

Bringing happiness to as many clients as possible Toward three years of further growth

Our Second Medium-Term Management Plan, which included the three-year planning period from 2019 to 2021, is now completed and we have started our Third Medium-Term Management Plan from 2022 to 2024. Here, company president Masazumi Hasumi shares his thoughts on the Third Medium-Term Management Plan, which is positioned as a period of expansion and growth toward the realization of our long-term vision.



DX gets underway, with the adverse circumstances of the COVID-19 pandemic as a springboard

— What is your assessment of the Second Medium-Term Management Plan, which came to an end in FY2021?

Since my appointment as company president in 2008, I have been striving to make us Japan's No. 1 comprehensive property consulting firm, supported by clients who know, "When it comes to property, it's Aoyama Zaisan Networks."

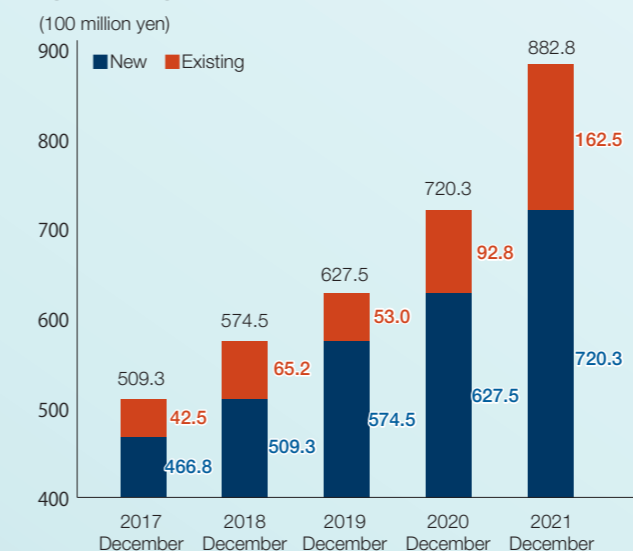
The three years of our Second Medium-Term Management Plan, which started in 2019, were positioned as a period of growth as a property consulting firm, as well as a period for improving our interpersonal skills and arming ourselves with technology in preparation for a future period of expansion and growth.

In 2020 and 2021, property consulting sales were impacted by the COVID-19 pandemic and growth in this area was sluggish. Although the AZN business model involves holding seminars and providing individual consultations to participating clients on an outsourcing basis, the COVID-19 pandemic made it impossible to hold face-to-face seminars, and face-to-face communications with partner financial institutions and clients were also limited, resulting in fewer points of contact with clients. It also prevented us from fully demonstrating our consulting

President

Masazumi Hasumi

Shifts in cumulative total assets of Advantage Club partnerships



capabilities to our clients. On the other hand, strong performance in real estate transactions such as **Advantage Club**, which was strategically expanded to incorporate new clients, made up for this, and we were able to finish FY2021 on an upward trend in sales and profit.

Despite the COVID-19 pandemic, our DX initiatives have progressed beyond expectations, although one of the principal goals of our Second Medium-Term Management Plan was to arm ourselves with better technology. We have set up our own studio, started online seminars, and established a framework for online communications with our clients, including web conferencing. Additionally, we have developed a new system that centralizes the knowledge accumulated by our Group to improve the efficiency of consulting operations, enabling rapid delivery of high-level services to our clients. This is the **ART system**, which was officially launched in 2021.

4 standpoints for recovery toward a growth trajectory

— Aside from the impact of the COVID-19 pandemic, what other changes have you seen in the business environment?

Since the controversial "20 million yen retirement savings problem" in 2019, interest in asset management has been growing. An increasing number of households are selling their income-producing real estate properties to convert it into cash, using it to cover living expenses. In addition, the number of consultations with our Group has been increasing, partly due to the COVID-19 pandemic, as the difficulty of finding successors as well as declining profitability make it difficult to continue business independently, and people are increasingly choosing to

Third Medium-Term Management Plan: The 4 standpoints



pass on their businesses to third parties.

— Please explain the Third Medium-Term Management Plan, which was initiated amid such circumstances.

In our Third Medium-Term Management Plan, which we have positioned as a **period of expansion and growth** as a property consulting firm, we will focus on increasing new clients, which was an issue during the Second Medium-Term Management Plan, and on strengthening our human resources. Specifically, we will strengthen our position from four standpoints.

— What are these four standpoints? Please explain them in order.

The first perspective is improving the quality and expanding the quantity of our services to clients through the twin cornerstones of **strategic individualized services** and **comprehensive property consulting services**. Up to now, comprehensive property consulting services have been our main point of contact with clients, but responding to individual needs makes clients aware of our consulting services and encourages them to entrust us with comprehensive property consulting services. This is the sort of flow we aim to create. We will also further expand our partnerships with partners who possess numerous points of contact with clients and strengthen our services in the field of real estate, where we can leverage our

Top Message

President's Message

group's strengths. We believe that by working in tandem with comprehensive property consulting services, we will be able to provide high-quality services to our clients from a total optimization standpoint.

In the field of comprehensive property consulting, in addition to succession, operation, and management of assets for individual asset holders in the Tokyo metropolitan area, we are strengthening our consulting services to provide total succession, operation, and management of **businesses** and **assets** for small- and medium-sized business owners to enable our clients' families and businesses to develop and prosper.

In terms of **strategic individualized services**, we place particular emphasis on family office services. We work with regional banks and other partners nationwide to create a framework for the development in perpetuity of high-quality family businesses throughout Japan, both listed and unlisted.

Promoting DX and strengthening human resources to support the next generation

— What is the second standpoint?

This is offering property consulting services utilizing smartphone and online communication tools as standard services. We will continue to increase our productivity by promoting DX, hiring and training human resources, and overhauling our organizational structure.

To this end, we will invest more aggressively in human resources and systems from 2022 to enhance our human resources and business infrastructure. For example, we plan to implement the ability to make **Advantage Club** purchases via a smartphone app by the end of 2022. Shifting over to the app allows us not only to increase the number of new clients and increase productivity, but also enhance convenience for our clients.

— **As DX gets underway, aren't you also promoting the hiring and training of human resources, which is one of the foundations of business?**

Recruitment and training of human resources means, in our case specifically, increasing the number of consultants who will support the future of our group.

Consultants need to possess wisdom, capacity for action, and interpersonal skills. Our group's role is to ensure our clients' satisfaction with **total optimization** solution plans by applying these three capabilities to any issues they are facing.

However, as the business environments in which our clients are involved change year by year and as the issues they face become more complex, the scope of expertise required keeps expanding. In order to meet a diverse range of needs, consultants need to be more knowledgeable and experienced than ever before.

We actively recruit dedicated specialists such as tax accountants, accountants, and lawyers with an interest in property consulting, and we keep raising the level of our

consulting services by acquiring broader knowledge and utilizing the **ART system**. We are also instituting a system for division of labor to enable our consultants to concentrate on highly specialized consulting.

In addition, we are constructing our own in-house training program in anticipation of expanded hiring. We plan to acquire assistance from external experts, extract the specialized knowledge necessary for consulting, package it, then offer it as an educational program for our consultants. To drive further business growth, we will actively train and appoint young people in leader roles, create a pleasant work environment, and give women opportunities to play more active roles.

— Why have you chosen to focus on women?

In order to resolve issues related to our clients' assets, we need to provide consulting services that go beyond the concerns of the client's assets, encompassing the feelings of the client's family too. We believe that in order to meet the diverse values and needs of our clients, it is important to have a diverse group of consultants. Although the number of female consultants at AZN is still low, whenever we communicate with family members beyond the head of the family, some clients find it easier to discuss matters with a female consultant. In the modern age, demand for female consultants is increasing. I believe that women will find this job rewarding, as they can easily adjust their hours, help other people, and gain expertise that is sure to prove useful personally. We are also putting in place measures to create a better work environment for women, such as childcare support.

Interpersonal skills of employees: a foundation for sustainable management

— Could you tell us the third standpoint?

The development of our Group depends on our ability to contribute to the happiness of our clients by solving their asset-related problems. Two crucial qualities required of consultants are **the mindset to work for the benefit of others** and **the ability to empathize with the feelings of clients**. It is important to properly understand our clients' problems, desires, concerns, and worries, and how we can contribute to meeting their true demands. We have been helping clients to sustain their families and their businesses in perpetuity for generations. It is simply not possible to provide consulting services without building a foundation of trust. In order to earn the trust of our clients, it is essential that we grow into a consulting group that possesses strong **interpersonal skills**. Having interpersonal skills means being able to think about what our clients really need and search for solutions with kindness, warmth, and sincerity—in other words, an altruistic mentality.

To that end, we need the strong desire to **serve our clients** and we need wisdom and capacity for action to resolve problems, all based upon strong **interpersonal**

skills enabling us to prioritize the happiness of our clients.

The value of our group is the total sum of the interpersonal skills possessed by every single one of our members. Raising the level of our interpersonal skills is essential to the growth of our business. During the Third Medium-Term Management Plan period, we will be working to strengthen this aspect too.

— **A new in-house Sustainability Committee has been established. Development of interpersonal skills is one objective of the Committee, apparently.**

The Sustainability Committee, which I chair, has five subcommittees: TCFD, Instilling Management Philosophy and Strengthening Human Resources, Changing Work Styles, Social Contribution, and Strengthening Governance. Each of these subcommittees has formulated goals and plans to achieve their respective goals, and a system has been established to ensure that information is shared regularly and steadily acted upon, including by the Committee and the Board of Directors.

We added Changing Work Styles because we believe that unless our consultants are healthy, both physically and mentally, they will not be able to develop strong interpersonal skills and provide outstanding consulting services.

— **So the Sustainability Committee plays a central role in the fourth standpoint driving the Third Medium-Term Management Plan?**

The fourth perspective is actively promoting social contribution, which is one of the segments of the Sustainability Committee. We continuously donate a portion of our earnings to organizations tackling social issues such as support for subsidized children's cafeterias and elimination of pet euthanasia. At the same time, we hope by engaging in social contribution activities, our employees will gain empathy with the pain of others and will become more kind to other people. Many of these activities have also been conducted in the past, but have been restructured at this time.

Responding to expanding consulting needs from a total optimization standpoint

— Can you talk about your outlook for the future?

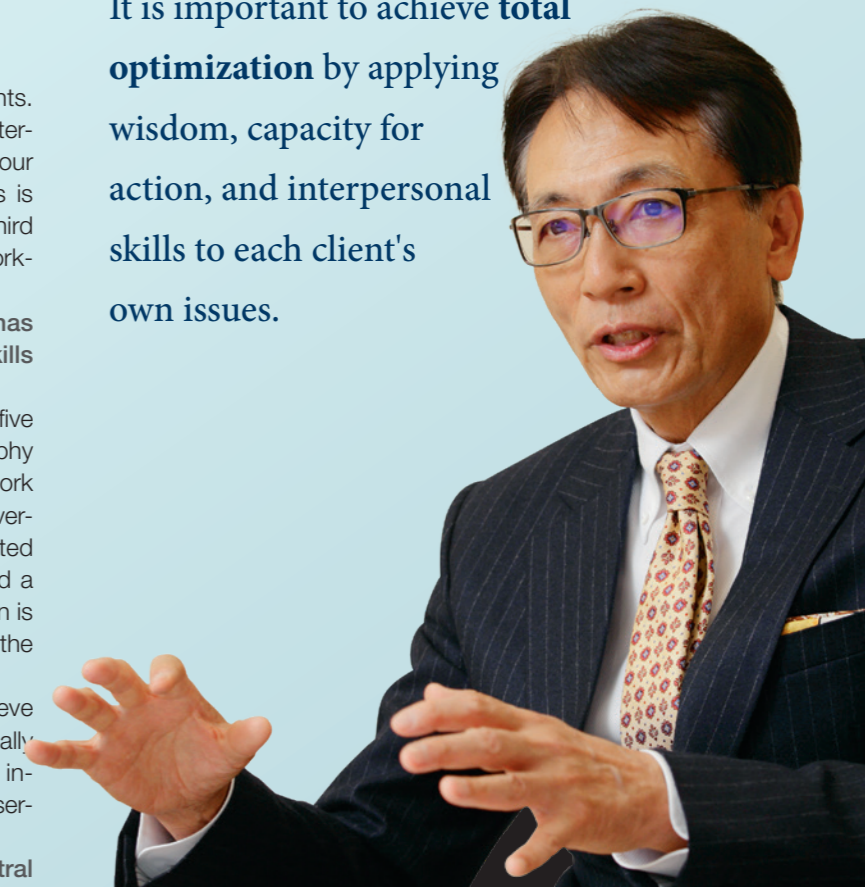
From this year, the baby boomer generation will truly become elderly, and their needs for property succession, business succession, and property management are expected to increase over the next couple of decades.

On the other hand, there are still very few consulting firms that take into account **total optimization** as outlined in our five standpoints on comprehensive property consulting. Many consulting firms provide only **partial optimization** in their respective areas of expertise, and do not meet the real demands of their clients.

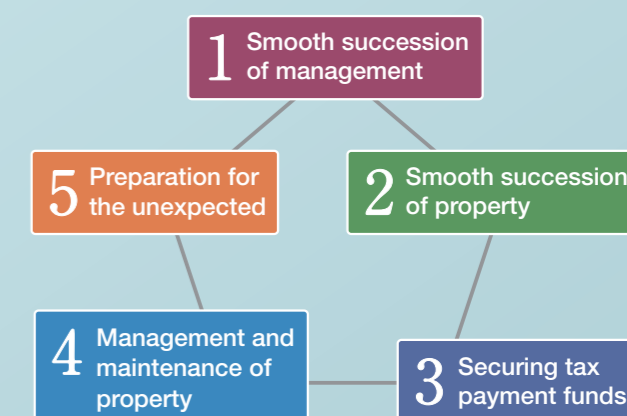
— **So a gap exists between needs and services?**

I believe that Aoyama Zaisan Networks needs to fill this gap.

It is important to achieve **total optimization** by applying **wisdom, capacity for action, and interpersonal skills** to each client's **own issues**.



5 standpoints on comprehensive property consulting services



To resolve our clients' issues, it is essential that we maintain a mindset of full commitment to our clients and their happiness, as well as the happiness of those around them. Our role lies in ensuring that consulting based on this concept takes firm root in Japan. We are also stepping up our efforts to raise our profile so that our clients all agree, "When it comes to property, it's Aoyama Zaisan Networks." We are working with our partners to create a system for providing happier business succession, property in succession, and property management services than ever before.