

Initiatives to Promote Value-Conscious Management Aligned with Capital Cost and Share Price Awareness

March 24, 2025

We will remain **your best partner over 100 years**

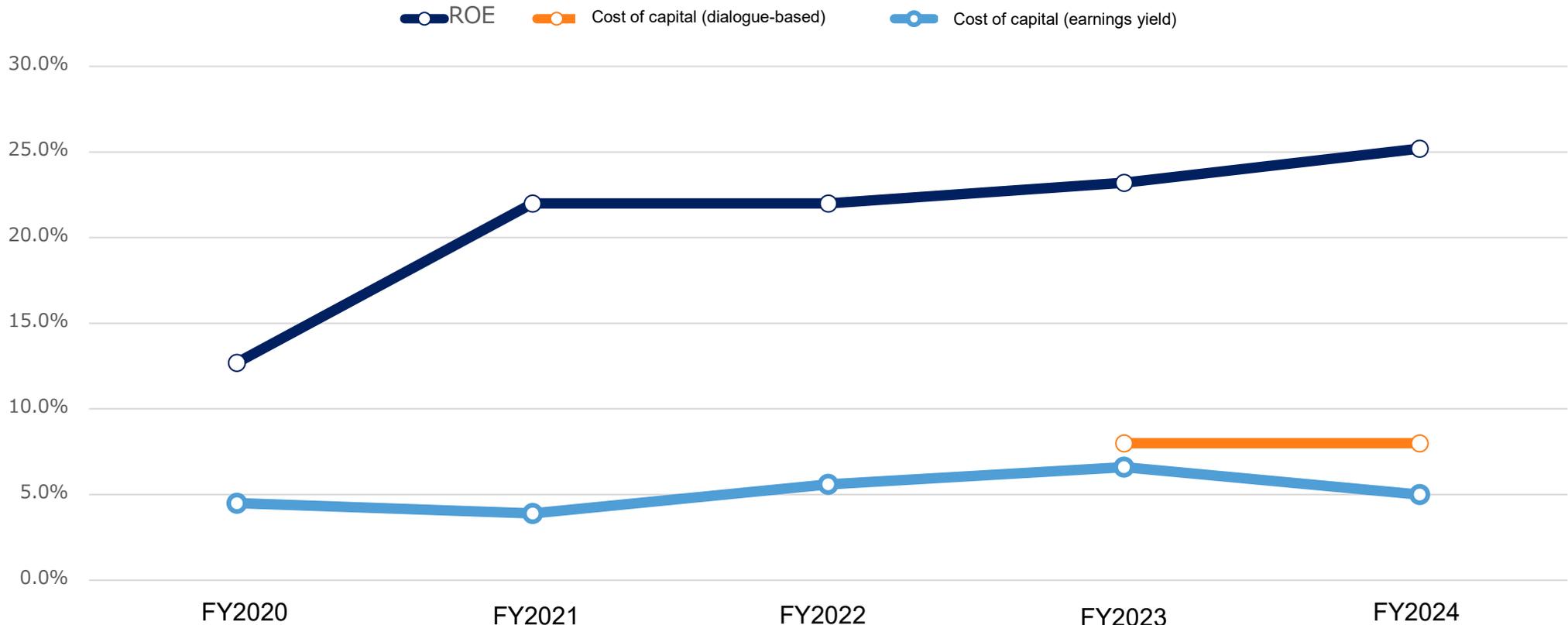
We are a comprehensive asset consulting firm that protects your assets and future.



Aoyama Zaisan Networks Co., Ltd.
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Current Status (Cost of Equity and ROE Trend)

Excluding the COVID-19 pandemic impact in 2020, we have consistently maintained an ROE above 20%. Dialogues with institutional investors through IR activities have indicated that the average estimated cost of equity is approximately 8%, leading us to adopt 8% as our assumed cost of equity. Over the past five years, our ROE has significantly exceeded the cost of equity.

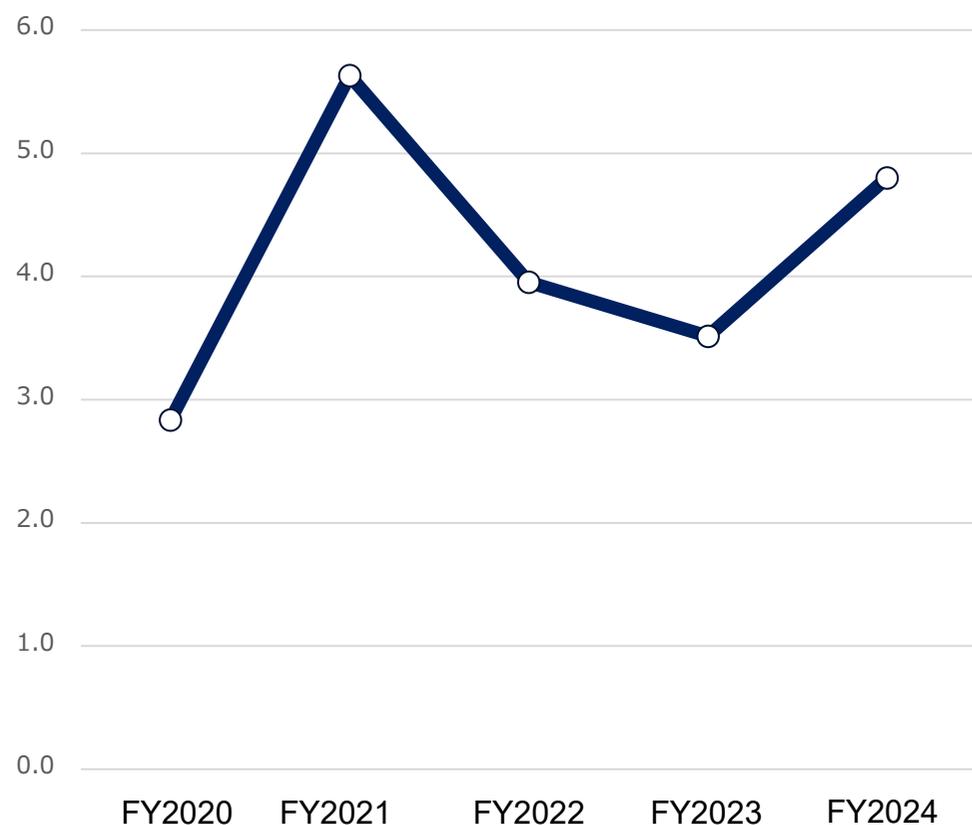


*Cost of equity based on CAPM is estimated at 5.6%-6.6% as of the end of 2024.

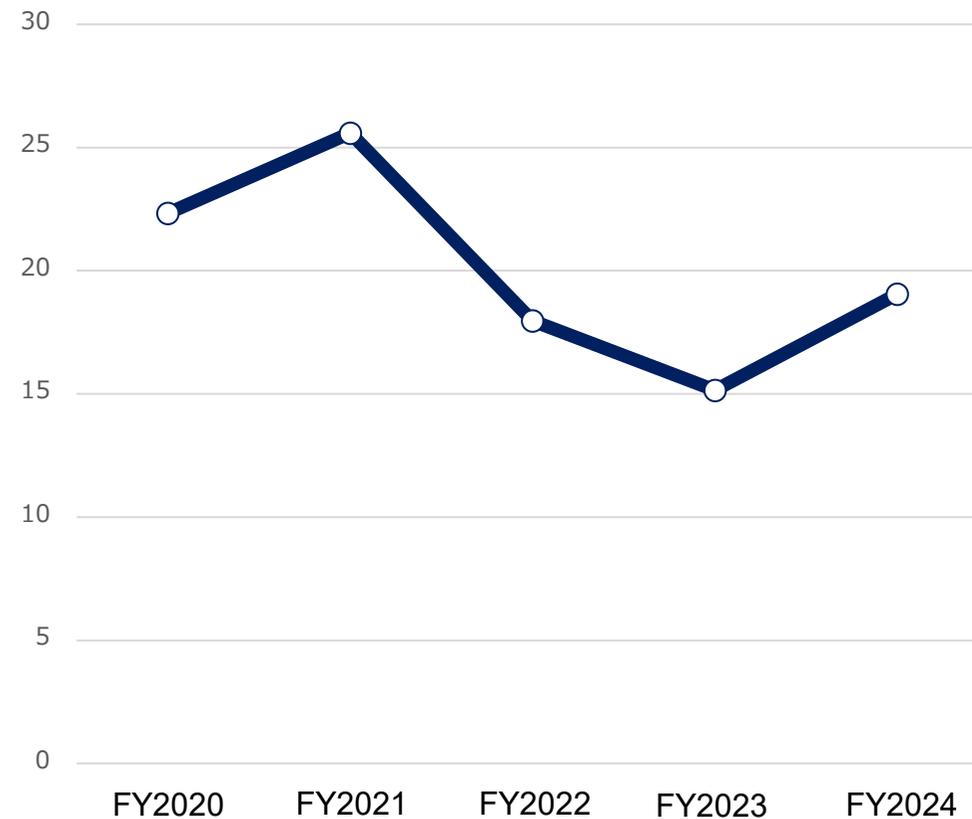
Current Status (PBR and PER Trends)

Over the past five years, our PBR has remained consistently within the range of 3 to 5 times. While our PER improved in 2024, we recognize that market valuation remains insufficient. We will continue to work toward further improvement in PER as part of enhancing our corporate value.

■ PBR Trend



■ PER Trend



*Figures are based on year-end values used for each fiscal year.

Efforts to Enhance Corporate Value (Maintaining ROE above 20%)

■ Net Profit Margin

Improve profitability by increasing the proportion of revenue from asset consulting services.

■ Total Asset Turnover

Maintain efficiency by continuing the policy of not holding real estate inventory.

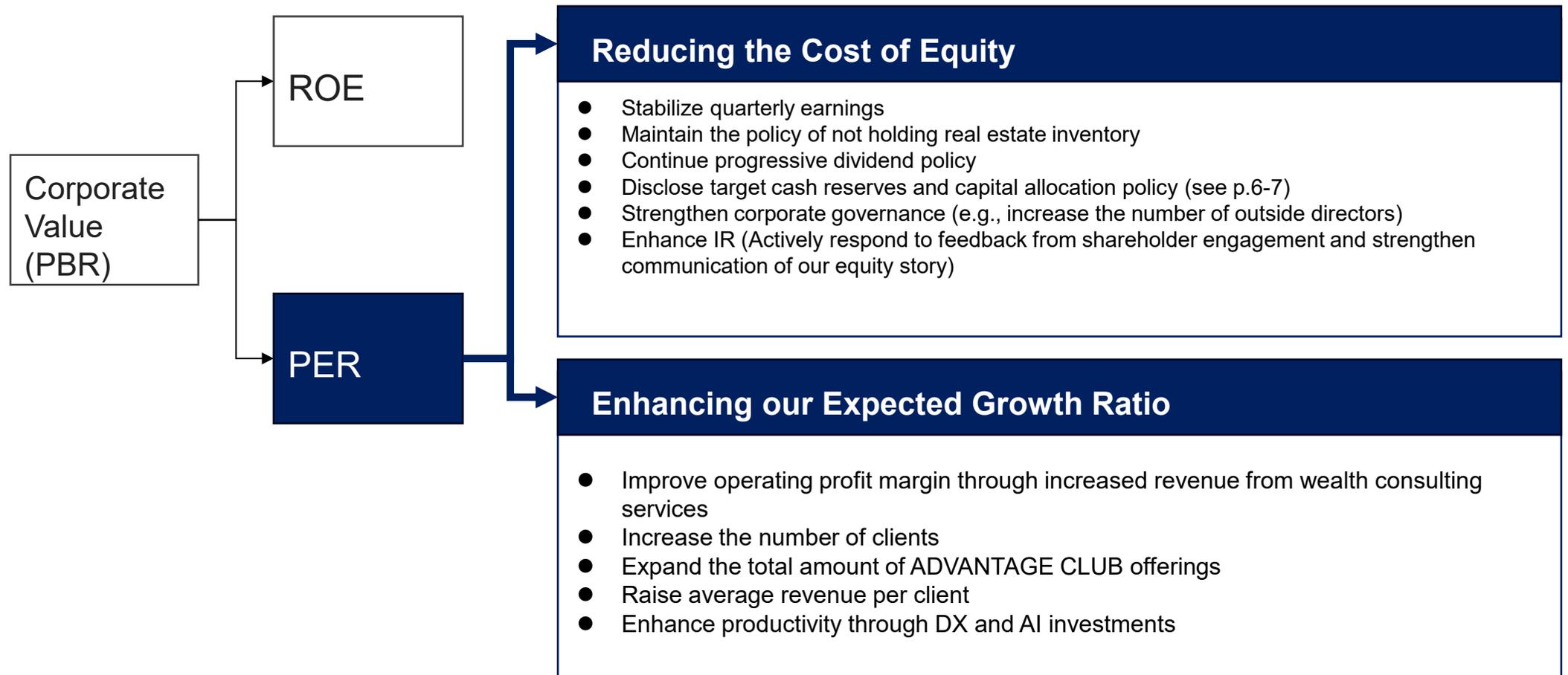
■ Financial Leverage

Maintain financial leverage at around 2 to 2.5 times to enhance capital efficiency while ensuring financial soundness.

	ROE	=	Net Profit Margin	×	Total Asset Turnover	×	Financial Leverage
Dec. 2022	22.0%	=	4.7%	×	1.84 times	×	2.55 times
Dec. 2023	23.2%	=	5.7%	×	1.60 times	×	2.55 times
Dec. 2024	25.2%	=	5.3%	×	1.99 times	×	2.38 times
Dec. 2027 (est.)	20%-30%	=	Approx. 5-6%	×	Approx. 2.0 times	×	Approx. 2-2.5 times

Efforts to Enhance Corporate Value (PER Improvement)

We will continue to improve PER by reducing the cost of equity and enhancing our expected growth ratio.



FY2024 IR Achievements and Activities of FY2025 Onward

1 FY2024

- Held two small meetings annually targeting institutional investors
- Held a briefing meeting for individual investors in April
- Held approximately 130 IR meetings through the year
- Published a comprehensive report in May

2 FY2025

- Continue to hold two small meetings annually targeting institutional investors
- Plan to hold briefing meetings for individual investors twice a year in spring and autumn
- Plan to resume overseas roadshows
- Aim to be selected a new TOPIX constituent and enhance market capitalization through improved PER

Plan to significantly increase engagement with overseas investors, given progress toward meeting the liquidity and market capitalization thresholds requested by institutional investors during the previous roadshow

3 Post-FY2026

- Promote initiatives to enhance corporate value and increase market capitalization, and expand engagement with new institutional investors to accelerate the efforts of FY2025

Capital Policy (BS Policy)

Concept on Cash Reserve

Maintain sufficient cash reserves to cover working capital, real estate acquisition funds, and AD refund reserves.

Concept on Real Estate for Sale

Do not hold real estate inventory, in principle.

[Required Cash Reserve Level by End of FY2024]

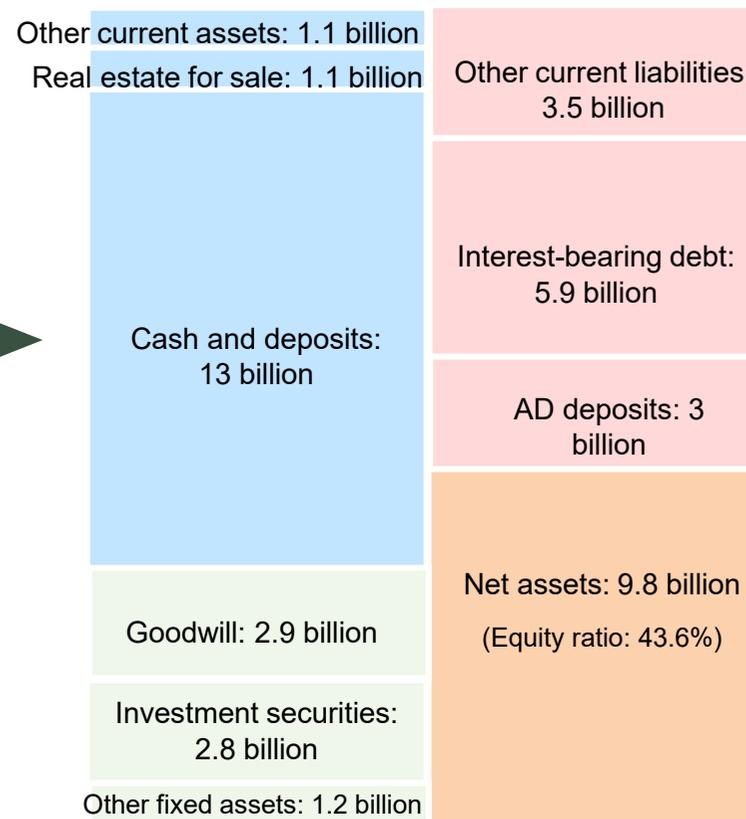
- Working capital: 2.0 billion yen
 - Real estate acquisition funds: 9.8 billion yen
 - AD deposit return funds: 3.0 billion yen
- Total: 14.8 billion yen

Concept on Interest-Bearing Debt and Net Assets

Utilize interest-bearing debt to maintain the necessary level of cash reserves.

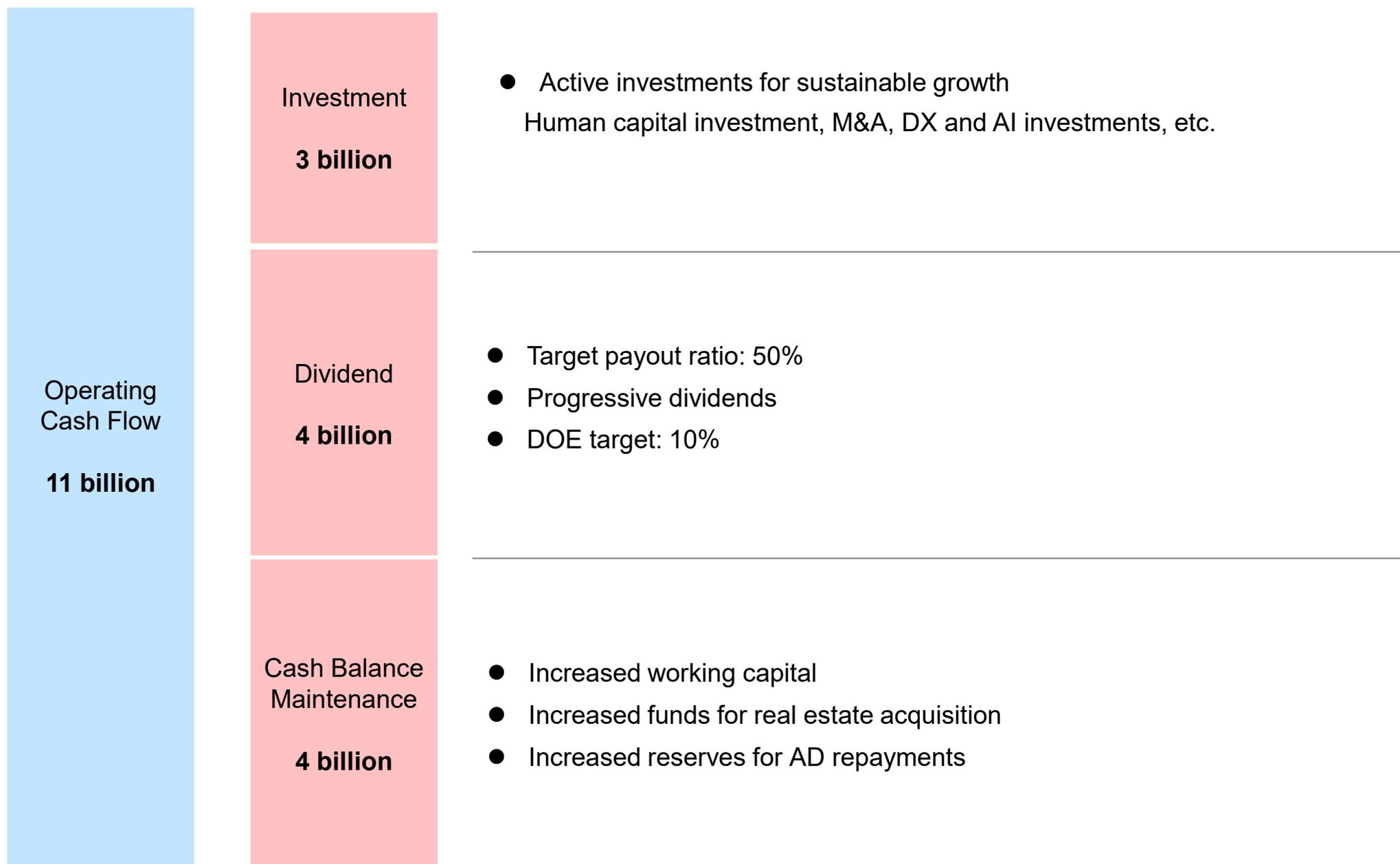
Make investments, as a rule, within the scope of net assets.

Total Assets: 22.3 Billion Yen



As of end-FY2024

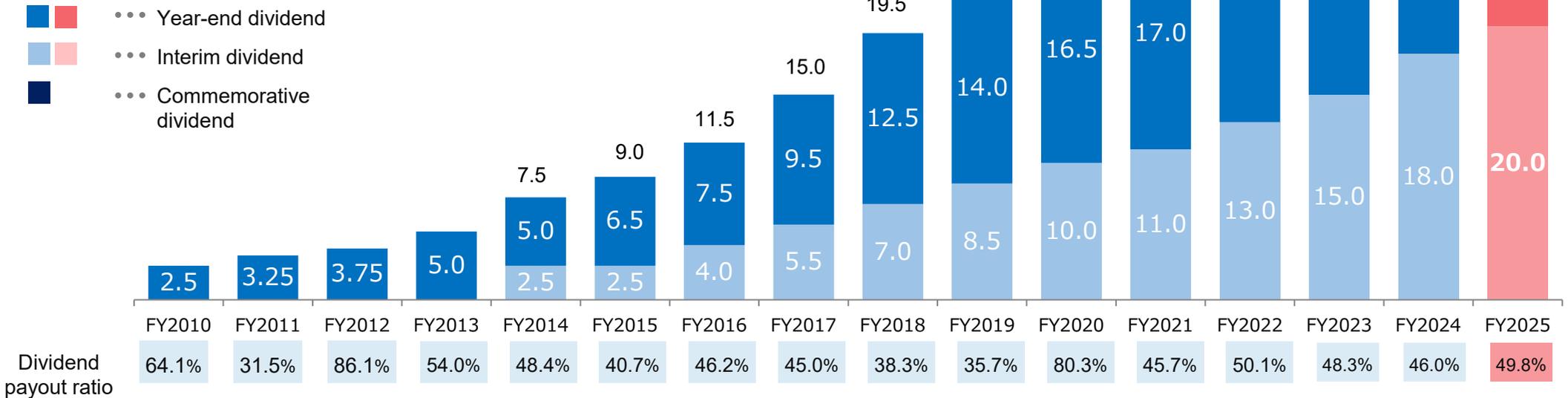
Capital Policy (Capital Allocation during the Medium-Term Plan Period (2025-2027))



Capital Policy (Shareholder Return Policy)

(Unit: Yen)

- 1 Dividend payout ratio target of 50%
 - 2 Progressive dividend policy
 - 3 Maintain DOE level above the cost of equity
- *Share buybacks will be considered flexibly as needed.



*On Sep. 11, 2021, a stock split was implemented at a ratio of 2-for-1. The dividend amounts shown have been adjusted to reflect this split.



For more IR information, please visit the website below.

<https://www.azn.co.jp>

Corporate Finance Department,
Aoyama Zaisan Networks Co., Ltd.
TEL: 03 6439 5824 FAX: 03 6439 5851

Disclaimer: The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available and thus involve potential risks and uncertainties. Therefore, actual results may differ materially from those expressed or implied due to various factors.