

# Aoyama Zaisan Networks

Full-year Business Summary for Fiscal Year 2014 (24th period)

January 1 to December 31, 2014

# Aoyama Zaisan Networks Provides the Most Comprehensive Asset Management Solutions

We have set the management objective of “contributing to the happiness of our customers through the succession, management, and administration of property” and, in accordance with that objective, we are offering one-stop and comprehensive property consulting services primarily to individual asset holders and business owners from the three perspectives of property succession, business succession, and property management.

In 2014, Aoyama Zaisan Networks celebrated 10th year of listing on the Mothers section of the Tokyo Stock Exchange. Furthermore, one year has passed since the management integration with Nihon Shisan Soken Co., Ltd. and we have been able to start strongly moving toward achieving further growth. This is entirely thanks to all of our shareholders who support us at all times and we thank you from the bottom of our hearts.

In the fiscal year under review, the Japanese economy overall was on a moderate recovery path as the yen continued to depreciate and share prices continued to rise due to the effects of the economic policies of the government, etc. Nonetheless, there were still no apparent solutions to the sovereign debt, and no slowdown in the deterioration of the primary balances. Moreover, it is increasingly becoming a real possibility that the imposition of taxes on the assets of asset holders and high income earners will be strengthened. In addition, the business succession problems of companies are becoming more serious, and so wide-ranging studies of methods to solve these problems are necessary.

In order to enable our customers to appropriately implement property succession, business succession, and property management, we will qualitatively and quantitatively enhance the comprehensive property consulting services comprised of “accurate analyses of the present state,” “specific planning matching objectives,” “reliable execution,” and “review on a regular basis” that Aoyama Zaisan Networks has been cultivating since it was founded.

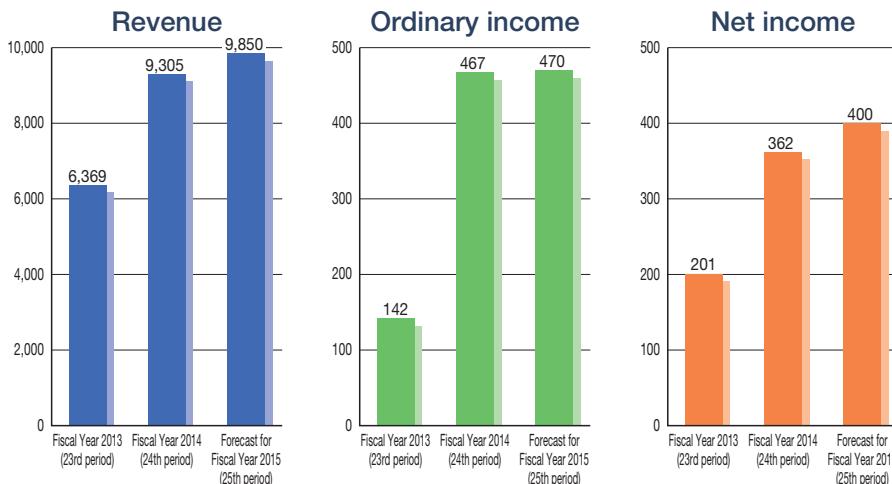
Everyone at our company will work together so that we can grow into a consulting company that contributes to the happiness of our customers and motivates customers to say that they want Aoyama to handle all their property needs; so we ask for your continuing advice and guidance going forward.



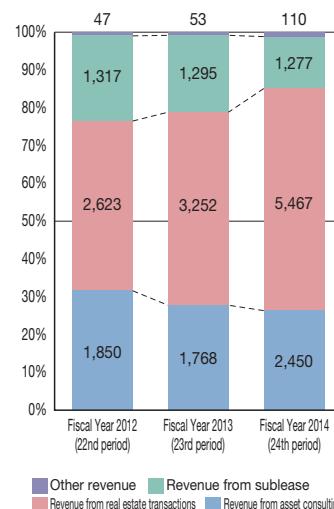
President  
Masazumi Hasumi

## Business Results for Fiscal Year 2014

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



### Revenue by Segments (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.

## 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. Looking at the real estate industry, which has a big impact on Aoyama Zaisan Networks Group, in the office building rental market within the 5 central wards of Tokyo, the improvement in the occupancy rate and trend toward higher average rents continued, and in the income property market, purchase demand has been rising.

In this environment, Aoyama Zaisan Networks Group has been engaged in the consulting on the succession, management and administration 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 regarding 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).

For the consulting of Aoyama Zaisan Networks Group, it is important to put in place an environment in which we are always at the side of our customers, obtain their trust, and can offer consultations at any time. For that reason, we adhere 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.

As a result of the above, in the fiscal year under review, operating revenue was 9,305 million yen (a 46.1% increase compared to the previous year), operating income was 445 million yen (a 177.7% increase compared to the previous year), ordinary income was 467 million yen (a 227.2% increase compared to the previous year), and net income was 362 million yen (an 80.4% increase compared to the previous year).

## Consolidated Financial Data

Million yen, rounded down to the nearest million

### Consolidated Balance Sheet

Item	Term	Fiscal Year 2013 Dec. 31, 2013	Fiscal Year 2014 Dec. 31, 2014
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits		2,966	4,180
Accounts receivable		2,588	3,069
Real estate held for sale		214	200
Other inventories		14	772
Others		11	11
Allowance for doubtful accounts		147	158
		(10)	(32)
<b>Fixed assets</b>		<b>1,731</b>	<b>1,750</b>
Tangible fixed assets		89	77
Intangible fixed assets		431	355
Investments and other assets		1,210	1,317
<b>Total assets</b>		<b>4,698</b>	<b>5,930</b>

Item	Term	Fiscal Year 2013 Dec. 31, 2013	Fiscal Year 2014 Dec. 31, 2014
<b>Liabilities</b>			
<b>Current liabilities</b>			
Fix liabilities		854	1,804
<b>Total liabilities</b>		<b>1,692</b>	<b>1,679</b>
		2,546	3,483
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Common stock		2,139	2,326
Capital surplus		1,030	1,030
Retained earnings		736	736
Valuation difference on available-for-sale securities		372	559
Unrealized gain on securities		5	99
Foreign currency translation adjustment		6	103
Subscription rights to shares		(1)	(3)
		6	20
<b>Total net assets</b>		<b>2,151</b>	<b>2,447</b>
<b>Total liabilities and net assets</b>		<b>4,698</b>	<b>5,930</b>

## Consolidated Financial Data

Million yen, rounded down to the nearest million

### Consolidated Income Statements

Term	Fiscal Year 2013 from Jan. 1, 2013 to Dec. 31, 2013	Fiscal Year 2014 from Jan. 1, 2014 to Dec. 31, 2014
Revenue	6,369	9,305
Operating cost	5,038	7,376
Gross operating income	1,331	1,929
SG & A	1,171	1,483
Operating income	160	445
Non-operating revenue	21	80
Non-operating expenses	39	57
Ordinary income	142	467
Extraordinary income	102	17
Extraordinary loss	16	25
Net income before income taxes and minority interests before loss distribution to anonymous association	229	459
Loss distribution to anonymous association	4	28
Net income before income taxes and minority interests	224	430
Total income taxes	10	68
Income before minority interests	214	362
Minority interests in income	13	—
Net income	201	362

### Consolidated Cash Flows

Term	Fiscal Year 2013 from Jan. 1, 2013 to Dec. 31, 2013	Fiscal Year 2014 from Jan. 1, 2014 to Dec. 31, 2014
Cash flow from operating activities	368	197
Cash flow from investing activities	1,886	43
Cash flow from financing activities	(425)	253
Effect of exchange rate change on cash and cash equivalents	(0)	(2)
Change in cash and cash equivalents	1,829	492
Cash and cash equivalents at start of year	746	2,577
Increase in cash and cash equivalents resulting from change of scope of consolidation	1	—
Cash and cash equivalents at end of year	2,577	3,069

## TOPICS

### TOPIC 1

#### “ADVANTAGE CLUB” Formation

In 2014, Aoyama Zaisan Networks opened two 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.

May 2014: ADVANTAGE CLUB Kanda Sotobori-dori

November 2014: ADVANTAGE CLUB Ginza 1-chome

“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.



Kanda Sotobori-dori



Ginza 1-chome

TOPIC 2

## 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.

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

\* The photographs are for illustrative purposes only.

TOPIC 3

## Announcement of the Medium-term Management Plan

In August 2014, we announced the Aoyama Zaisan Networks Medium-term Management Plan (2014~2018).

In an increasingly confused economic environment in which it is difficult to forecast the future, we will aim to enhance and further develop our comprehensive property consulting in order to be useful to our customers and make them happy.



# Stock Information / Corporate Data

## Stock Overview

(as of December 31, 2014)

Number of shares in issue	11,709,600
Number of shareholders	4,650

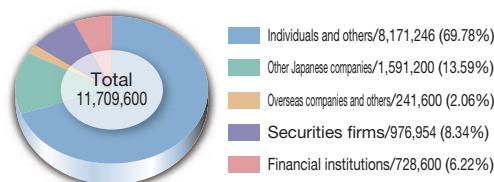
## Major Shareholders (Top 10)

Name	Shares held	Shareholding ratio
MID Investment Co., Ltd.	1,100,300	9.40
Masazumi Hasumi	749,400	6.40
Yasuo Takano	600,000	5.12
kabu.com Securities Co., Ltd.	498,200	4.25
Japan Trustee Services Bank, Ltd. (trust account)	414,000	3.54
Hiroko Iwase	260,400	2.22
SBI SECURITIES Co., Ltd.	215,300	1.84
Nihon M&A Center Inc.	150,000	1.28
Japan Securities Finance Co., Ltd.	141,300	1.21
Eiichiro Iwase	131,600	1.12

## Number of Shareholders by Category



## Number of shares held by Category



## Corporate Data

(as of December 31, 2014)

Name of Company	Aoyama Zaisan Networks Company, Limited
Head Office	3F Aoyama Tower Place, 8-4-14 Akasaka, Minato-ku, Tokyo 107-0052 Tel. +81-6439-5800
Incorporated	September 17, 1991
Capital stock	1,030.81 million yen
Business line	Individual property consulting, business succession consulting and real estate solutions consulting
Number of employees (Group)	136 (as of December 31, 2014)
Consolidated subsidiaries	8 companies including Aoyama Estate Co., Ltd., Project Holdings Co., Ltd. and Nihon Shisan Soken Co., Ltd.

## Executives

(from March 27, 2015)

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

## Notes for Shareholder

### Fiscal year

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

Base date for the determination of shareholders with interim 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

(For reference)

- Due to the dematerialization share certificates, 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).
- 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.

January 1 to December 31

December 31

June 30

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

## Nationwide Network (34 bases as of May 1, 2015)

### Chugoku, Shikoku

- ▶ Midori Zaisan Consultants Co., Ltd.
- ▶ Zaisan Consultants Tokushima Co., Ltd.
- ▶ Aoyama Zaisan Networks Shimane 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

### 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

### 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

- ▶ Aoyama Zaisan Networks Saitama Co., Ltd.
- ▶ Zaisan Networks Tochigi Co., Ltd.
- ▶ Zaisan Networks Motegi 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.
- ▶ Zaisan Networks Meinan Co., Ltd.
- ▶ Aoyama Zaisan Networks Fukui Support

■ Aoyama Zaisan Networks Company, Limited

