

A O Y A M A

Z A I S A N

N E T W O R K S

First Half Business Summary

for Fiscal Year 2021
(31st period)

January 1 to June 30, 2021



Aoyama
Zaisan
Networks

Aoyama Zaisan Networks Company Limited

Aoyama Zaisan Networks Company, Limited

To Our Shareholders

We sincerely hope that everyone suffering from the novel coronavirus disease (COVID-19) recovers as soon as possible, and that this situation comes under control. Furthermore, we will be celebrating our 30th anniversary in September 2021, which is entirely due to the support of our shareholders, and for this we would like to express our heartfelt gratitude.

Since last year, the world has been faced with the unprecedented problem of the spread of COVID-19, and the future of this situation where we still cannot forecast when COVID-19 will come under control is continuing, with events such as the fourth state of emergency being declared in Japan. However, under this challenging environment, we feel that consulting needs for property succession, business succession and property management are increasing every day.

This fiscal year, we expect development of ¥15.0 billion for our key product ADVANTAGE CLUB. Up to the present, development of ¥8.09 billion for four properties has already been carried out, and we have received far more applications than the number of units offered. We have carried out new partnerships with a number of regional financial institutions, and being able to provide ADVANTAGE CLUB to customers at regional financial institutions has quickly produced results.

Furthermore, by providing ADVANTAGE CLUB, we have begun initiatives to provide property consulting. With regard to our aim of acquiring new customers bases, announced in March, and initiatives with Hash DasH Holdings Co., Ltd. to undertake business in field of digital securities, which is expected to grow in the future, we are making progress for the early realization of our first real estate STO product.

With regard to new consulting services in the "non-property" field developed by Aoyama Family Office Service Co., Ltd., consulting has begun for the support of lasting business development for a number of companies that have continued as family businesses for around 100 years.

Aoyama Financial Service Co., Ltd., which was founded in January aiming to provide financial instruments, registered as a financial instruments intermediary service provider in May, and commenced sales. Our business was limited to providing investment products with real estate as underlying assets, but we became able to newly establish a system where we can provide financial instruments.

The ART system, which was developed with the aim of improving and standardizing quality and enhancing productivity



President Masazumi Hasumi

of property consulting, began full-scale operation in February. It implemented functions for proposing measures based on analysis results, and became able to automatically create proposals based on five different perspectives. A system was established that can maintain the same quality regardless of consultants' proficiency.

We hope to evolve the ART system so that it can provide consulting and services to even more customers by combining the various services developed by the Group with evolving technologies.

We express our appreciation to our shareholders for their day to day support while we aim to live up to their expectations for a future that combines our property consulting services and technologies. As we expect that this time of living with COVID-19 to persist for a prolonged period, we ask our shareholders to take care of themselves and to continue to provide us with support and encouragement.

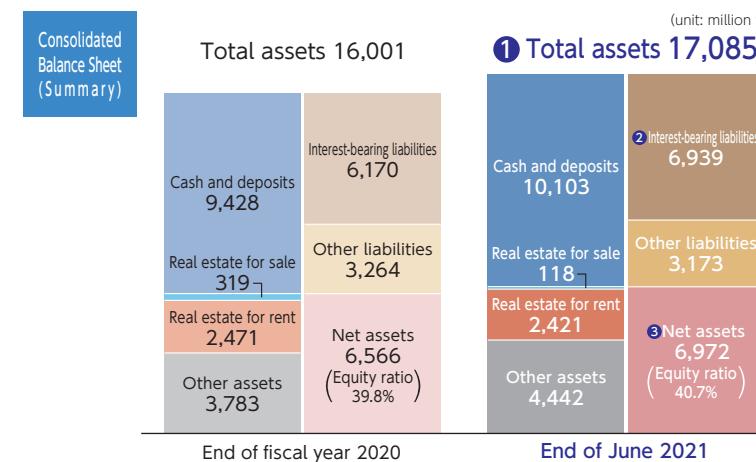
Highlights of Consolidated Business Results

We have worked to acquire customers to whom we can provide comprehensive property consulting by increasing the number of new collaborators as well as through mutual secondment of human resources with and the provision of the ART system to financial institutions with which we have been cooperating. Furthermore, we have fully begun to provide ADVANTAGE CLUB to regional financial institutions and securities companies, and for all products, we have received far more applications than the number of units offered.

We will continue to work to gain the support of many customers who state that they choose Aoyama Zaisan Networks for property related matters by properly responding to consulting needs for robust property succession, business succession and property management.



*The amounts presented in the above transition table take into consideration the 2-for-1 share split of common shares effective on August 31, 2021.



- Total assets**
Total assets amounted to ¥17,085 million, up ¥1,083 million from the end of the previous period mainly due to increases in cash and deposits and investment securities.
- Interest-bearing liabilities**
Interest-bearing liabilities amounted to ¥6,939 million, up ¥768 million from the end of the previous period due to an increase in long-term loans payable, etc.
- Net assets**
Net assets grew by ¥405 million from the end of the previous period to reach ¥6,972 million mainly due to an increase in retained earnings.

Business Topics



Real Estate Specified Joint Enterprise
(voluntary partnership for monetary investment-type)

ADVANTAGE CLUB

New Development of Voluntary Partnership Involving Four Properties in Tokyo

We provide the real estate joint ownership scheme “ADVANTAGE CLUB” as our key consulting product. We newly established a voluntary partnership of four properties, Yoyogiuehara II in March 2021 and Kanda Ekimae, Otemachi II and Ichigaya in June 2021. We have received far more applications than the number of units offered.

Overview of new development

ADVANTAGE CLUB Yoyogiuehara II	ADVANTAGE CLUB Kanda Ekimae	ADVANTAGE CLUB Otemachi II	ADVANTAGE CLUB Ichigaya
Units 175	Units 198	Units 355	Units 81

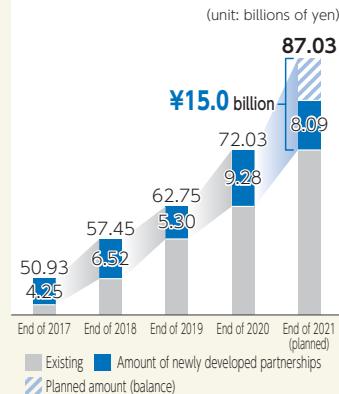
This fiscal year, we expect development of ¥15.0 billion for ADVANTAGE CLUB. As ¥1.75 billion and ¥6.34 billion were recorded for the first quarter and second quarter, respectively, we have cumulatively recorded ¥8.09 billion for this fiscal year as of June 30, 2021.

Going forward, we will proactively develop products that meet expectations as inheritance measures and management needs for customers are increasing.

Results of ADVANTAGE CLUB (as of June 30, 2021)

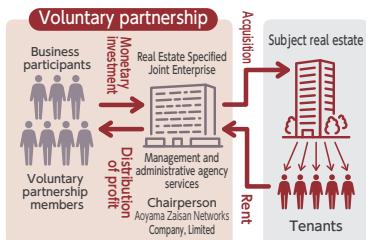
Cumulative number of partnerships	55
Cumulative total assets under management	¥80.12 billion
Total partnership members	2,793

Trends of cumulative amounts of ADVANTAGE CLUB



What is ADVANTAGE CLUB?

ADVANTAGE CLUB is a “real estate joint ownership scheme” where customers jointly own real estate in urban areas and receive leasing income. For real estate management in recent years, it has been difficult to receive stable rental income other than for high-quality properties, which are limited in urban areas. Furthermore, as these properties are expensive, abundant capital and experience as well as a large amount of time and effort for administration and management after purchase are necessary. ADVANTAGE CLUB is a system that reduces these types of worries and uncertainties by having professionals carefully select real estate and carry out administration and management.



*The system for leasing real estate may differ by voluntary partnership.

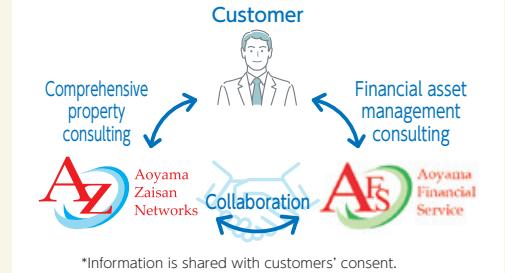


Subsidiary Aoyama Financial Service Co., Ltd. (AFS)

Started proposal and consulting specializing in the management of financial instruments in June 2021 — Provide long-term ease through the “best investment experience” —

We aim for “overall optimum” property management for customers for both real estate and financial assets.

We provide consultations related to property succession, business succession and property management. We worked to figure out the correct way to support financial asset management by thinking about “which products in what forms could be provided to benefit the customer” while looking at their property portfolio. By meeting a global management company that holds a management philosophy with which we can empathize, we realized the form of the Group’s unique financial instrument service.



Characteristics of AFS's Service

- 1 Collaboration with Aoyama Zaisan Networks Company Group**
By collaborating with the Group, which has achievements in the property consulting field, AFS supports customers' asset formation
- 2 Low-cost management**
Eliminate sales fees in principle, and introduce a reward system that is linked to customers' total assets under management
- 3 Provision of domestic publicly offered investment trusts that integrate management methods from top-class management companies in the United States**
Propose asset formation using financial instruments that satisfy sustainability, universality and cost efficiency based on academic research by Dimensional Fund Advisors

Our partner is a global management company that employs a number of Nobel prize recipients

What we desire to provide to customers is not investments where one “excitedly and anxiously follows stock price trends every day,” but investments that can be held for a long-term span of tens of years with a sense of stability.

Our IFAs (Independent Financial Advisors) will provide financial instruments that incorporate the management of Dimensional Fund Advisors.

For value that differs from major financial institutions, we aim to provide customers with the “best investment experience” through (1) the development of management portfolios that strike a balance between real estate management and financial asset management, which is understood by looking over customers’ overall finances, (2) low-cost management that uses Rakuten Securities as our entrusting financial instruments business operator and (3) the provision of long-term follow-up services after purchase.

Dimensional Fund Advisors

Founded in 1981, Dimensional Fund Advisors established position as a world-class asset management company. Employs over 1,400 employees at 13 global bases, primarily in the United States, and manages US\$637.3 billion (approx. ¥71 trillion, ¥110.71 to a U.S. dollar).

*as of March 31, 2021



Second Project for Regional Revitalization

Through real estate consulting that utilizes the Act on Specified Joint Real Estate Ventures
Held groundbreaking ceremony for the hotel building of the Tsuruga Station Western District

The Group, which is advancing “Tsuruga Station Western District Land Usage Enterprise” ahead of the planned opening of the Hokuriku Shinkansen Tsuruga Station in 2024, aims to open all the facilities in the entire district in September 2022.

In April 2021, we held the groundbreaking ceremony for Tsuruga Station Western District’s hotel building, which was covered by a number of media outlets in addition to being attended by a large number of concerned parties, such as the mayor of Tsuruga.

With initiatives that utilize “Special Venture” in the Act on Specified Joint Real Estate Ventures, this is the second project following our regional revitalization project “Komatsu City, Ishikawa Prefecture.” We are progressing with improvements, aiming to turn it into the entrance to Hokuriku area for visitors from all over Japan and a base where locals can interact. **Going forward, we will work so that we can support regions with proactive development of regional revitalization projects.**



▲ Center of the upper photograph

▶ Lower photograph: the Company’s representative Masazumi Hasumi

Shareholder incentives

The Company provides shareholder incentives under the following conditions to shareholders recorded in the shareholder register as of June 30 (as of June 30, 2021).

Shareholders who hold 1,000 shares or more

- ▶ Select 1 from 10 products worth 3,000 yen



Image

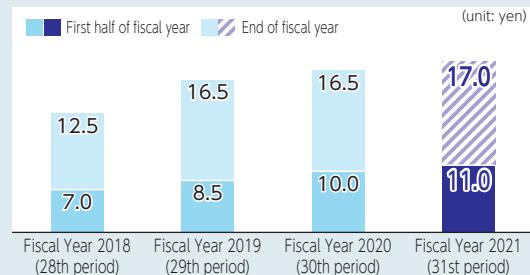
Shareholders who hold 10,000 shares or more continuously for over 1 year

- ▶ The UKAI Group common meal certificate (20,000 yen)
- ▶ Ukai special select beef (worth 20,000 yen)



Image

Dividends per share



Dividend forecast Fiscal year ending in December 2021 **28 yen**

*The amounts presented in the above transition table take into consideration the 2-for-1 share split of common shares effective on August 31, 2021.

Our growing global network

We have established a nationwide network in Japan that includes leading tax accounting firms and accounting offices. Through this network, we provide consulting services to customers across Japan. As part of our efforts to expand internationally, we have established overseas subsidiaries in Singapore and Indonesia. Going forward, we will continue working with top overseas partners and enhance our network both at home and abroad.

List of AZN nationwide network members

(as of July 1, 2021)

Japan **94** bases
 *95 offices

Hokkaido

Aoyama Zaisan Networks Hokkaido Support (IKEWAKI TAX, ACCOUNTING & CONSULTANTS GROUP)
 Nihon Shisan Soken Co., Ltd. Sapporo (Mitsunari Accountant Office)
 FPC Tax Corporation

Tohoku

Aoyama Zaisan Networks Aomori Support (Konda Accounting Office)
 Aoyama Zaisan Networks Sendai Support (Asahi Accounting Office)
 MIRAI Tax Corporation
 Aoyama Zaisan Networks Yamagata Support (Yutaka Licensed Tax Accountant's Corp)
 AMAGUCHI Partners Tax Corporation
 Zaisan Networks Fukushima Co., Ltd. (Aozora Tax Corporation)

Kanto

Aoyama Zaisan Networks Ibaraki Support (Masuyama Accounting Office)
 YGP Kujirai Tax Corporation
 Zaisan Networks Tochigi Co., Ltd. (Tajima Accounting Office)
 Zaisan Networks Motegi Co., Ltd. (MOTEGI tax consultant office)
 Kanata Tax Corporation
 Aoyama Zaisan Networks Saitama Co., Ltd. (CWM Research Institute)
 Aoyama Zaisan Networks Kanto Chuo Support (MMG Tax Corporation)
 Nihon Shisan Souken Co., Ltd.
 Aoyama Zaisan Networks Denenchofu Support (Saito Tax Corporation)
 Nihon Mirai Accounting & Tax Co.
 Zeimu Sogo Tax Corporation
 eclat Consulting
 Humannetwork Inc. (Tokyo kaikei Partners Inc.)
 Hori Yoshihiro Certified Public Accountant Office
 Hisakawa Hidenori Certified Tax Accountant Office (Hara Hisakawa Tax and Accounting Corporation)
 SEMS Inc. (Shimizu Certified Tax Accountant Office)
 Mountain Co., Ltd. (General Management Service Tax Corporation)
 Aozora Tax Corporation
 Tsuda Accounting Group Co., Ltd. (Tsuda Accounting Office)
 Koide Certified Public Accountant and Tax Accountant Office
 Mimura Tax & Consulting
 Kagayaki Zaisan Networks Co., Ltd. (Kagayaki Tax Corporation)
 Aoyama Zaisan Networks Yokohama Support (YAMADA SYNTHETIC OFFICE)
 Ai Partners Tax Corporation
 Masatoshi Yoshikawa Certified Tax Accountant Office
 Oyama accounting Co., Ltd (Rita Tax Corporation)
 Top Accounting Firm & co
 Koyama Yoshiaki Licensed Tax Accountants
 Yokohama Saiwai Tax Corporation
 Enari Tax Corporation
 SOUSHIN KAIKEI Tax Corporation

Overseas

▶Overseas subsidiaries

- Aoyama Wealth Management Pte. Ltd. (Singapore)
- PT. Aoyama Zaisan Networks Indonesia (Indonesia)

▶Overseas partners

- Hong Kong investment consulting partner
- Major Indonesian industrial conglomerate
- American property management partner
- American real estate partner

Expanding network to Asia and North America

Chubu

Tsubasa M&A Partners (Tsubasa Tax Corporation)
 Aozorakeiei Tax Corporation
 Aoyama Zaisan Networks Kanazawa (HATAKE Management Group)
 Kimura Business Succession Brain Co., Ltd. (KIMURA KEIEI BRAIN CO., LTD.)
 Nochide Kaikei Tax Corporation
 Aoyama Zaisan Networks Fukui Support (Uesaka Consulting Firm)
 Nihon Soken Tax Corporation
 Zaisan Networks Nagano Co., Ltd. (Nozomi Tax Corporation)
 Mas Networks Co., Ltd. (The Narusako Accounting Firm Group)
 Misawa property consulting Co. (Misawa Accounting Group)
 SHINKO MANAGEMENT CENTER Co., Ltd. (SHINKO MANAGEMENT GROUP)
 MMPC Consultants Corporation (MMPC Tax Corporation)
 Zaisan Networks Shizuoka Co., Ltd. (Iwasaki Tax Corporation)
 Aim Nakano Accounting Co., Ltd. (ARIASU ZEIRISHOUJIN)
 Apex Inc. (Kimura Certified Public Tax Accountant Office)
 Zaisan Networks Nagoya Support (Meinan Consulting Network)
 tax accountants' corporation kanade
 J-MACS Advisory LLC (J-MACS Tax Accountant Office)
 Aoyama Zaisan Networks Mie Support (Midland Management Group Mie)

Kinki

Zaisan Networks Kyoto Co., Ltd. (SHINKEIEI SERVICE SHIMIZU Tax Co.)
 Aoyama Zaisan Networks Kyoto Nijo Support (HIROSE LICENSED TAX ACCOUNTANT)
 SMO Corporation (Teruyoshi Sakon Tax Accountant Office)
 Zaisan Networks Osaka Co., Ltd. (Nihonkeiei Will Tax Accountant Corporation)
 Seki Soken Zaisan Partners Co., Ltd (AZ TAX Corporation)
 Shibata Business Consulting Co., Ltd. (SBC Partners Tax Corporation)
 Inada Accounting Tax Corporation
 Aoyama Zaisan Networks Wakayama Support (Nishioka Accounting Office)

Chugoku

Shinichi Kishimoto Certified Tax Accountant Office
 Aoyama Zaisan Networks Shimane Support (Chikashige Tax Office)
 Ikeda & Company Inc.
 Fast Service Co., Ltd. (Nishikori Accounting Office)
 OKAYAMA SOUKEN Consulting Co., Ltd. (OKAYAMA SOUKEN Tax Corporation)
 Hikasa Accounting Co., Ltd. (Hikasa Accounting Office)
 Ishii Consulting Co., Ltd. (Ishii Tax Accounting)
 Kato Hitoshi Certified Tax Accountant Office
 Tax Accountants' Corporation Wakamiya & Partners
 Second Ace Tax Corporation
 Business Support & Create Co., Ltd. (Shinkai Tax Accountant Office)
 Tsutomu Nakano Certified Tax Accountant Office

Shikoku

Zaisan Consultants Tokushima Co., Ltd. (M.A.S. AGENT GROUP)
 Midori Zaisan Consultants Co., Ltd. (Midori Tax Corporation)
 Nonaka Keiei Corporation (Nonaka Management Consulting Office)

Kyushu

Aoyama Zaisan Networks Kyushu Co., Ltd. (Shinohara Ueda Tax Corporation)
 Sasaki Soken Co., Ltd. (Nishi Nihon Tax Corporation)
 Satsuki Partners Co., Ltd. (Satsuki Hisadome accounting firm)
 Nakata Certified Public Accountant Office
 Masahiko Yasuda Certified Tax Accountant Office
 Aoyama Zaisan Networks Saga Support (MOROI Accounting Firm)
 Aoyama Zaisan Networks Nagasaki Support (Chuo Sogo Accounting Office)
 MFAS Co., Ltd. (Nagata Yoshiro Tax Accountant Office)
 NAGATA KAIKEI
 MIRAI TAX ACCOUNTING OFFICE
 IDEA Research Institute Consulting Co., Ltd. (IDEA Tax Corporation)
 Mori Accounting Tax Corporation
 Zaisan Networks Okinawa Co., Ltd. (PS Accounting Office)

▶ Corporate Data (as of June 30, 2021)

Name of Company	Aoyama Zaisan Networks Company, Limited
Head Office	3F Aoyama Tower Place, 8-4-14 Akasaka, Minato-ku, Tokyo 107-0052 Tel. +81-3-6439-5800
Incorporated	September 17, 1991
Capital stock	1,165.50 million yen
Business line	Individual property consulting Business succession consulting Real estate solutions consulting
Number of employees (Group)	252
Consolidated subsidiaries	4 companies including Aoyama Estate Co., Ltd., Nihon Shisan Soken Co., Ltd., Aoyama Zaisan Investments Co., Ltd., Aoyama Zaisan Networks Kyushu Co., Ltd., Aoyama Financial Service Co., Ltd. and Aoyama Family Office Service Co., Ltd.

▶ Stock Overview (as of June 30, 2021)

Number of shares in issue 12,175,600
 Number of shareholders 5,235
 Major Shareholders (Top 10)

Name	Shares held	Shareholding ratio
Masazumi Hasumi	1,246,600	10.33
Yasuo Takano	665,800	5.51
NOMURA PB NOMINEES LIMITED BUS – MARGIN (CASH BP)	538,900	4.46
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM 02 505002	505,700	4.19
Nihon M&A Center Inc.	500,000	4.14
Custody Bank of Japan, Ltd. (trust account 9)	312,800	2.59
Custody Bank of Japan, Ltd. (trust account)	295,900	2.45
Custody Bank of Japan, Ltd. (pension trust account)	286,500	2.37
Capital Asset Planning, Inc.	200,000	1.65
The Master Trust Bank of Japan, Ltd. (trust account)	182,200	1.51

▶ Executives (as of June 30, 2021)

P r e s i d e n t	Masazumi Hasumi
Director, Managing Executive Officer	Masayuki Yagi
Director, Managing Executive Officer	Takeshi Matsuura
Director, Executive Officer	Shinji Shimane
Director, Executive Officer	Takaomi Ogawa
Director, Executive Officer	Hideo Matsuda
Director, Executive Officer	Shintaro Hashiba
Outside Director	Haruo Shimada
Outside Director	Keiji Watanabe
Outside Director	Michihiro Nagasaka
Outside Auditor (standing)	Hiroyuki Fujita
A u d i t o r	Hisao Nakatsuka
Outside Auditor	Hiroaki Rokugawa

▶ Notes for Shareholder

Fiscal year	January 1 to December 31
Base date for the determination of shareholders with year-end dividend entitlements	December 31
Base date for the determination of shareholders with interim dividend entitlements	June 30
General meeting of shareholders	in March
Administrator of the shareholder registry/Account management institution for special account	Mitsubishi UFJ Trust and Banking Corporation
Contact	Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Department 1-1, Nikko-cho, Fuchu-shi, Tokyo Tel. 0120-232-711 (toll-free, Japan only) Mailing address: P.O. Box 29, Shin-Tokyo Post Office 137-8081 Mitsubishi UFJ Trust and Banking Corporation, Stock Transfer Agency Department
Stock exchange listings	TSE Second Section
Public announcements	To be announced on the Company's website

(For reference)

- Shareholders' address changes, repurchase requests, and such other procedures, as a rule, are filled 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).
- Dividends hitherto uncollected by shareholders are paid by Mitsubishi UFJ Trust and Banking Corporation, Head Office Branch.