

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2012 (Based on Japanese GAAP)

November 6, 2012

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 General Manager, Administration Division Yoshikazu Mizushima TEL 03-6439-5800
 Scheduled date to file Quarterly Securities Report November 8, 2012
 Scheduled date to commence dividend payments -
 Preparation of supplementary material on quarterly earnings none
 Holding of quarterly earnings performance review none

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2012 (from January 1, 2012 to September 30, 2012)

(1) Consolidated operating 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	%
Nine months ended September 30, 2012	4,815	6.1	(96)	-	(99)	-	(92)	-
Nine months ended September 30, 2011	4,537	68.6	41	(65.6)	24	(72.0)	(38)	-

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended September 30, 2012	(878.43)		-	
Nine months ended September 30, 2011	(363.65)		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2012	3,852	1,007	26.1	9,527.20
As of December 31, 2011	3,698	1,224	33.1	11,584.90

2. Cash dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2011	-	0.00	-	650.00	650.00
Year ending December 31, 2012	-	0.00	-		
Year ending December 31, 2012 (Forecast)				650.00	650.00

3. Forecast for the year ending December 31, 2012 (from January 1, 2012 to December 31, 2012)

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
Full year	5,780	(24.2)	100	(46.4)	90	(45.8)	85	(61.0)	804.12

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2012
(changes in specified subsidiaries resulting in the change in scope of consolidation): none
- (2) Application of special accounting for preparing quarterly consolidated financial statements: none
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- Changes in accounting policies due to revisions to accounting standards and other regulations: yes
 - Changes in accounting policies due to other reasons: none
 - Changes in accounting estimates: yes
 - Restatement of prior period financial statements after error corrections: none

(4) Number of issued shares

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

As of September 30, 2012	105,705 shares	As of December 31, 2011	105,705 shares
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Number of shares of treasury stock at the end of the period

As of September 30, 2012	- shares	As of December 31, 2011	- shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2012	105,705 shares	Nine months ended September 30, 2011	105,705 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2011	As of September 30, 2012
Assets		
Current assets		
Cash and deposits	1,474,995	961,467
Accounts receivable-trade	215,206	277,131
Real estate for sale	0	65,000
Purchased receivables	52,527	46,727
Other	100,121	93,213
Allowance for doubtful accounts	(51,929)	(50,077)
Total current assets	1,790,921	1,393,463
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	47,053	653,194
Other, net	16,364	149,539
Total property, plant and equipment	63,417	802,733
Intangible assets		
Software	34,162	24,298
Goodwill	286,447	163,678
Other	2,374	2,287
Total intangible assets	322,984	190,264
Investments and other assets		
Investment securities	1,382,765	1,326,021
Stocks of subsidiaries and affiliates	3,260	3,260
Other	134,951	136,906
Total investments and other assets	1,520,977	1,466,188
Total noncurrent assets	1,907,380	2,459,187
Total assets	3,698,302	3,852,650

(Thousands of yen)

	As of December 31, 2011	As of September 30, 2012
Liabilities		
Current liabilities		
Accounts payable-trade	63,682	32,145
Short-term loans payable	600,000	600,000
Current portion of long-term loans payable	33,600	58,595
Current portion of bonds	395,000	130,000
Income taxes payable	17,799	4,265
Provision for bonuses	-	45,826
Other provision	22,159	50,987
Other	354,484	244,343
Total current liabilities	1,486,724	1,166,164
Noncurrent liabilities		
Bonds payable	92,500	-
Long-term loans payable	58,000	769,567
Long-term deposits received	70,216	63,326
Provision for retirement benefits	48,061	49,229
Long-term lease and guarantee deposited	718,216	797,291
Total noncurrent liabilities	986,995	1,679,414
Total liabilities	2,473,719	2,845,578
Net assets		
Shareholders' equity		
Capital stock	1,030,817	1,030,817
Capital surplus	334,224	334,224
Retained earnings	235,059	73,495
Total shareholders' equity	1,600,100	1,438,537
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(375,518)	(431,464)
Total accumulated other comprehensive income	(375,518)	(431,464)
Total net assets	1,224,582	1,007,072
Total liabilities and net assets	3,698,302	3,852,650

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2011	Nine months ended September 30, 2012
Operating revenue		
Operating revenue	2,304,553	2,207,483
Real estate sales	2,232,775	2,607,545
Total operating revenue	4,537,329	4,815,029
Operating cost		
Cost For Sales	1,363,431	1,545,947
Cost of sales-real estate	2,133,941	2,499,531
Total operating cost	3,497,372	4,045,479
Operating gross profit	1,039,956	769,549
Selling, general and administrative expenses	998,789	866,342
Operating income (loss)	41,167	(96,792)
Non-operating income		
Interest income	199	224
Dividends income	5,755	8,702
Insurance premiums refunded cancellation	-	2,914
Other	4,218	2,998
Total non-operating income	10,173	14,838
Non-operating expenses		
Interest expenses	14,354	14,062
Equity in losses of affiliates	6,452	-
Other	5,813	3,436
Total non-operating expenses	26,620	17,498
Ordinary income (loss)	24,720	(99,452)
Extraordinary income		
Gain on sales of noncurrent assets	6,439	1,214
Reversal of provision for directors' retirement benefits	2,416	-
Gain on sales of investment securities	-	203
Total extraordinary income	8,856	1,417
Extraordinary loss		
Loss on sales of noncurrent assets	23,555	-
Loss on retirement of noncurrent assets	6	-
Loss on sales of investment securities	4,660	347
Loss on valuation of investment securities	1,496	-
Loss on sales of stocks of subsidiaries and affiliates	32,927	-
Loss on disaster	10,990	-
Total extraordinary losses	73,637	347
Loss before dividends distribution from silent partnership, income taxes	(40,060)	(98,383)
Dividends distribution from silent partnership	(11,027)	(1,053)
Loss before income taxes and minority interests	(29,033)	(97,329)
Income taxes-current	9,406	(4,475)
Total income taxes	9,406	(4,475)
Loss before minority interests	(38,439)	(92,854)
Net loss	(38,439)	(92,854)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2011	Nine months ended September 30, 2012
Loss before minority interests	(38,439)	(92,854)
Other comprehensive income		
Valuation difference on available-for-sale securities	(181,047)	(55,946)
Total other comprehensive income	(181,047)	(55,946)
Comprehensive income	(219,486)	(148,801)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(219,486)	(148,801)
Comprehensive income attributable to minority interests	-	-