



Aoyama Zaisan Networks Company Limited
Aoyama Zaisan Networks Company, Limited

A o y a m a
Z a i s a n
N e t w o r k s

Full-Year Business Summary

for Fiscal Year 2023
(**33**rd period)

January 1 to December 31, 2023

Securities Code: 8929



We would like to express our deepest sympathies to all those who have been affected by the 2024 Noto Peninsula Earthquake, and we sincerely hope for a quick recovery.

Fiscal year 2023 was the second year of the Third Medium-Term Management Plan, covering the three years from 2022. This plan positions the Company for a period for expanded growth as a property consulting firm. In fiscal year 2023, the Company set new records for net sales and each item of profit, backed by expanding needs for property consulting. In order to respond to the rising needs for property consulting, one of the key factors for growth expansion, the Company is focusing on recruiting and human resource training while accelerating efforts to develop an environment that supports our consultants by leveraging DX, AI and so forth. Moreover, we are undertaking the four initiatives given below to reach our goals by fiscal year 2024, the final year of the Third Medium-Term Management Plan.

1 | Provide thorough education on how to accumulate virtue centered on altruism to enhance human skills

We believe that it is important that consultants possess interpersonal skills and that interpersonal skills are also the most crucial for living a happy life. We encourage active participation in social contribution activities (children's cafeterias, co-existence with pets in society, local clean-ups) and have started to establish a public interest incorporated foundation to proactively engage in social contribution activities as a Group.

2 | Developing an environment that supports consultants by leveraging DX, AI and so forth

We have established a marketing organization to identify the needs of customers who utilize marketing automation tools, and are promoting initiatives to offer appropriate service solutions and information to those customers. Moreover, while we have been able to increase number of customers per consultant through making use of such tools as the ART system, we face some challenges, such as finding a suitable way to horizontally deploy the insights and experiences gained by consultants to all consultants. We aim to digitalize the accumulated consulting know-how, further promote standardization of consulting through such digitalization, and build a human resource training system in order to expedite such consultant development. We plan to continue initiatives such as improving

and expanding systems and conducting training for consultants to achieve visible results in productivity improvement and human resource training.

3 | A workplace that is easy to work in and fulfilling to work at

By creating a workplace environment that is accommodating to various personal circumstances so that everyone can work with peace of mind, we aim to improve productivity and reduce employee attrition. Also, while addressing such challenges such as career planning, work conditions, and promoting the active participation of women, we will continue our efforts to achieve wage increase that exceed the increases in the cost of living as demanded by the government, along with "salaries commensurate to roles," and "bonuses based on performance contribution."

4 | Offering new services, following on from the eight individual services, to meet the diversifying needs of our customers

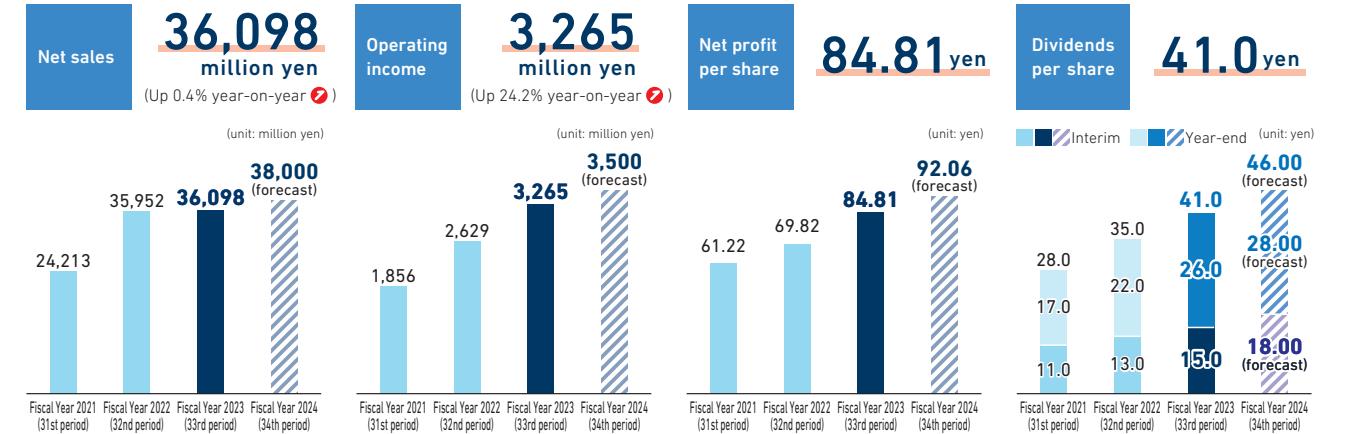
In addition to property and business succession consulting, we are creating services that meet various needs. For example, in regional revitalization consulting, inquiries from local governments have increased following the closing of the second regional revitalization project of fiscal year 2022 (Tsuruga), and in fiscal year 2023, we conducted activities aimed at receiving orders for large-scale projects. From fiscal year 2024 onwards, we will work further on creating services, such as undertaking initiatives that actively strive for environmentally friendly regional revitalization.

By advancing these initiatives, even in fiscal year 2024, which is the final year of the Third Medium-Term Management Plan, we will harness the efforts of the whole company and do even better so that we can generate continued growth and greater corporate value. We ask that all of you continue to give us your support.

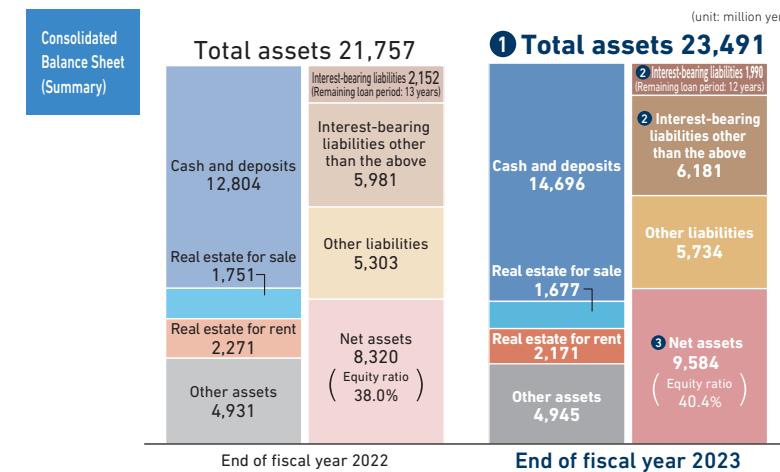
President
Masazumi Hasumi



In fiscal year 2023, net sales increased to ¥36,098 million (¥35,952 million in the previous fiscal year) mainly due to an increase in the sales from property consulting. In addition, because of the increase in property consulting revenue, which provides good profitability, we recorded ¥3,265 million in operating profit (¥2,629 million in the previous fiscal year) and net profit per share of ¥84.81 (¥69.82 in the previous fiscal year), resulting in both exceeding the actual results in the previous fiscal year.



*The Company conducted a 2-for-1 stock split of common shares on September 1, 2021. The bar chart above reflects the assumption that the stock-split was conducted at the beginning of the fiscal year ended December 2021.



1 Total assets

Total assets amounted to ¥23,491 million, up ¥1,733 million from the end of the previous period mainly due to an increase in cash and deposits.

2 Interest-bearing liabilities

Interest-bearing liabilities amounted to ¥8,171 million, up ¥37 million from the end of the previous period due to an increase in short-term loans payable, etc.

3 Net assets

Net assets grew by ¥1,264 million from the end of the previous period to reach ¥9,584 million mainly due to an increase in retained earnings.

TSURUGA POLT SQUARE 'otta' won the Minister of Land, Infrastructure, Transport and Tourism Award.

— Recognition of realization of a sustainable system for regional revitalization and public-private partnerships —

Our second regional revitalization project "TSURUGA POLT SQUARE 'otta'" in the Tsuruga Station Western District Land Usage Enterprise received the Minister of Land, Infrastructure, Transport and Tourism Award at the "2023 (20th) Land Utilization Model Award" organized by the Institute for Future Urban Development (supported by the Ministry of Land, Infrastructure, Transport, and Tourism). The award ceremony was held in October, 2023, and this project, which aimed at providing regional revitalization for regional cities, was highly praised for realizing effective utilization of highly attractive land and establishing a sustainable system of public-private partnership.



Scene at the award ceremony showing representatives of the Company and Tsuruga City

How "TSURUGA POLT SQUARE 'otta'" contributes to "sustainable town development" in Fukui Prefecture

"TSURUGA POLT SQUARE 'otta,'" which had its grand opening in September 2022, was the second regional revitalization project undertaken by the Company. It is located in front of the Hokuriku Shinkansen Tsuruga Station (scheduled to open in 2024), which serves as an important gateway with Kanazawa and Tokyo in one direction and the Kansai region and Chukyo region in the other. At "otta," there are facilities including "HOTEL GRANBINARIO TSURUGA," a high-grade lodging option catering to long-term stays by international visitors for business or travel, and to VIPs from both Japan and abroad, as well as restaurants, retail stores, child-rearing support facilities, "TSURUGA BOOKS & COMMONS CHIENAMIKI," a public facility for education and awareness, stocked with a rich selection of books, and "Station West Plaza Park," a place for relaxation and social interaction. In Tsuruga City, there has been a longstanding consideration to create hubs that generate interaction and excitement among visitors and citizens. It was through a publicly offered proposal in 2018 that the project "otta," a Tsuruga Station Western District Land Usage Enterprise came into existence.



Inside "TSURUGA BOOKS & COMMONS CHIENAMIKI"

Realizing "town development for sustainable living"

The demand for station-front redevelopment projects and urban redevelopment projects, especially in regional cities, is increasing. What the Company can do as a private enterprise from a neutral standpoint, is to create a system that can continue as a profitable business and operate the business stably over the long term. We will continue to value the thoughts of local governments and investors while leveraging our past experiences to realize "town development for sustainable living."

Hikaru Aizawa, our consultant, has spoken at major events,

including the "Nikkei Real Estate Investment Fair," the "Inheritance and Real Estate Utilization Conference" organized by Yomiuri Shimbun, among others.

Hikaru Aizawa, our consultant, gave lectures at major events such as the "Nikkei Real Estate Investment Fair 2023 Tokyo" held in October 2023, the "Landlord Festa Autumn 2023" organized by Owner's Style, and the "Inheritance and Real Estate Utilization Conference" hosted by the Business Bureau of Yomiuri Shimbun in November 2023. We provided information based on the unique insights of a property consultant who is at the forefront of trends, such as the three new precepts in choosing real estate, how to select high-profit and fail-proof real estate, and examples related to inheritance.



Consultant of the Company
Hikaru Aizawa

Hikaru Aizawa is a first-class financial planning technician, senior private banker, certified real estate consulting master, and licensed real estate transaction specialist.

He is the author of "Retaining Assets and Wishes."

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

ADVANTAGE CLUB®

Formed partnerships for four new properties in Tokyo

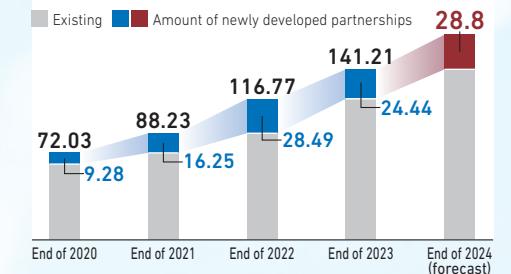
The Company's key consulting product, the real estate small-lot product "ADVANTAGE CLUB," has received numerous applications. We newly formed voluntary partnerships "Kioicho" in August 2023, "Azabu Juban" in September 2023, "Kagurazaka Dori" in November, and "Shibuya Bunkamura Dori" in December 2023. Each of the properties of these voluntary partnerships is located in an attractive area, either being actively redeveloped in recent years, or known as a popular upscale residential area. ADVANTAGE CLUB engages in regular product formation to meet the diverse needs of our customers.

ADVANTAGE CLUB® since 2002

(as of December 31, 2023)

Cumulative number of partnerships	71
Cumulative amounts	¥141.21 billion
Total partnership members	5,769

Trends of cumulative amounts of ADVANTAGE CLUB
(unit: billions of yen)



AD Kioicho: Kioicho435



AD Azabu Juban: AZABU JUBAN BUSINESS CUBE-S



AD Kagurazaka Dori: DEAR LIFE KAGURAZAKA



AD Shibuya Bunkamura Dori: J + R Building

Sustainability Topics

Participation in active social contribution activities

The Group is actively involved in social contribution activities aimed at solving social issues. We provide material support to organizations tackling social issues such as “supporting the realization of a society with zero pet euthanasia” and “support for children’s cafeterias.” In addition, our employees also participate in these activities as volunteers. Furthermore, this year we have also started “local cleaning activities” as volunteers. We will continue to provide donations and enabling employees to develop their humanity by having them participate in such activities.



We participated in mowing the lawn at the dog run of the rearing and training center of HUMANIN FOUNDATION, which engages in the rearing and training of rescued dogs.



We participated in the activities of “Nakanaka ii Kai,” an organization that runs children’s cafeterias, providing support in the provision of snack assortments and assistance in making boxed lunches.

Shareholder incentives

Shareholders recorded in the shareholder register and holding at least 30,000 shares as of December 31, 2023, are presented with one of the following items.

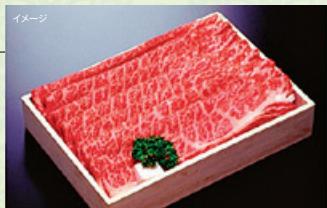
Shareholder incentive item number A

▶ The UKAI Group common meal certificate
30,000 yen
(1,000 yen x 30 certificates)



Shareholder incentive item number B

▶ Ukai special select beef (for sukiyaki)
worth **30,000 yen**



● The UKAI Group common meal certificate may be used at each shop listed on the UKAI web site (<https://www.ukai.co.jp>) (excluding Atelier UKAI Takashimaya Kyoto store, Atelier UKAI Takashimaya Osaka store).

Shareholder incentive item number C

▶ Facility use tickets from the Kato Pleasure Group
30,000 yen (1,000 yen x 30 tickets)



● Facility use tickets from the Kato Pleasure Group may be used at all facilities listed on the management facility page of the Kato Pleasure Group web site (<https://www.kpg.gr.jp/store/>). (Limited to management facilities within Japan except for the online shop) The valid period for facility use tickets from the Kato Pleasure Group is six months from the issue date. Please bear this in mind when making plans.

Participated in the IR Seminar for Individual Investors

In November 2023, we participated in the IR Seminar for Individual Investors held by logmi Finance. At the seminar, which was streamed as a Zoom webinar, we gave a speech in which we outlined our company and discussed the outlook for the future. Explanations were provided on topics such as “strengthening recruitment to meet the expansion of the real estate and inheritance markets and the increase in the number of clients. Through the implementation of such briefings, we will further enhance our IR activities for individual investors.



IR Seminar for Individual Investors ▶

AZN network

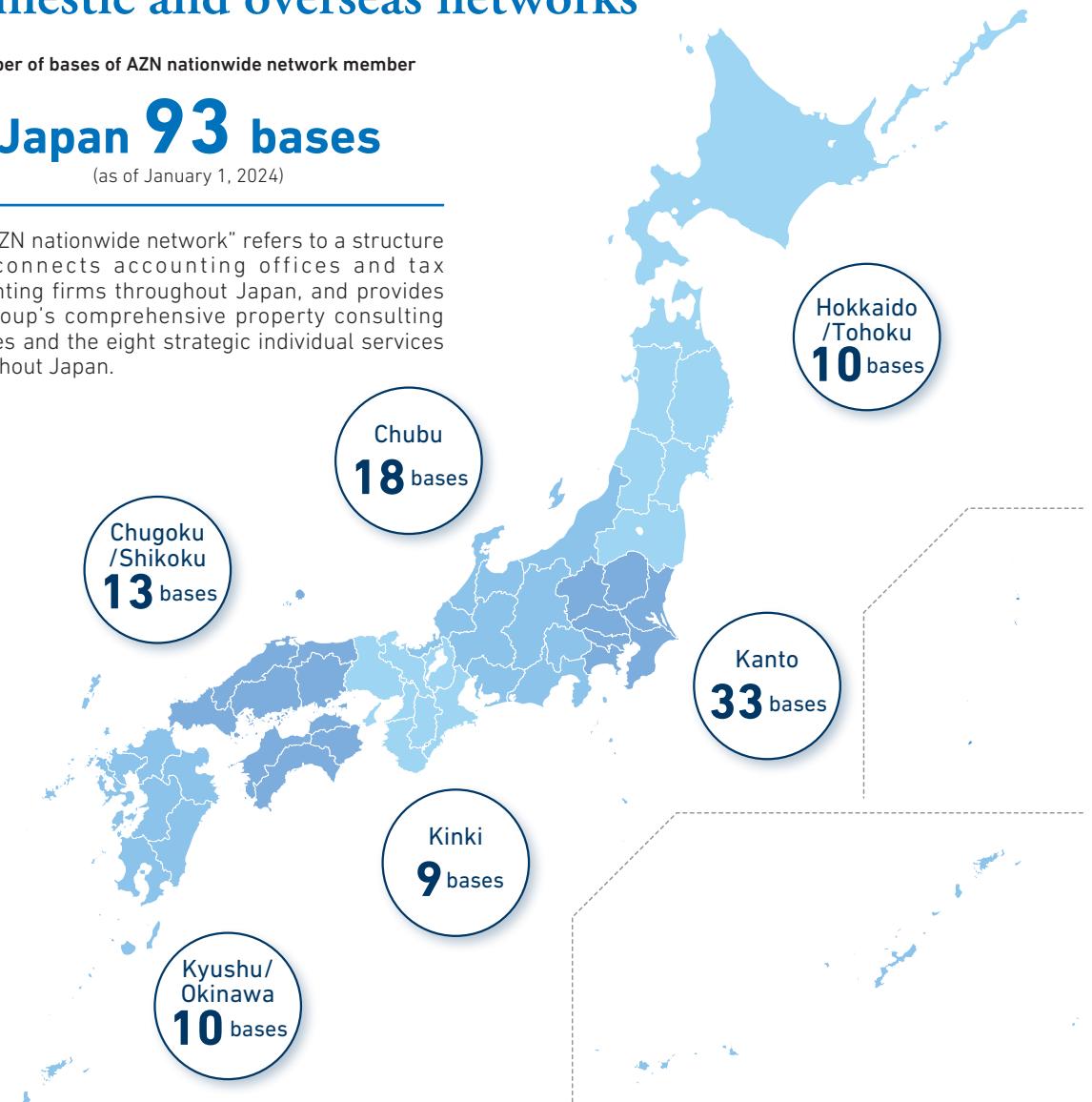
Providing premium-quality services from domestic and overseas networks

● Number of bases of AZN nationwide network member

Japan 93 bases

(as of January 1, 2024)

The “AZN nationwide network” refers to a structure that connects accounting offices and tax accounting firms throughout Japan, and provides the Group’s comprehensive property consulting services and the eight strategic individual services throughout Japan.



Corporate Data (as of December 31, 2023)

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	1,210.99 million yen
Lines of business	Individual property consulting Business succession consulting Real estate solutions consulting
Number of employees	298 (group consolidated)
Consolidated subsidiaries	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., Aoyama Family Office Service Co., Ltd. and 4 other companies

Stock Overview (as of December 31, 2023)

Number of shares in issue 24,520,859

Number of shareholders 11,223

Major Shareholders (Top 10)

Name	Shares held	Shareholding ratio
Masazumi Hasumi	2,508,976	10.32
Nihon M&A Center Inc.	1,000,000	4.11
Custody Bank of Japan, Ltd. (trust account)	901,100	3.70
Custody Bank of Japan, Ltd. (pension trust account)	554,700	2.28
Capital Asset Planning, Inc.	400,000	1.64
NORTHERN TRUST CO. (AVFC) RE UKAI AIF CLIENTS NON LENDING 10PCT TREATY ACCOUNT	340,000	1.39
GOLDMAN SACHS INTERNATIONAL	331,800	1.36
Aoyama Zaisan Networks Employees' Shareholding Association	322,900	1.32
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	303,180	1.24
NOMURA PB NOMINEES LIMITED OMNIBUS – MARGIN (CASH BP)	277,800	1.14

Executives (as of March 28, 2024)

President	Masazumi Hasumi
Director, Managing Executive Officer	Masayuki Yagi
Director, Managing Executive Officer	Takeshi Matsuura
Director, Managing Executive Officer	Takaomi Ogawa
Director, Managing Executive Officer	Shintaro Hashiba
Director, Executive Officer	Shinji Shimane
Director	Michihiro Nagasaka
Outside Director	Haruo Shimada
Outside Director	Keiji Watanabe
Outside Director	Madoka Mori
Outside Auditor (standing)	Hiroyuki Fujita
Auditor	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 Standard Market
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.