

Aoyama Zaisan Networks

Full-year Business Summary for Fiscal Year 2013 (23rd period)

January 1 to December 31, 2013

Aoyama Zaisan Networks Provides the Most Comprehensive Asset Management Solutions

We at Aoyama Zaisan Networks Co., Ltd. have set the management objective of “contributing to the happiness of our customers through the management, administration, and succession of property” and, in accordance with the objective, we are offering one-stop and comprehensive property consulting primarily to individuals and business owners from the three perspectives of property succession, business succession, and property management.

At the beginning of 2013, the Japanese economy began to change substantially due to Abenomics, which is centered on bold monetary policies, flexible fiscal policies, and a growth strategy to stimulate private sector investment. Japan is expected to escape from the deflationary economy due to these policies, but there are still many challenges to overcome, including slow growth in income, the seemingly insolvable sovereign debt problem of Japan, and the arrival of a society with higher taxes; so there is no change to the reality that we are in a “period of uncertainty about the future.”

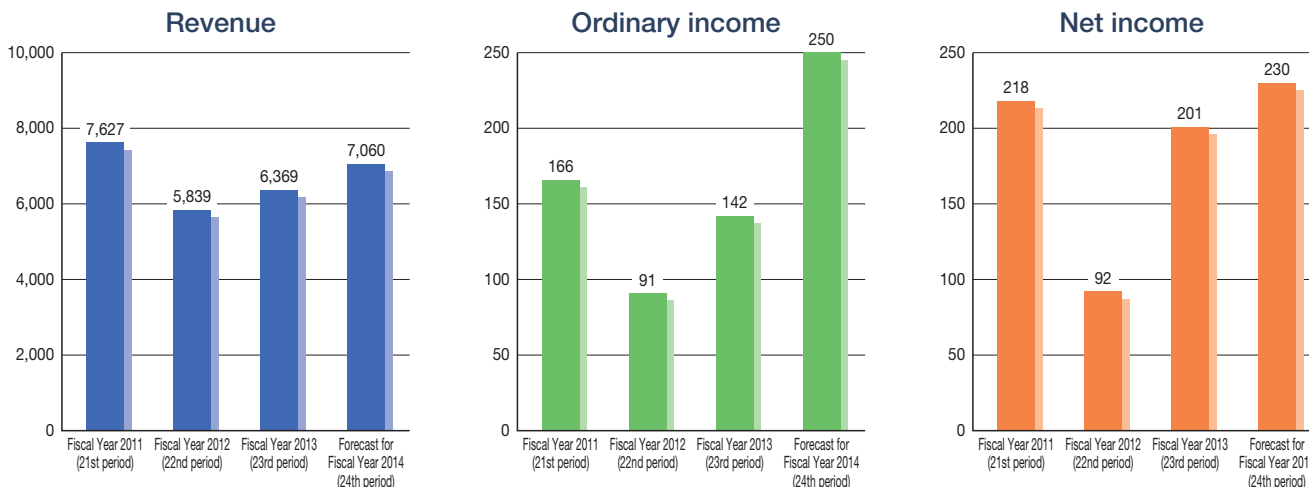
In this tough economic environment, everyone at our company is working together to be an accessible total assets concierge supporting a life of affluence for each and every one of our customers, and the succession of their property to the people important to them, through comprehensive property consulting consisting of “precise analyses of the present state,” “a clear direction,” “specific planning and reliable execution,” and “review on a regular basis.”



President
Masazumi Hasumi

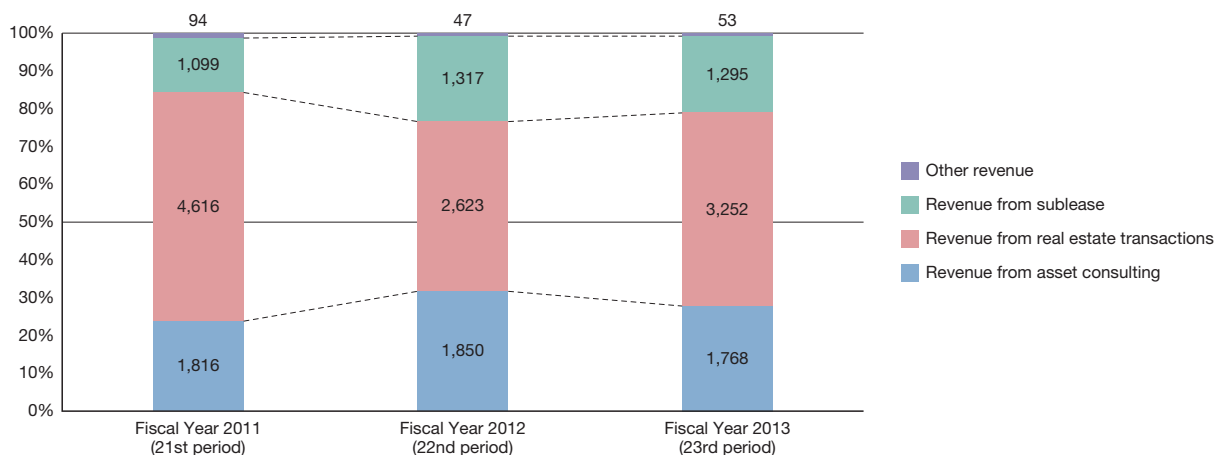
Business Results for Fiscal Year 2013

Highlights of Consolidated Business Results (unit: million yen, rounded down to the nearest million)



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.

Revenue by Segments (unit: million yen, rounded down to the nearest million)



Operating Report

Regarding the Japanese economy in the fiscal year under review, a correction to the appreciation of the yen and rising stock prices have been seen and expectations of an economic recovery have been rising against the background of the simultaneous implementation of bold monetary policies, flexible fiscal policies, and a growth strategy to stimulate private sector investment, which have been implemented since the inauguration of the new administration for the stated goal of restoring a strong economy and in order to eliminate deflationary sentiment. Looking at the real estate industry, which has a big impact on Aoyama Zaisan Networks Group, we saw an overall move toward improvement of the vacancy ratios in office buildings within the 5 central wards of Tokyo.

And in the income property market, purchase demand has continued to rise and a movement toward recovery is more foreseeable.

In this environment, Aoyama Zaisan Networks Group has been engaged in the consulting on the management, administration and succession of personal properties, business succession consulting for companies, and the property consulting such as real estate solutions for the effective utilization, purchase, sale, etc. of real estate, which accounts for two-thirds of the property of citizens, based on the belief that “property acts as the foundation of happy lifestyles.” In a turbulent economic environment, in order to survive in a “period of uncertainty about the future” it is essential to forecast the future economic environment, ascertain the current state of the property, and formulate and execute robust administration plans for management and succession of the property or optimal business succession plans. Moreover, based on those plans, we must continue to execute PDCA (Plan, Do, Check and Act).

Aoyama Zaisan Networks Group adheres to the management principle “We will remain your best partner over 100 years” and everyone in our group will work together so that we can master specialist knowledge, develop our human capabilities, master the ability to act so that we can meet the expectations of our customers at all times, and become a group that satisfies its customers as an independent and comprehensive property consulting company.

Furthermore, we believe that strengthening our sales capabilities, expanding our sales areas, strengthening our consulting capabilities, and improving our brand power are necessary and essential for Aoyama Zaisan Networks to grow and develop further going forward. Therefore, on October 1, 2013, we carried out a share exchange with Nihon Shisan Soken Co., Ltd. (location: Chiyoda-ku, Tokyo, representative: Yasuo Takano, President and Representative Director), the partner to the nationwide network of Aoyama Zaisan Networks and a company offering comprehensive assets consulting that has the same aspirations as Aoyama Zaisan Networks. The share exchange had the objective of increasing synergy effects to the maximum extent and enabling both companies to continue working and growing together and grow into the consulting company most supported by the customers and it converted NSS into a wholly-owned subsidiary of Aoyama Zaisan Networks.

As a result of the above, in the fiscal year under review, operating revenue was 6,369 million yen (a 9.1% increase compared to the previous year), operating income was 160 million yen (a 62.7% increase compared to the previous year), ordinary income was 142 million yen (a 55.7% increase compared to the previous year), and net income was 201 million yen (a 118.4% increase compared to the previous year).

Consolidated Financial Data

Million yen, rounded down to the nearest million

Consolidated Balance Sheet

Item	Term	Fiscal Year 2012 Dec. 31, 2012	Fiscal Year 2013 Dec. 31, 2013
Assets			
Current assets		1,154	2,966
Cash and deposits		746	2,588
Accounts receivable		247	214
Real estate held for sale		90	14
Other inventories		16	11
Purchased receivables		16	–
Others		60	147
Allowance for doubtful accounts		(22)	(10)
Fixed assets		3,614	1,731
Tangible fixed assets		1,922	89
Intangible fixed assets		155	431
Investments and other assets		1,535	1,210
Total assets		4,769	4,698

Item	Term	Fiscal Year 2012 Dec. 31, 2012	Fiscal Year 2013 Dec. 31, 2013
Liabilities			
Current liabilities		1,148	854
Fix liabilities		1,678	1,692
Total liabilities		2,827	2,546
Net assets			
Shareholders' equity		1,623	2,139
Common stock		1,030	1,030
Capital surplus		334	736
Retained earnings		258	372
Valuation difference on available-for-sale securities		(360)	5
Unrealized gain on securities		(360)	6
Foreign currency translation adjustment		–	(1)
Minority interests		678	–
Subscription rights to shares		–	6,933
Total net assets		1,941	2,151
Total liabilities and net assets		4,769	4,698

Consolidated Financial Data

Million yen, rounded down to the nearest million

Consolidated Income Statements

Item	Term	Fiscal Year 2012 from Jan. 1, 2012 to Dec. 31, 2012	Fiscal Year 2013 from Jan. 1, 2013 to Dec. 31, 2013
Revenue		5,839	6,369
Operating cost		4,601	5,038
Gross operating income		1,237	1,331
SG & A		1,139	1,171
Operating income		98	160
Non-operating revenue		17	21
Non-operating expenses		24	39
Ordinary income		91	142
Extraordinary income		1	102
Extraordinary loss		0	16
Net income before income taxes and minority interests before loss distribution to anonymous association		92	229
Loss distribution to anonymous association		(3)	4
Net income before income taxes and minority interests		95	224
Total income taxes		(2)	10
Income before minority interests		98	214
Minority interests in income		6	13
Net income		92	201

Consolidated Cash Flows

Item	Term	Fiscal Year 2012 from Jan. 1, 2012 to Dec. 31, 2012	Fiscal Year 2013 from Jan. 1, 2013 to Dec. 31, 2013
Cash flow from operating activities		227	368
Cash flow from investing activities		(1,203)	1,886
Cash flow from financing activities		247	(425)
Effect of exchange rate change on cash and cash equivalents		–	0
Change in cash and cash equivalents		(728)	1,829
Cash and cash equivalents at start of year		1,474	746
Increase in cash and cash equivalents resulting from change of scope of consolidation		–	1
Cash and cash equivalents at end of the year		746	2,577

TOPIC 1

Management integration with Nihon Shisan Soken Co., Ltd.

Strengthening our sales capabilities, expanding our sales areas, strengthening our consulting capabilities, and improving our brand power are necessary and essential for Aoyama Zaisan Networks to grow and develop further going forward.

Therefore, on October 1, 2013, we carried out management integration through a share exchange with Nihon Shisan Soken Co., Ltd., the partner to the nationwide network of Aoyama Zaisan Networks and a company offering comprehensive assets consulting, converting NSS into a wholly-owned subsidiary of Aoyama Zaisan Networks.

<Overview of Nihon Shisan Soken Co., Ltd.>

Location: 1 Kanda-Hirakawacho, Chiyoda-ku, Tokyo 101-0027

Date of incorporation: April 30, 1999

Capital stock: 195.5 million yen (as of October 2013)

Representative: Yasuo Takano, President

Business line: a comprehensive consulting business and, surveys and research related to the property of individuals and corporations



Yasuo Takano, President
Nihon Shisan Soken Co., Ltd.

TOPIC 2

Incorporation of Aoyama Zaisan Networks USA

In January 2011, Aoyama Zaisan Networks incorporated a local subsidiary Aoyama Wealth Management Private Ltd. in Singapore providing its customers comprehensive advisory functions that contribute to asset management and preservation.

Going forward, aiming to provide services with even higher added value to our customers from a more global perspective, in October 2013, we incorporated another local subsidiary Aoyama Zaisan Networks USA (a wholly-owned subsidiary of Aoyama Zaisan Networks) in California, USA.

Name of company: Aoyama Zaisan Networks USA

Location: 825 South Primrose Avenue, Monrovia, California, USA

Date of incorporation: October 17, 2013

Capital stock: 100,000 US dollars

Representative Director: Masazumi Hasumi

Business line: asset management and preservation consulting for asset holders in Japan

TOPIC 3

“ADVANTAGE CLUB” Formation

In 2013, Aoyama Zaisan Networks opened three new locations of the real estate joint ownership scheme called ADVANTAGE CLUB, which we have been operating as part of our property consulting business in order to meet the asset management needs of our customers.

- September 2013: ADVANTAGE CLUB Otemachi
- November 2013: ADVANTAGE CLUB Ginza 8-chome
- December 2013: ADVANTAGE CLUB Kanda

“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.



Otemachi



Ginza 8-chome




Kanda

TOPIC 4

Shareholder Special Benefit Plan

Aoyama Zaisan Networks has established a Shareholder Special Benefit Plan for the purposes of expressing our gratitude to all of our shareholders for their daily support, and to encourage an increase in the number of shareholders that hold shares of Aoyama Zaisan Networks in the medium to long term by increasing the attractiveness of investing in the shares of Aoyama Zaisan Networks. In the current fiscal year, just like last year, we will give all of our shareholders benefits that they will appreciate.

<p>Shareholders who hold 1,000 shares or more</p>	<p>Select 1 from 10 products worth 3,000 yen</p> 
<p>Shareholders who hold 10,000 shares or more continuously for over 1 year</p>	<p>A meal certificate from UKAI CO., LTD. (20,000 yen) or Ukai special select beef (worth 20,000 yen)</p> 

* The photographs are for illustrative purposes only.

Corporate Data

Corporate Data

(as of December 31, 2013)

Name of Company	Aoyama Zaisan Networks Company, Limited
Head Office	3F Aoyama Tower Place, 8-4-14 Akasaka, Minato-ku, Tokyo 107-0052
Incorporated	September 17, 1991
Capital stock	1,030.81 million yen
Business line	Property consulting, business succession consulting and real estate solutions consulting
Number of employees (Group)	122 (as of December 31, 2013)
Consolidated subsidiaries	6 companies including Aoyama Estate Co., Ltd., Project Holdings Co., Ltd. and Nihon Shisan Soken Co., Ltd.

Executives

(from March 28, 2014)

President	Masazumi Hasumi
Managing Director	Hisao Nakatsuka
Director, Managing Executive Officer	Masayuki Yagi
Director	Yasuo Takano
Director, Executive Officer	Takeshi Matsuura
Director, Executive Officer	Yoshikazu Mizushima
Outside Director	Haruo Shimada
Outside Director	Keiji Watanabe
Outside Director	Michihiro Nagasaka
Standing Auditor	Yoichiro Shimada
Outside Auditor	Keizo Sugita
Outside Auditor	Hiroaki Rokugawa
Executive Officer	Seido Nakatani
Executive Officer	Shinji Shimane
Executive Officer	Takaomi Ogawa

Nationwide Network (35 bases as of December 31, 2013)

Chugoku, Shikoku

- ▶ Midori Zaisan Consultants Co., Ltd.
- ▶ Zaisan Consultants Tokushima 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 Kyoto Nijo Support
- ▶ Aoyama Zaisan Networks Mie Support
- ▶ Aoyama Zaisan Networks Wakayama Support

Kyushu, Okinawa

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

Hokkaido, Tohoku

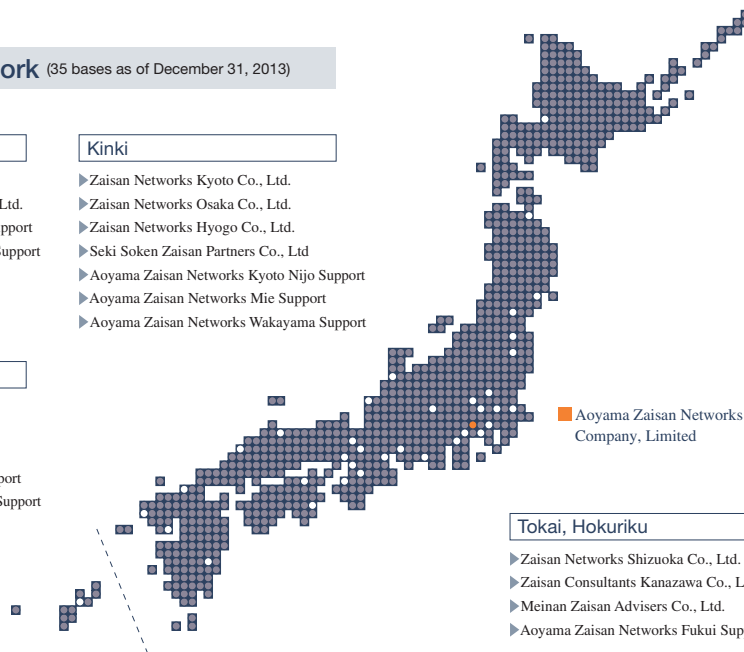
- ▶ Zaisan Networks Sendai Co., Ltd.
- ▶ Zaisan Networks Fukushima Co., Ltd.
- ▶ Aoyama Zaisan Networks Hokkaido Support
- ▶ Aoyama Zaisan Networks Aomori Support
- ▶ Aoyama Zaisan Networks Yamagata Support

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 Kawasaki Co., Ltd.
- ▶ Zaisan Networks Nagano Co., Ltd.
- ▶ Aoyama Zaisan Networks Ibaraki Support
- ▶ Aoyama Zaisan Networks Kanto Chuo Support
- ▶ Aoyama Zaisan Networks Denenchofu Support
- ▶ Aoyama Zaisan Networks Yokohama Support

Tokai, Hokuriku

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



Stock Information

Stock Overview

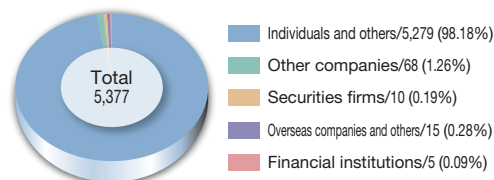
(as of December 31, 2013)

Number of shares in issue	117,096
Number of shareholders	5,377

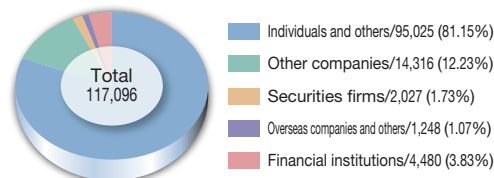
Major Shareholders (Top 10)

Name	Shares held	Shareholding ratio
MID Investment Co., Ltd.	11,003	9.40
Masazumi Hasumi	6,407	5.47
Yasuo Takano	6,000	5.12
Mutsumi Shimada	4,306	3.68
Yoshie Okabe	3,697	3.16
Japan Trustee Services Bank, Ltd. (trust account)	3,266	2.79
Tomio Sugimura	2,475	2.11
Hiroko Iwase	1,848	1.58
Tsuguo Kogure	1,560	1.33
Takaaki Odaka	1,179	1.01

Number of Shareholders by Category



Number of shares held by Category



Notes for Shareholder

Fiscal year

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

General meeting of shareholders

Administrator of the shareholder registry/

Account management institution for special account

Contact

Account management institution for special accounts

Contact

Stock exchange listings

Public announcements

January 1 to December 31

December 31
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. 0120-232-7111 (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

To be announced on the Company's website

(For reference)

- Due to the dematerialization share certificates, shareholders' address changes, repurchase requests, and such other procedures, as a rule, are filed 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.

Management Principle

~ 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 happiness of our customers through the management, administration, and succession of property.
2. We aim for the physical and mental wellbeing of our coworkers.



Aoyama Zaisan Networks Company, Limited