Television Broadcasting Corp



TOPIC 2

“ADVANTAGE CLUB” Formation



As part of our asset consulting business, we have created a system for the joint ownership of real estate known as “ADVANTAGE CLUB Kyobashi Chuo” during the first half of fiscal year as a response to the asset management needs of our customers. “ADVANTAGE CLUB” is a voluntary partnership contract (monetary investment method) that is formed in accordance with the Real Estate Specified Joint Enterprises Act to jointly own high-return real estates and receive the profit distribution. This is a new form of selective ownership and investment of real estates that conform to the time.



TOPIC 3

“Asset Club Bussola”

In February 2011, we launched the “Asset Club Bussola” to provide valuable opportunities for individual asset holders to exchange ideas on how to protect and leverage their assets information with each other as a means to ensure that they live comfortable and happy lives. Through this Club, Aoyama Zaisan Networks provides helpful information regarding the “economy,” “health,” “family” and other themes to fortify the financial foundations of our asset holding customers and to enable them to enjoy enriched lives.

We have also invited leading individuals in various fields to give lectures related to the concept that “happy family life and the protection of assets cannot be achieved without good health.” In keeping with this concept, Asset Club Bussola is hosting a series of lectures on the theme of “health” three times this year (April, July and October). A guest speaker at the first lecture held in April was Visiting Professor of Juntendo University and Director of the Koushikai Cancer Treatment Group Motohiro Asonuma, and his theme was “How to Deal Effectively with Cancer.” Another speaker at the first lecture was Dean of the Chiba University of Commerce Haruo Shimada who gave a lecture entitled “How to Enjoy a Healthy Life Overcoming Cancer.” One of the speakers at the second lecture held in July was Juntendo University Professor Okio Hino, who has published various publications on the subject of cancer, whose talk was entitled “Bridging the Treatment Gap: Cancer Philosophy Outpatient Café, Great Endeavors of a Meddling Person.”

Another guest speaker was Masashi Saito, a physician specializing in oncology and communicable diseases, registered physician in the state of New York, Director of the Fujishikai Medical Institution, Director of the Cancer Consulting ToTo Institution, and author of a best-selling book entitled “Raising Body Temperature to Become Healthy” which sold over 700,000 copies in 2009, whose lecture was entitled “How to Live a Life without Contracting Cancer – “Preemptive Medicine.”

Corporate Data

Corporate Data

as of July 31, 2012

Name of Company	Aoyama Zaisan Networks Company, Limited
Head Office	3F Aoyama Tower Place, 8-4-14 Akasaka, Minato-ku, Tokyo 107-0052
	Tel. +81-6439-5800
Incorporated	September 17, 1991
Capital stock	1,030.81 million yen
Business line	Comprehensive individual asset consulting, corporate finance consulting and real estate solutions consulting
Number of employees (Group)	106 (as of June 30, 2012)
Consolidated subsidiaries	5 companies including Aoyama Estate Co., Ltd. and Project Holdings Co., Ltd.

Executives

(as of March 28, 2012)

President	Masazumi Hasumi
Managing Director	Hisao Nakatsuka
Outside Director	Haruo Shimada
Outside Director	Keiji Watanabe
Standing Auditor	Muneo Harada
Outside Auditor	Takao Kitamura
Outside Auditor	Hiroaki Rokugawa

Nationwide Network (36 bases as of July 31, 2012)

Chugoku, Shikoku

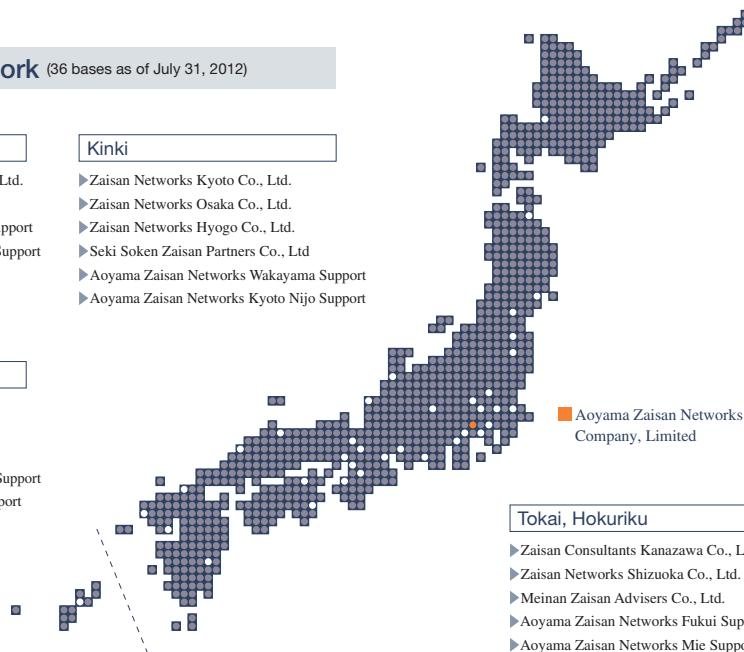
- ▶ Zaisan Consultants Tokushima Co., Ltd.
- ▶ Midori Zaisan Consultants Co., Ltd.
- ▶ Aoyama Zaisan Networks Tottori Support
- ▶ Aoyama Zaisan Networks Shimane Support

Kinki

- ▶ Zaisan Networks Kyoto Co., Ltd.
- ▶ Zaisan Networks Osaka Co., Ltd.
- ▶ Zaisan Networks Hyogo Co., Ltd.
- ▶ Seki Soken Zaisan Partners Co., Ltd.
- ▶ Aoyama Zaisan Networks Wakayama Support
- ▶ Aoyama Zaisan Networks Kyoto Nijo Support

Kyushu, Okinawa

- ▶ Zaisan Networks Fukuoka Co., Ltd.
- ▶ Zaisan Networks Nagasaki Co., Ltd.
- ▶ Zaisan Networks Okinawa Co., Ltd.
- ▶ Aoyama Zaisan Networks Miyazaki Support
- ▶ Aoyama Zaisan Networks Saga Support



Hokkaido, Tohoku

- ▶ Zaisan Networks Sendai Co., Ltd.
- ▶ Zaisan Networks Fukushima Co., Ltd.
- ▶ Aoyama Zaisan Networks Hokkaido Support
- ▶ Aoyama Zaisan Networks Yamagata Support
- ▶ Aoyama Zaisan Networks Aomori Support
- ▶ Aoyama Zaisan Networks Koriyama Support

Kanto, Koshinetsu

- ▶ Zaisan Networks Tochigi Co., Ltd.
- ▶ Zaisan Networks Motegi Co., Ltd.
- ▶ Zaisan Networks Saitama Co., Ltd.
- ▶ Nihon Shisan Soken Works Co., Ltd.
- ▶ Zaisan Networks Yamada Co., Ltd.
- ▶ Zaisan Networks Kawasaki Co., Ltd.
- ▶ Zaisan Networks Nagano Co., Ltd.
- ▶ Aoyama Zaisan Networks Ibaraki Support
- ▶ Aoyama Zaisan Networks Kanto Chuo Support
- ▶ Aoyama Zaisan Networks Denenchofu Support

Tokai, Hokuriku

- ▶ Zaisan Consultants Kanazawa Co., Ltd.
- ▶ Zaisan Networks Shizuoka Co., Ltd.
- ▶ Meinan Zaisan Advisers Co., Ltd.
- ▶ Aoyama Zaisan Networks Fukui Support
- ▶ Aoyama Zaisan Networks Mie Support

Stock Information

Stock Overview

(as of June 30, 2012)

Number of shares in issue	105,705
Number of shareholders	5,970

Major Shareholders (Top 10)

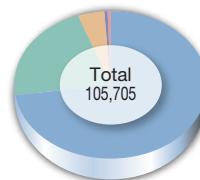
Name	Shares held	Shareholding ratio
MID Plus Co., Ltd.	11,003	10.40
Funai Consulting Inc.	9,132	8.63
Masazumi Hasumi	5,762	5.45
Mutsumi Shimada	4,370	4.13
Hideo Murakami	1,977	1.87
Tomio Sugimura	1,809	1.71
Baillie Gifford Shin Nippon PLC	1,672	1.58
Baillie Gifford Japan Trust PLC	1,473	1.39
Mitsuyoshi Watanabe	1,330	1.25
Takaaki Odaka	950	0.89

Number of Shareholders by Category



- Individuals and others/5,865(98.24%)
- Other Japanese companies/74(1.24%)
- Securities firms/15(0.25%)
- Overseas companies and others/12(0.20%)
- Financial institutions/4(0.07%)

Number of shares held by Category



- Individuals and others/76,931(72.79%)
- Other Japanese companies/23,144(21.89%)
- Overseas companies and others/4,588(4.34%)
- Securities firms/605(0.57%)
- Financial institutions/437(0.41%)

Notes for Shareholder

Fiscal year

Base date for the determination of shareholders with year-end dividend entitlements

Base date for the determination of shareholders with interim dividend entitlements

General meeting of shareholders

Administrator of the shareholder registry

Contact

Account administrator for special accounts

Contact

Stock exchange listings

Public announcements

January 1 to December 31

December 31

June 30

in March

Mitsubishi UFJ Trust and Banking Corporation

Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Department
7-10-11, Higashisuna, Koto-ku, Tokyo, 137-8081

Tel. 0120-232-711(toll-free, Japan only)

Sumitomo Mitsui Trust Bank, Limited

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Department
2-8-4, Izumi, Suginami-ku, Tokyo 168-8507

Tel. 0120-782-031(toll free, Japan only)

TSE Mothers

Please refer to the Aoyama Zaisan Networks website

(For reference)

- Due to the dematerialization share certificates, shareholders' address changes, repurchase requests, and such other procedures, as a rule, are filled with the account-administrating institutions where shareholders have their accounts (securities companies, etc). Shareholders are requested to contact their account holding securities companies, etc., for information. Shareholders are reminded that application filings cannot be made with the administrator of shareholder registry (Mitsubishi UFJ Trust and Banking Corporation).
- For information on procedures concerning shares recorded in special accounts, shareholders are requested to contact The Sumitomo Mitsui Trust Bank, Limited, the account administration institution for special accounts. Shareholders are reminded that procedures cannot be processed by Mitsubishi UFJ Trust and Banking Corporation, which serves as the administrator of the shareholder registry.
- Dividends hitherto uncollected by shareholders are paid by Mitsubishi UFJ Trust and Banking Corporation, Head Office Branch.

Notice About Our Shareholder Special Benefit Plan

Based on our shareholder special benefit plan, shareholders holding over 10 shares of the company and listed on the shareholder registry as of June 30, 2012 can choose to receive one of the five products listed below. The products will be shipped from the end of September.

- A** Hokkaido Fruit Jellies
- B** 2 bottles of Kagaya Dressing and 1 set of Kagaya *Chirimen Sansho*
- C** 5 kilograms of *Koshihikari* brand rice produced in Minami Uonuma
- D** *Fureai* gift set from Shinshu
- E** Assortment of hand-stretched somen (Japanese noodles) from Shimabara, 5 types



Aoyama Zaisan Networks Company, Limited