

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results
for the Six Months Ended June 30, 2024
(Based on Japanese GAAP)**

August 8, 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
 Corporate Finance Division
 Inquiries: Finance Department General Manager Seiichi Ishikawa TEL 03-6439-5800
 Scheduled date to file Semi-annual Securities Report: August 8, 2024
 Scheduled date to commence dividend payments: August 26, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 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	%
Six months ended June 30, 2024	20,994	49.5	1,740	57.8	1,744	40.0	1,212	45.6
Six months ended June 30, 2023	14,039	(30.6)	1,102	0.5	1,246	19.3	832	16.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2024	49.80		49.75	
Six months ended June 30, 2023	34.26		34.25	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	25,839	10,318	39.7	420.49
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	–	18.00			
Year ending December 31, 2024 (Forecast)			–	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	91.82

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing interim 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 June 30, 2024	24,561,059 shares	As of December 31, 2023	24,520,859 shares
---------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2024	165,470 shares	As of December 31, 2023	189,246 shares
---------------------	----------------	-------------------------	----------------

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

Six months ended June 30, 2024	24,352,072 shares	Six months ended June 30, 2023	24,309,461 shares
--------------------------------	-------------------	--------------------------------	-------------------

Interim consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	14,696	16,571
Accounts receivable - trade	910	404
Real estate for sale	1,677	4,963
Other inventories	12	8
Other	290	249
Allowance for doubtful accounts	(9)	(7)
Total current assets	17,578	22,188
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,205	219
Land	195	1
Other, net	93	82
Total property, plant and equipment	2,494	303
Intangible assets		
Goodwill	10	5
Software	255	196
Other	23	22
Total intangible assets	289	224
Investments and other assets		
Investment securities	2,514	2,627
Shares of subsidiaries and associates	38	39
Deferred tax assets	178	64
Other	395	390
Total investments and other assets	3,128	3,122
Total non-current assets	5,912	3,650
Total assets	23,491	25,839

(Millions of yen)

	As of December 31, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	308	265
Short-term borrowings	200	2,646
Current portion of long-term borrowings	2,160	2,131
Current portion of bonds payable	30	–
Income taxes payable	755	446
Accounts payable - other	1,070	633
Provision for bonuses	–	492
Other	935	657
Total current liabilities	5,460	7,274
Non-current liabilities		
Long-term borrowings	5,781	5,352
Long-term leasehold and guarantee deposits received	2,595	2,828
Long-term accounts payable - other	45	44
Other	23	20
Total non-current liabilities	8,445	8,245
Total liabilities	13,906	15,520
Net assets		
Shareholders' equity		
Share capital	1,210	1,235
Capital surplus	1,381	1,418
Retained earnings	6,756	7,336
Treasury shares	(144)	(126)
Total shareholders' equity	9,204	9,864
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	333	449
Foreign currency translation adjustment	(38)	(55)
Total accumulated other comprehensive income	294	394
Share acquisition rights	48	41
Non-controlling interests	37	19
Total net assets	9,584	10,318
Total liabilities and net assets	23,491	25,839

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	14,039	20,994
Cost of sales	11,471	17,650
Gross profit	2,567	3,344
Selling, general and administrative expenses	1,464	1,603
Operating profit	1,102	1,740
Non-operating income		
Foreign exchange gains	169	43
Other	24	17
Total non-operating income	193	60
Non-operating expenses		
Interest expenses	38	41
Commission expenses	10	11
Other	0	2
Total non-operating expenses	49	56
Ordinary profit	1,246	1,744
Profit before income taxes	1,246	1,744
Income taxes - current	321	468
Income taxes - deferred	89	62
Total income taxes	411	530
Profit	835	1,214
Profit attributable to non-controlling interests	2	1
Profit attributable to owners of parent	832	1,212

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit	835	1,214
Other comprehensive income		
Valuation difference on available-for-sale securities	93	116
Foreign currency translation adjustment	(86)	(16)
Total other comprehensive income	6	99
Comprehensive income	842	1,313
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	839	1,312
Comprehensive income attributable to non-controlling interests	2	1