

**Translation**

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**Summary of Consolidated Financial Results  
for the Nine Months Ended September 30, 2021  
(Based on Japanese GAAP)**

November 9, 2021

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: CFO Shintaro Hashiba TEL 03-6439-5800  
 Scheduled date to file Quarterly Securities Report: November 9, 2021  
 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 nine months ended September 30, 2021 (from January 1, 2021 to September 30, 2021)

(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                         | %      |
| Nine months ended September 30, 2021 | 17,958          | 58.9 | 1,402            | 90.6   | 1,361           | 111.6  | 1,177                                   | 235.5  |
| Nine months ended September 30, 2020 | 11,304          | 8.1  | 736              | (11.8) | 643             | (12.6) | 350                                     | (64.8) |

|                                      | Earnings per share |  | Diluted earnings per share |  |
|--------------------------------------|--------------------|--|----------------------------|--|
|                                      | Yen                |  | Yen                        |  |
| Nine months ended September 30, 2021 | 48.62              |  | 48.39                      |  |
| Nine months ended September 30, 2020 | 14.47              |  | 14.39                      |  |

(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, 2021 | 16,535          | 6,815           | 41.1         | 281.89               |
| As of December 31, 2020  | 16,001          | 6,566           | 39.8         | 262.39               |

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, 2020             | –                          | 20.00           | –               | 33.00           | 53.00 |
| Year ending December 31, 2021            | –                          | 22.00           | –               |                 |       |
| Year ending December 31, 2021 (Forecast) |                            |                 |                 | 17.00           | –     |

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

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 | 21,000          | 9.8 | 1,630            | 25.1 | 1,530           | 27.9 | 1,280                                   | 59.8 | 53.04              |

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2021  
(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 September 30, 2021 | 24,354,800 shares | As of December 31, 2020 | 24,284,800 shares |
|--------------------------|-------------------|-------------------------|-------------------|

Number of treasury shares at the end of the period

|                          |                |                         |            |
|--------------------------|----------------|-------------------------|------------|
| As of September 30, 2021 | 220,248 shares | As of December 31, 2020 | 248 shares |
|--------------------------|----------------|-------------------------|------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                      |                   |                                      |                   |
|--------------------------------------|-------------------|--------------------------------------|-------------------|
| Nine months ended September 30, 2021 | 24,217,257 shares | Nine months ended September 30, 2020 | 24,254,168 shares |
|--------------------------------------|-------------------|--------------------------------------|-------------------|

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

|  | As of December 31, 2020 | As of September 30, 2021 |
|--|-------------------------|--------------------------|
| <b>Assets</b>                              |                         |                          |
| <b>Current assets</b>                      |                         |                          |
| Cash and deposits                          | 9,428,038               | 8,989,594                |
| Accounts receivable - trade                | 521,733                 | 426,715                  |
| Real estate for sale                       | 319,452                 | 1,075,872                |
| Other inventories                          | 891                     | 1,835                    |
| Income taxes receivable                    | 40,281                  | -                        |
| Other                                      | 330,410                 | 653,640                  |
| Allowance for doubtful accounts            | (944)                   | (4,322)                  |
| <b>Total current assets</b>                | <b>10,639,863</b>       | <b>11,143,334</b>        |
| <b>Non-current assets</b>                  |                         |                          |
| <b>Property, plant and equipment</b>       |                         |                          |
| Buildings and structures, net              | 2,483,214               | 2,395,939                |
| Land                                       | 195,666                 | 195,666                  |
| Other, net                                 | 133,971                 | 116,550                  |
| <b>Total property, plant and equipment</b> | <b>2,812,852</b>        | <b>2,708,156</b>         |
| <b>Intangible assets</b>                   |                         |                          |
| Goodwill                                   | 37,158                  | 30,469                   |
| Software                                   | 610,386                 | 528,991                  |
| Other                                      | 29,440                  | 27,816                   |
| <b>Total intangible assets</b>             | <b>676,985</b>          | <b>587,277</b>           |
| <b>Investments and other assets</b>        |                         |                          |
| Investment securities                      | 1,154,492               | 1,588,112                |
| Shares of subsidiaries and associates      | 32,472                  | 34,238                   |
| Deferred tax assets                        | 296,599                 | 108,690                  |
| Other                                      | 388,644                 | 365,700                  |
| <b>Total investments and other assets</b>  | <b>1,872,208</b>        | <b>2,096,742</b>         |
| <b>Total non-current assets</b>            | <b>5,362,046</b>        | <b>5,392,176</b>         |
| <b>Total assets</b>                        | <b>16,001,910</b>       | <b>16,535,511</b>        |

(Thousands of yen)

|   | As of December 31, 2020 | As of September 30, 2021 |
|---|-------------------------|--------------------------|
| <b>Liabilities</b>                                    |                         |                          |
| Current liabilities                                   |                         |                          |
| Accounts payable - trade                              | 139,105                 | 193,447                  |
| Short-term borrowings                                 | 100,000                 | 100,000                  |
| Current portion of long-term borrowings               | 1,021,295               | 1,258,430                |
| Current portion of bonds payable                      | 434,000                 | 312,000                  |
| Income taxes payable                                  | 39,575                  | 84,248                   |
| Accounts payable - other                              | 932,376                 | 334,150                  |
| Asset retirement obligations                          | 26,452                  | –                        |
| Provision for bonuses                                 | –                       | 567,703                  |
| Other   | 672,111                 | 406,753                  |
| Total current liabilities                             | 3,364,915               | 3,256,734                |
| Non-current liabilities                               |                         |                          |
| Bonds payable   | 412,000                 | 210,000                  |
| Long-term borrowings                                  | 4,203,597               | 4,636,905                |
| Long-term leasehold and guarantee deposits received   | 1,397,871               | 1,559,058                |
| Long-term accounts payable - other                    | 57,281                  | 57,281                   |
| Total non-current liabilities                         | 6,070,750               | 6,463,244                |
| Total liabilities                                     | 9,435,666               | 9,719,978                |
| <b>Net assets</b>                                     |                         |                          |
| Shareholders' equity                                  |                         |                          |
| Share capital   | 1,153,520               | 1,166,155                |
| Capital surplus                                       | 1,314,999               | 1,329,373                |
| Retained earnings                                     | 3,810,271               | 4,321,475                |
| Treasury shares                                       | (201)                   | (167,951)                |
| Total shareholders' equity                            | 6,278,591               | 6,649,053                |
| Accumulated other comprehensive income                |                         |                          |
| Valuation difference on available-for-sale securities | 166,988                 | 191,614                  |
| Foreign currency translation adjustment               | (73,612)                | (37,493)                 |
| Total accumulated other comprehensive income          | 93,375                  | 154,121                  |
| Share acquisition rights                              | 193,620                 | 6,094                    |
| Non-controlling interests                             | 656                     | 6,263                    |
| Total net assets                                      | 6,566,243               | 6,815,532                |
| Total liabilities and net assets                      | 16,001,910              | 16,535,511               |

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

|   | Nine months ended<br>September 30, 2020 | Nine months ended<br>September 30, 2021 |
|---|---|---|
| Net sales   | 11,304,243                              | 17,958,917                              |
| Cost of sales   | 8,926,748                               | 14,745,114                              |
| Gross profit  | 2,377,495                               | 3,213,803                               |
| Selling, general and administrative expenses                  | 1,641,423                               | 1,811,117                               |
| Operating profit  | 736,072                                 | 1,402,685                               |
| Non-operating income  |   |   |
| Interest income   | 881                                     | 360                                     |
| Dividend income   | 1,731                                   | 5,771                                   |
| Foreign exchange gains  | –                                       | 33,418                                  |
| Share of profit of entities accounted for using equity method | 3,289                                   | 1,765                                   |
| Other   | 2,226                                   | 5,203                                   |
| Total non-operating income                                    | 8,128                                   | 46,519                                  |
| Non-operating expenses  |   |   |
| Interest expenses   | 47,853                                  | 56,025                                  |
| Commission expenses   | 12,700                                  | 26,213                                  |
| Foreign exchange losses                                       | 35,517                                  | –                                       |
| Other   | 4,651                                   | 5,596                                   |
| Total non-operating expenses                                  | 100,722                                 | 87,836                                  |
| Ordinary profit   | 643,478                                 | 1,361,368                               |
| Extraordinary income  |   |   |
| Gain on sales of investment securities                        | –                                       | 23,097                                  |
| Gain on reversal of share acquisition rights                  | –                                       | 190,353                                 |
| Total extraordinary income                                    | –                                       | 213,450                                 |
| Extraordinary losses  |   |   |
| Impairment loss   | 46,967                                  | 9,822                                   |
| Loss on valuation of golf club membership                     | 11,549                                  | –                                       |
| Total extraordinary losses                                    | 58,516                                  | 9,822                                   |
| Profit before income taxes                                    | 584,961                                 | 1,564,996                               |
| Income taxes - current  | 70,009                                  | 213,270                                 |
| Income taxes - deferred                                       | 168,440                                 | 177,040                                 |
| Total income taxes  | 238,450                                 | 390,311                                 |
| Profit  | 346,511                                 | 1,174,685                               |
| Loss attributable to non-controlling interests                | (4,372)                                 | (2,653)                                 |
| Profit attributable to owners of parent                       | 350,883                                 | 1,177,338                               |

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

|  | Nine months ended<br>September 30, 2020 | Nine months ended<br>September 30, 2021 |
|--|---|---|
| Profit   | 346,511                                 | 1,174,685                               |
| Other comprehensive income                                     |   |   |
| Valuation difference on available-for-sale securities          | (45,579)                                | 24,625                                  |
| Foreign currency translation adjustment                        | (19,493)                                | 36,119                                  |
| Total other comprehensive income                               | (65,073)                                | 60,745                                  |
| Comprehensive income   | 281,437                                 | 1,235,430                               |
| Comprehensive income attributable to                           |   |   |
| Comprehensive income attributable to owners of parent          | 285,810                                 | 1,238,084                               |
| Comprehensive income attributable to non-controlling interests | (4,372)                                 | (2,653)                                 |