Medium-Term Management Plan Explained by President

Reviewing Second Medium-Term Management Plan (2019–2021)

Positioning the three years from 2019 to 2021 as the period of the Second Medium-Term Management Plan in anticipation of our growth expansion from 2022, we made efforts under the following five basic policies: "initiatives to be equipped with advanced technology," "tie-up expansion," "support the expanding and diversifying needs of property and business successions," "support expanding management needs," and "initiative to improve human resources and employee satisfaction."

Amid the COVID-19 pandemic, we saw a sharp decline in the number of referrals from financial institutions and were not allowed to make face-to-face sales with elderly customers; we had to struggle for earnings. Then from the fourth quarter of FY2020 to the first half of FY2021, the number of referrals showed a smooth recovery, and the Internet-based system environment for customer services was also installed, which contributed to **an increase in the number of "Web-based consulting services."** In addition, **the active formation of "ADVANTAGE CLUB" partnerships on a regular basis helped** our earnings to get on an expansion track from a recovery path.

The greatest achievement through our efforts under the Second Medium-Term Management Plan is an **advancement in the preparation of foundation for the growth expansion period from the next fiscal year as a comprehensive property consulting firm.** The **"ART System,"** in which our knowledge and know-how are invested under the basic policy of "equipped with advanced technology," is now **officially in operation.** We also started selling our core product "ADVANTAGE CLUB," the real estate small-lot product, to financial institutions such as banks and achieved sales outcomes more than expected. We also successfully launched the family office service, IFA (Independent Financial Advisor) financial instrument investment service, and STO (Security Token Offering) business, as new businesses. Through these activities, the Group **has completed setting up a base for running new business operations actively.**

Developing a new structure as a foundation for the new Medium-Term Management Plan (2022–2026)

We are now developing the new Third Medium-Term Management Plan.

As a company that can transform concerns that asset owners who own land in particular, business owners, and financial asset owners have over their property, mainly associated with inheritance and business succession, into a "sense of security/peace of mind," we aim to become a leading company recognized as "About property, Aoyama Zaisan Networks." To this end, we are formulating the Plan based on the following **four items: customer, service, technology, and organizational structure.**

As for **customers**, high-net-worth asset owners with deeper concerns will be the main target of our services. The fundamental vision depicted in the Medium-Term Management Plan is to build a structure in which our services are recognized by many target customers and can be delivered by us.

As for **services**, for our comprehensive property consulting services to be recognized and used by many asset owners, we also should address needs of strong interest to customers, individually. A business split-up, which I talked about at the General Meeting of Shareholders, means breaking down a single gate (i.e., existing comprehensive property consulting service) into eight gates in terms of value. By meeting needs moment to moment, we aim to lead to a comprehensive property consulting service with the philosophy of expanding customer recognition using our service as an entrance, increasing contact points with customers, and having total optimization.

We desire to realize two things with regard to **technology** utilization.

❶ To increase contact points with customers, acquire new customers, and communicate with existing customers smoothly. In short, we want to stay connected not only via traditional face-to-face communication but also via digital communication. We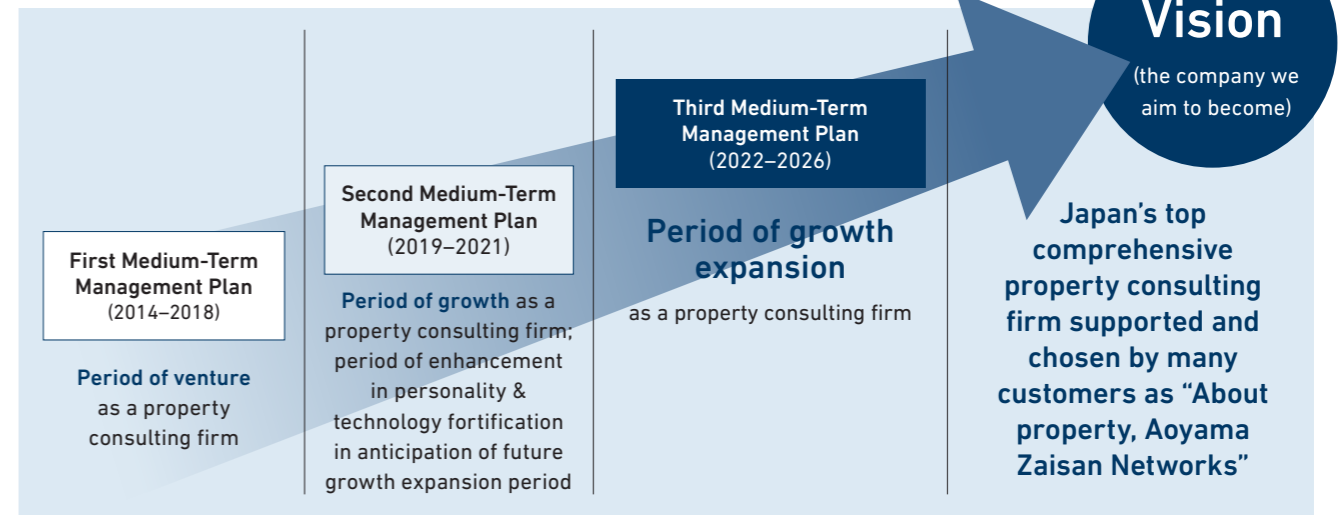 will establish a platform that enables new customer experience such as providing communication tools, sending and sharing information and visualizing one's own asset information, and continue information-sharing with customers with whom a contact point is already established, in a bid to increase the number of consultations and profit opportunities.

❷ To "improve operational productivity" in order to offer as many consulting services as possible. We will advance our system by adding more knowledge to the existing ART System and raising the close rate through the standardization of quality, while reducing the workload/number of operations to lead to proposals speedily. Furthermore, we will pursue improved productivity by establishing the optimal flow intertwined with online-based consulting.

As for **an organization structure**, to build an organization that addresses property-related concerns of many customers, we should produce a lot of human resources who are well-balanced with the three skills (qualities) rooted in AZN management objectives and core values: wisdom, action, and personality. For consulting, we need human resources not only with wisdom (a high-level of knowledge, experience, and thinking) but also with ability to take quick action to address customers' problems, and personality to think of what's best for customers and identify and share their true concerns.
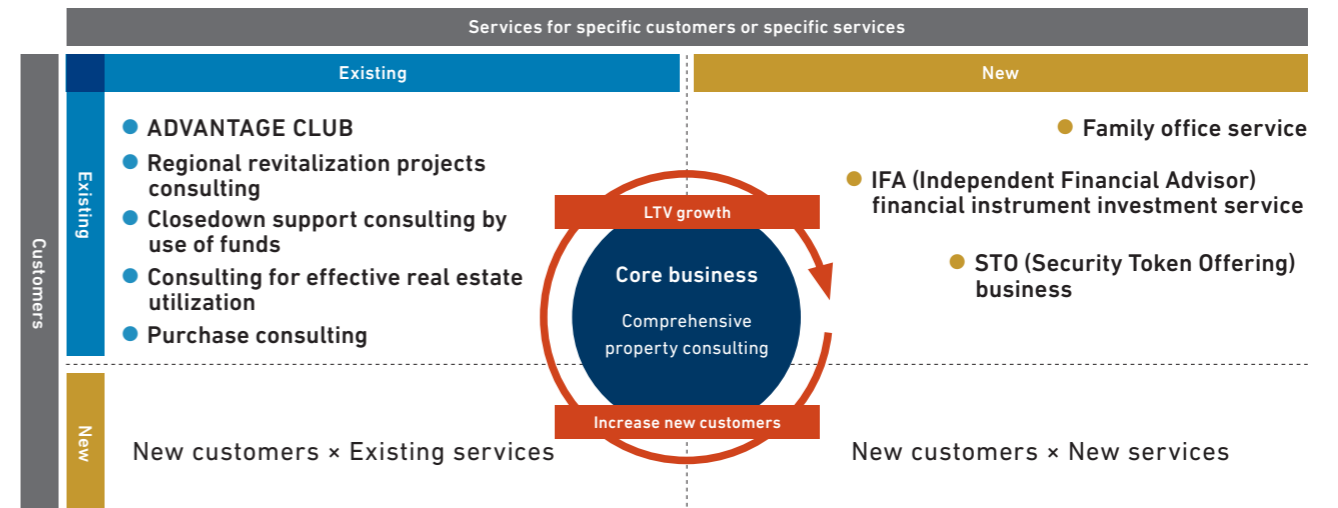
We will build a self-sustaining organization climate by instilling our corporate philosophy, which is a base for everything, develop a pleasant work environment based on diverse ways of working, design appropriate evaluation/compensation programs according to functions, and create a rewarding mutual approval framework. Making these consistent efforts, we aim to become a company that addresses property problems of many customers and ensures their happiness.

Medium-Term Management Plan (Overview)

Vision (the company we aim to become)

Japan's top comprehensive property consulting firm supported and chosen by many customers as "About property, Aoyama Zaisan Networks"

- First Medium-Term Management Plan (2014–2018) — **Period of venture** as a property consulting firm
- Second Medium-Term Management Plan (2019–2021) — **Period of growth** as a property consulting firm; period of enhancement in personality & technology fortification in anticipation of future growth expansion period
- Third Medium-Term Management Plan (2022–2026) — **Period of growth expansion** as a property consulting firm

Overview of a new structure

Positioning of services that expand customer base and generate synergies for core business

Services for specific customers or specific services

Existing / New

Customers — Existing / New

Existing services:
- ADVANTAGE CLUB
- Regional revitalization projects consulting
- Closedown support consulting by use of funds
- Consulting for effective real estate utilization
- Purchase consulting

New services:
- Family office service
- IFA (Independent Financial Advisor) financial instrument investment service
- STO (Security Token Offering) business

Core business — Comprehensive property consulting

LTV growth / Increase new customers

New customers × Existing services | New customers × New services

ART System & Web-based consulting strategy

ART System × Web-based consulting

Comprehensive property consulting
- ADVANTAGE CLUB
- Regional revitalization projects consulting
- Closedown support consulting by use of funds
- Consulting for effective real estate utilization
- Purchase consulting
- Family office service
- IFA (Independent Financial Advisor) financial instrument investment service
- STO (Security Token Offering) business

ART System

Collaboration with regional banks — Digitalization of business operations (by use of Web)

Collaboration with NW offices — Providing know-how through human interaction

Web-based consulting — For more nationwide customers