

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2024 (Based on Japanese GAAP)

May 14, 2024

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, Managing Executive Officer, and
 Inquiries: Corporate Finance Division Shintaro Hashiba TEL 03-6439-5800
 Scheduled date to file Quarterly Securities Report: May 14, 2024
 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, 2024 (from January 1, 2024 to March 31, 2024)

(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, 2024 | 9,301 | 27.1 | 832 | 78.2 | 834 | 78.9 | 608 | 108.7 |
| Three months ended March 31, 2023 | 7,318 | (42.1) | 467 | (30.8) | 466 | (25.7) | 291 | (36.4) |

| | Earnings per share | | Diluted earnings per share | |
|-----------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Three months ended March 31, 2024 | 25.01 | | 25.00 | |
| Three months ended March 31, 2023 | 12.00 | | 11.99 | |

(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, 2024 | 25,139 | 9,618 | 37.9 | 391.65 |
| As of December 31, 2023 | 23,491 | 9,584 | 40.4 | 390.42 |

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, 2023 | – | 15.00 | – | 26.00 | 41.00 |
| Year ending December 31, 2024 | – | | | | |
| Year ending December 31, 2024 (Forecast) | | 18.00 | – | 28.00 | 46.00 |

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

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 | 38,000 | 5.3 | 3,500 | 7.2 | 3,400 | 1.2 | 2,240 | 8.6 | 92.06 |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2024
(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, 2024 | 24,520,859 shares | As of December 31, 2023 | 24,520,859 shares |
|----------------------|-------------------|-------------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|----------------------|----------------|-------------------------|----------------|
| As of March 31, 2024 | 189,246 shares | As of December 31, 2023 | 189,246 shares |
|----------------------|----------------|-------------------------|----------------|

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

| | | | |
|-----------------------------------|-------------------|-----------------------------------|-------------------|
| Three months ended March 31, 2024 | 24,331,613 shares | Three months ended March 31, 2023 | 24,300,531 shares |
|-----------------------------------|-------------------|-----------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of December 31, 2023 | As of March 31, 2024 |
|--|-------------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 14,696 | 15,686 |
| Accounts receivable - trade | 910 | 586 |
| Real estate for sale | 1,677 | 2,820 |
| Other inventories | 12 | 13 |
| Other | 290 | 245 |
| Allowance for doubtful accounts | (9) | (9) |
| Total current assets | 17,578 | 19,343 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 2,205 | 2,175 |
| Land | 195 | 195 |
| Other, net | 93 | 88 |
| Total property, plant and equipment | 2,494 | 2,460 |
| Intangible assets | | |
| Goodwill | 10 | 8 |
| Software | 255 | 226 |
| Other | 23 | 22 |
| Total intangible assets | 289 | 257 |
| Investments and other assets | | |
| Investment securities | 2,514 | 2,594 |
| Shares of subsidiaries and associates | 38 | 38 |
| Deferred tax assets | 178 | 51 |
| Other | 395 | 392 |
| Total investments and other assets | 3,128 | 3,078 |
| Total non-current assets | 5,912 | 5,796 |
| Total assets | 23,491 | 25,139 |

(Millions of yen)

| | As of December 31, 2023 | As of March 31, 2024 |
|---|-------------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 308 | 217 |
| Short-term borrowings | 200 | 2,594 |
| Current portion of long-term borrowings | 2,160 | 2,215 |
| Current portion of bonds payable | 30 | – |
| Income taxes payable | 755 | 89 |
| Accounts payable - other | 1,070 | 652 |
| Provision for bonuses | – | 314 |
| Other | 935 | 768 |
| Total current liabilities | 5,460 | 6,851 |
| Non-current liabilities | | |
| Long-term borrowings | 5,781 | 5,860 |
| Long-term leasehold and guarantee deposits received | 2,595 | 2,740 |
| Long-term accounts payable - other | 45 | 45 |
| Other | 23 | 22 |
| Total non-current liabilities | 8,445 | 8,668 |
| Total liabilities | 13,906 | 15,520 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,210 | 1,210 |
| Capital surplus | 1,381 | 1,381 |
| Retained earnings | 6,756 | 6,732 |
| Treasury shares | (144) | (144) |
| Total shareholders' equity | 9,204 | 9,180 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 333 | 395 |
| Foreign currency translation adjustment | (38) | (46) |
| Total accumulated other comprehensive income | 294 | 348 |
| Share acquisition rights | 48 | 53 |
| Non-controlling interests | 37 | 35 |
| Total net assets | 9,584 | 9,618 |
| Total liabilities and net assets | 23,491 | 25,139 |

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, 2023 | Three months ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Net sales | 7,318 | 9,301 |
| Cost of sales | 6,126 | 7,680 |
| Gross profit | 1,192 | 1,620 |
| Selling, general and administrative expenses | 724 | 787 |
| Operating profit | 467 | 832 |
| Non-operating income | | |
| Foreign exchange gains | 18 | 22 |
| Other | 5 | 4 |
| Total non-operating income | 23 | 27 |
| Non-operating expenses | | |
| Interest expenses | 18 | 19 |
| Commission expenses | 5 | 5 |
| Other | 0 | 0 |
| Total non-operating expenses | 24 | 25 |
| Ordinary profit | 466 | 834 |
| Profit before income taxes | 466 | 834 |
| Income taxes - current | 112 | 127 |
| Income taxes - deferred | 59 | 99 |
| Total income taxes | 171 | 227 |
| Profit | 295 | 607 |
| Profit (loss) attributable to non-controlling interests | 3 | (1) |
| Profit attributable to owners of parent | 291 | 608 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Three months ended March 31, 2023 | Three months ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Profit | 295 | 607 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 6 | 61 |
| Foreign currency translation adjustment | 0 | (7) |
| Total other comprehensive income | 7 | 54 |
| Comprehensive income | 302 | 661 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 299 | 662 |
| Comprehensive income attributable to non-controlling interests | 3 | (1) |