

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

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

Explanatory Materials for
Financial Results for the Three Months Ended March 31, 2024
Fiscal Year Ending December 31, 2024

Securities Code : 8929

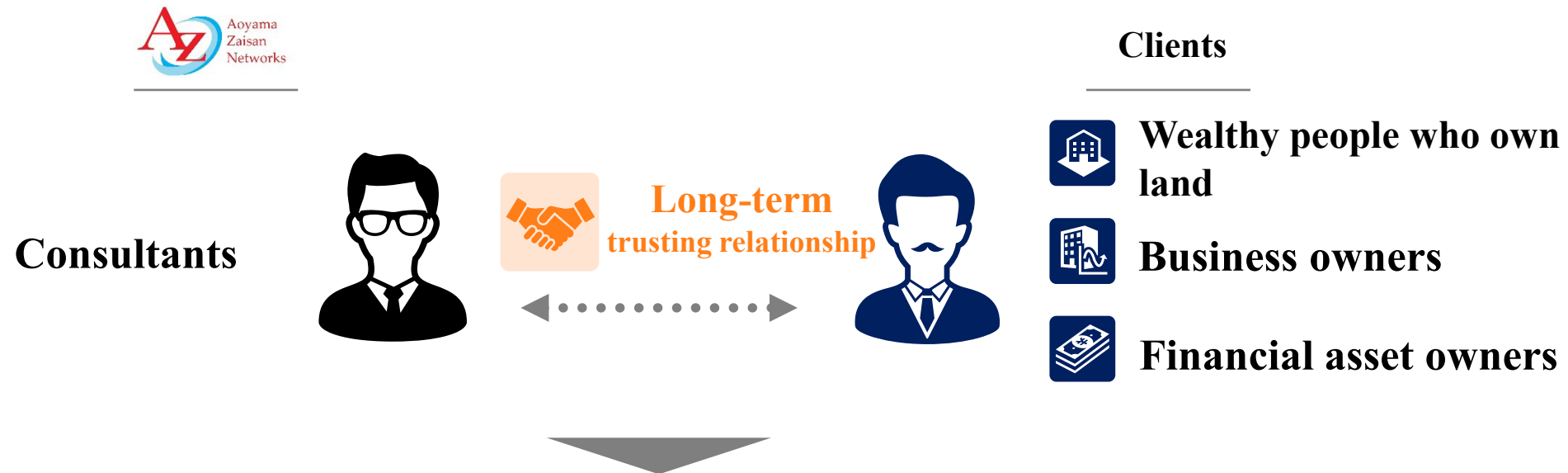


Aoyama Zaisan Networks Co., Ltd.
Aoyama Zaisan Networks Company, Limited

May 14, 2024

The ideal way of doing business Aoyama Zaisan Networks is aiming for:

🚩 “To be a leading expert on the business for the wealthy”



✔️ **Wealth advisors** who provide advice on a holistic view of various assets.

✔️ **Client partners** who can consult more than anyone else and help clients solve their problems.

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Section 1

Financial Results for the Three Months Ended March 31, 2024

- Highlights of Consolidated Financial Results
- Actual PL — In Case of Adopting the Net Amount Method
- Breakdown of Changes in Operating Profit
- Changes in Gross profits of Asset Consulting and Real Estate Transactions
- Changes in Net Sales of Asset Consulting
- Net Sales by Segment
- BS Highlights

Highlights of Consolidated Financial Results

- **Both asset consulting and real estate transactions steadily increased, and profits at all levels significantly increased.**

Unit : Million yen	FY2023 Q1	FY2024 Q1	Change	Full-year Forecast	Percentage of progress toward full-year financial results forecasts
Net sales	7,318	9,301	27.1%	38,000	24.5%
Asset consulting	1,354	1,893	39.8%	8,000	23.7%
Real estate transactions	5,964	7,407	24.2%	30,000	24.7%
Costs of sales	6,126	7,680	25.4%	-	-
Gross profit	1,192	1,620	35.9%	-	-
Gross profit ratio	16.3%	17.4%	-	-	-
Selling, general and administrative expenses	724	787	8.7%	-	-
Operating profit	467	832	78.2%	3,500	23.8%
Operating profit ratio	6.4%	9.0%	-	-	-
Ordinary profit	466	834	78.9%	3,400	24.5%
Profit attributable to owners of parent	291	608	108.7%	2,240	27.2%

Five-Year Changes in Consolidated Financial Results

Unit: Million yen	FY2020 Q1	FY2021 Q1	FY2022 Q1	FY2023 Q1	FY2024 Q1
Net sales	7,063	3,376	12,651	7,318	9,301
Asset consulting	1,916	1,323	1,437	1,354	1,893
Real estate transactions	5,146	2,052	11,213	5,964	7,407
Costs of sales	6,016	2,504	11,195	6,126	7,680
Gross profit	1,046	871	1,455	1,192	1,620
Gross profit ratio	14.8%	25.8%	11.5%	16.3%	17.4%
Selling, general and administrative expenses	661	589	780	724	787
Operating profit	384	282	675	467	832
Operating profit ratio	5.4%	8.4%	5.3%	6.4%	9.0%
Ordinary profit	322	276	627	466	834
Profit attributable to owners of parent	208	474	458	291	608

Actual PL — In Case of Adopting the Net Amount Method

Maintaining actual high level operating profit ratio

For accounting purposes, net sales of real estate transactions such as those of ADVANTAGE CLUB are generally presented as a total amount.

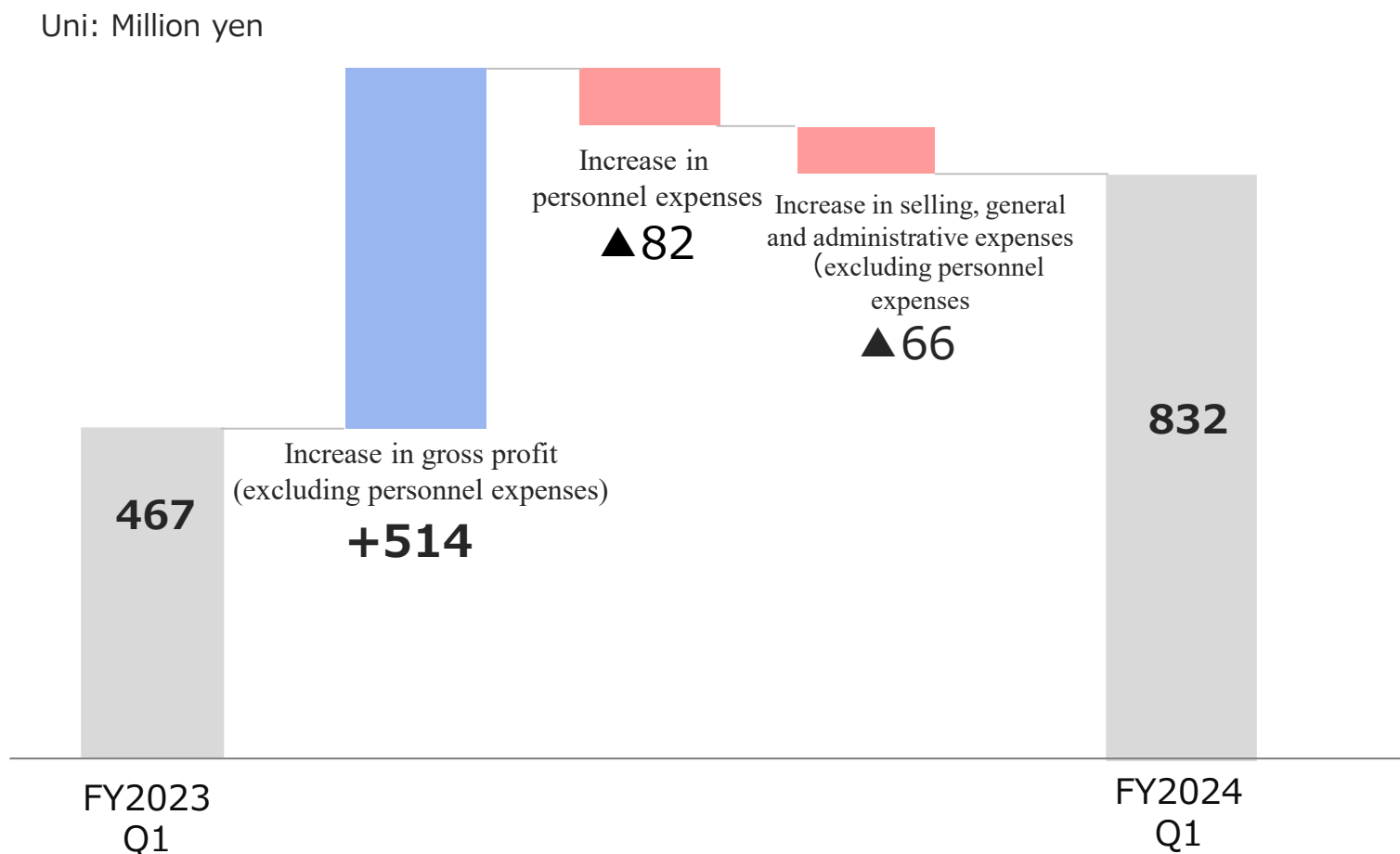
However, our PL based on our actual situation is as shown in the table below, and we are profitable as a consulting firm. We believe that this disclosure of actual conditions will provide useful information for investors.

Unit: Million yen	FY2020 Q1	FY2021 Q1	FY2022 Q1	FY2023 Q1	FY2024 Q1
Net sales※	2,521	1,623	2,450	2,156	2,666
Asset consulting	1,916	1,323	1,437	1,354	1,893
Real estate transactions	605	299	1,013	801	772
Costs of sales※	961	241	489	394	390
Gross profit	1,560	1,382	1,961	1,761	2,275
Gross profit ratio	61.9%	85.1%	80.0%	81.7%	85.4%
Operating profit	384	282	675	467	832
Operating profit ratio	15.3%	17.4%	27.6%	21.7%	<u>31.2%</u>

* Net sales are calculated by netting the net sales related to real estate purchases and sales out of the net sales for accounting purposes (costs of sales related to real estate purchases are offset against net sales). Costs of sales are calculated by deducting costs of sales related to real estate purchases and labor costs recorded in costs of sales from the accounting costs of sales.

Breakdown of Changes in Operating Profit

- Significant increase in gross profit (excluding personnel expenses) due to significant increase in sales of high-margin asset consulting services.



Changes in Gross Profits of Asset Consulting and Real Estate Transactions

■ Asset consulting

Unit: Million yen	FY2020 Q1	FY2021 Q1	FY2022 Q1	FY2023 Q1	FY2024 Q1
Net sales	1,916	1,323	1,437	1,354	1,893
Costs of sales	1,264	593	917	858	918
Gross profit	651	729	519	495	975
Gross profit ratio	34.0%	55.1%	36.2%	36.6%	51.5%

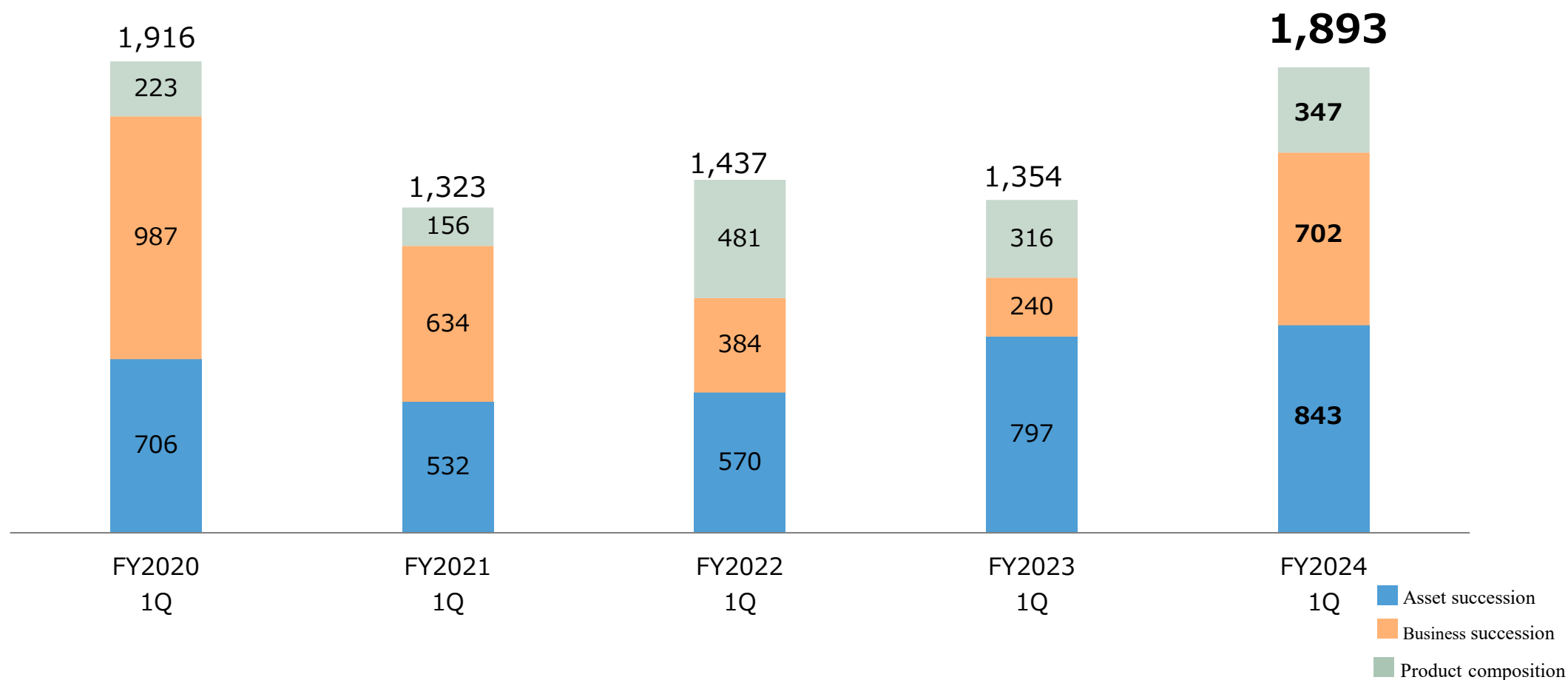
■ Real estate transactions

Unit: Million yen	FY2020 Q1	FY2021 Q1	FY2022 Q1	FY2023 Q1	FY2024 Q1
Net sales	5,146	2,052	11,213	5,964	7,407
Costs of sales	4,752	1,910	10,278	5,267	6,762
Gross profit	394	141	935	696	645
Gross profit ratio	7.7%	6.9%	8.3%	11.7%	8.7%

Changes in Asset Consulting Sales

Sales were significantly higher than the previous year due to a significant increase in business succession sales.

Unit: Million yen



Financial Results by Sales Category

Asset Consulting

Sales from asset succession consulting for individual asset owners, business succession consulting for business owners, and sales from consulting on the development of proprietary products to manage and operate clients' assets are recorded in asset consulting.

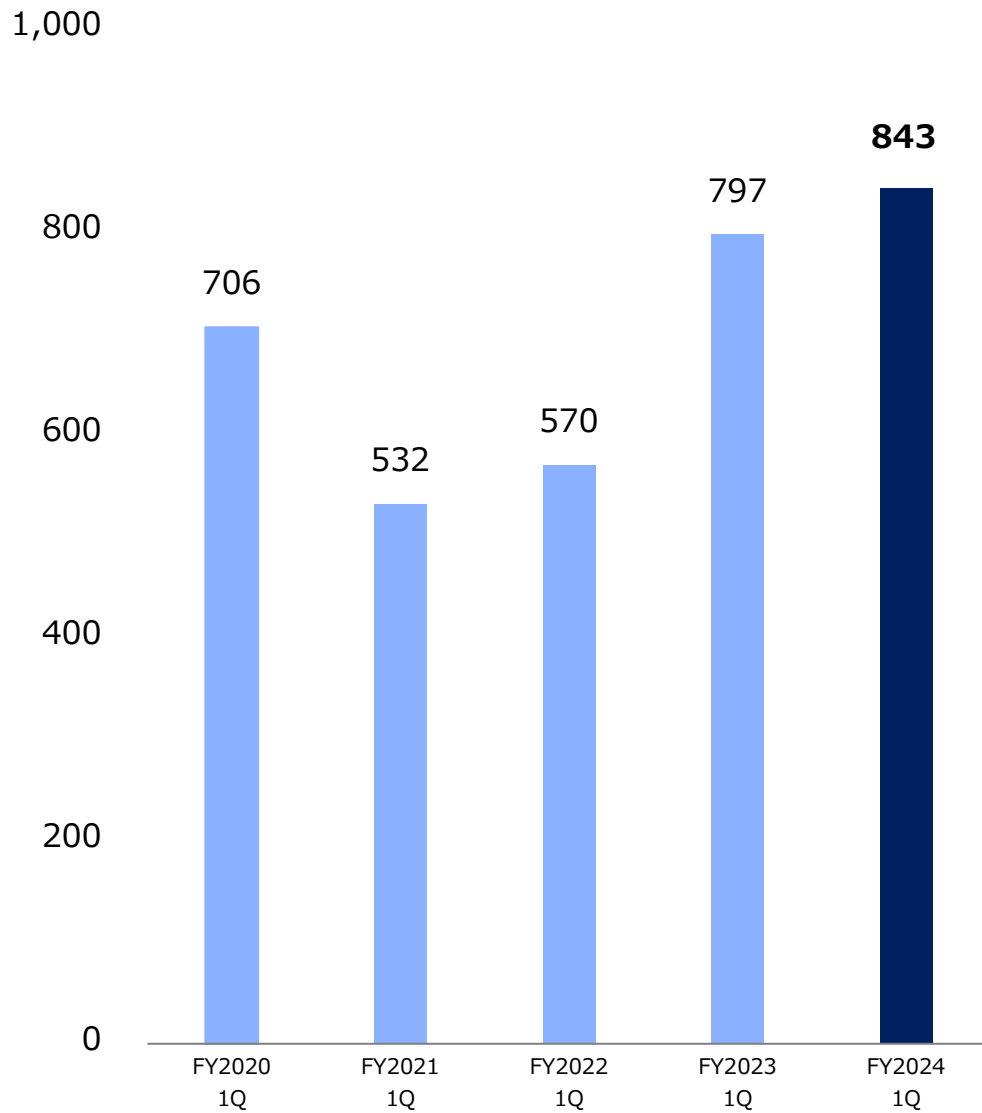
Real Estate Transactions

As part of asset consulting, the Company purchases real estate and develops products related to real estate for the purpose of meeting the asset management needs of its clients, and includes the sales of such products in real estate transactions. Rental income from real estate holdings is also recorded.

Unit : Million yen	FY2023 Q1	FY2024 Q1	Change	Reference page
Asset consulting	1,354	1,893	39.8%	
Asset succession	797	843	5.7%	P.11
Business succession	240	702	191.8%	P.12
Product composition, etc.	316	347	10.0%	P.13
Real estate transactions	5,964	7,407	24.2%	P.14
ADVANTAGE CLUB	5,733	5,610	▲2.1%	
Other real estate transactions	231	1,797	676.8%	
Total	7,318	9,301	27.1%	

Asset Succession (for Individual Asset Owners)

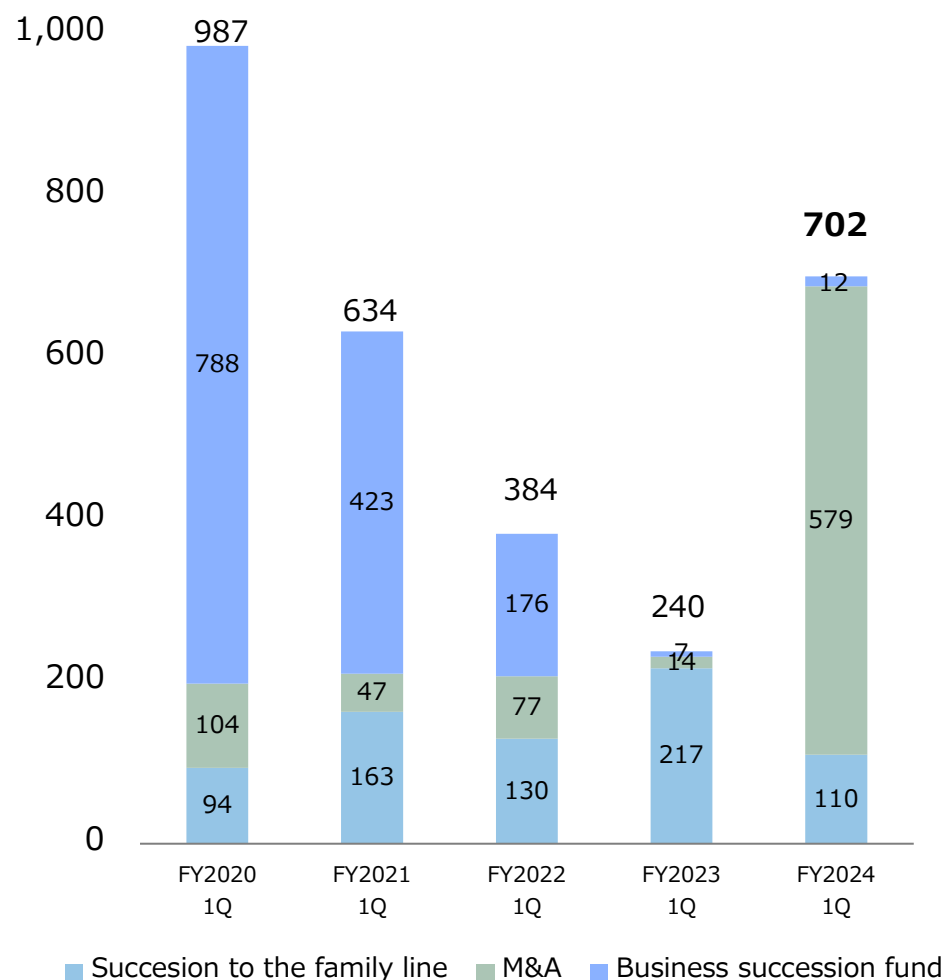
Unit: Million yen



- Sales have increased in line with an increase in the number of clients.

Business Succession (for Business Owners)

Unit: Million yen



Succession to the family line

- Despite an increase in the number of projects compared to the previous year, sales declined due to a decrease in large one-shot orders.

M&A (Third-party succession)

- Significant increase due to the closing of large projects.

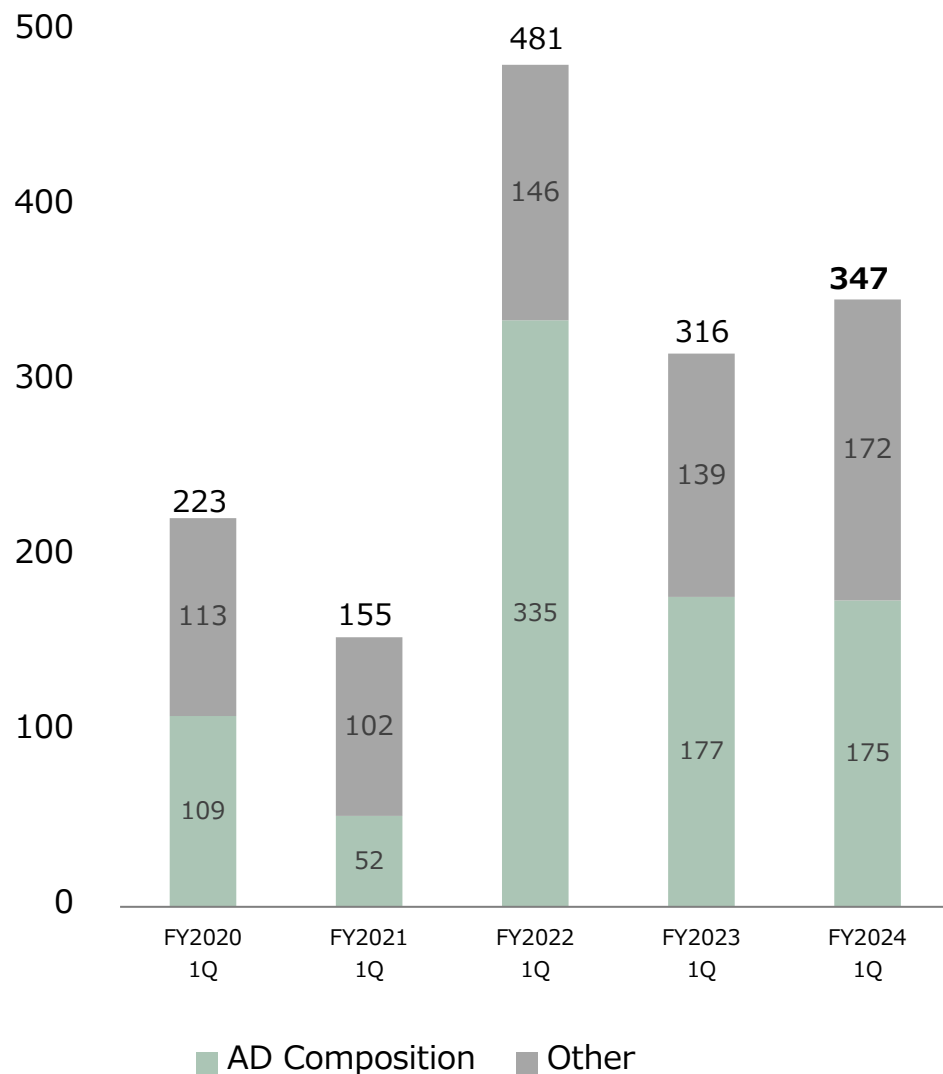
Business succession fund (Discontinuation of business)

- We expect to recover two investments this fiscal year.

Note that in FY2020, the costs of sales were 568 million on sales of 788 million (actual sales: 220 million).

Product Composition, etc.

Unit: Million yen



AD Composition (commission fees at the time of AD composition)

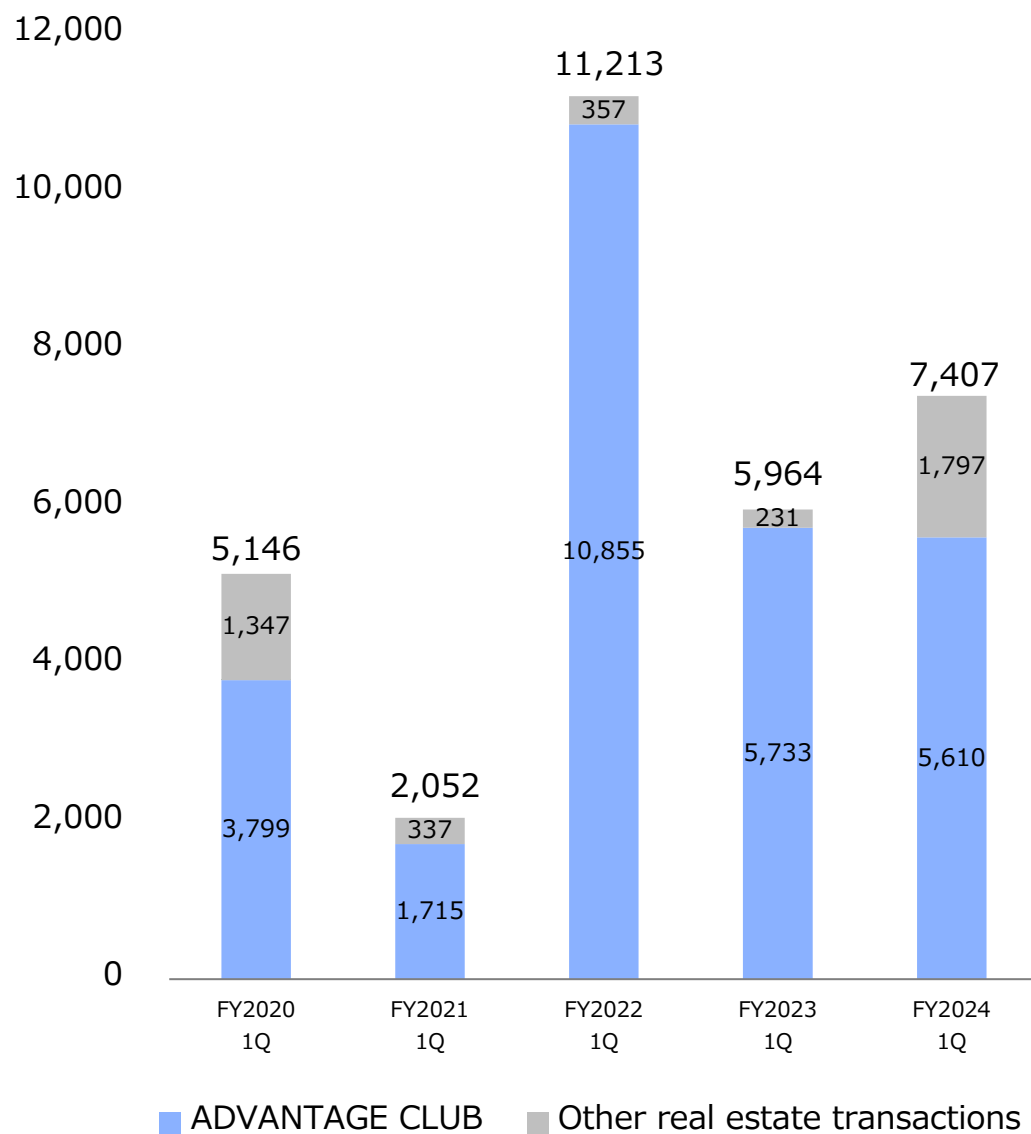
- Since the amount of ADVANTAGE CLUB composition is almost the same as the previous year, fees are also at the same level.

Other

- Management fees during the period for ADVANTAGE CLUB in operation, AM fees for regional development projects, and intermediary fees for operating leases are recorded.

Real Estate Transactions

Unit: Million yen



ADVANTAGE CLUB (Real estate transactions)

- The same level as the previous year's composition amount.

Other real estate transactions

- Rental income was recorded when real estate other than ADVANTAGE CLUB was provided or when real estate was owned.

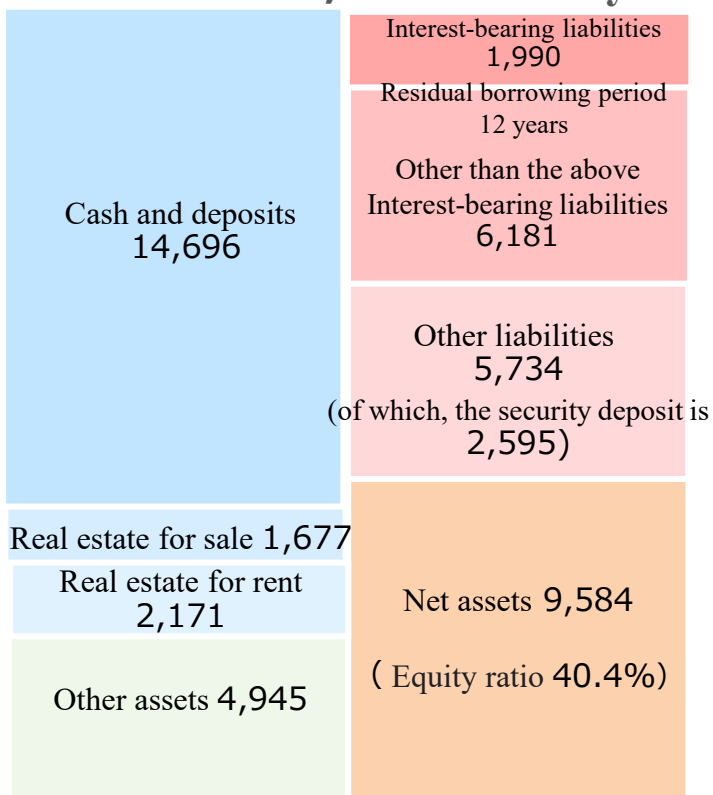
BS Highlights (Financial Strategies)

[Basic policies] We always maintain a level of cash and cash equivalents to cover two years' worth of personnel costs and expenses (However, we set the DOE target at 10% level and continue to pay dividends in excess of costs of capital of approximately 8%). In addition, a commitment line with a five-year term has already been established in preparation for the occurrence of any economic risk. We maintain negative net debt.

[Real estate for sale inventory policy] We will expand the composition of ADVANTAGE CLUB, but will continue our policy of completing the recruitment process in advance, composing ADVANTAGE CLUB on the same day as the purchase and settlement of real estate, and carrying no inventory. There is no impact from the interest rate hike due to the Company's policy of not holding real estate inventory.

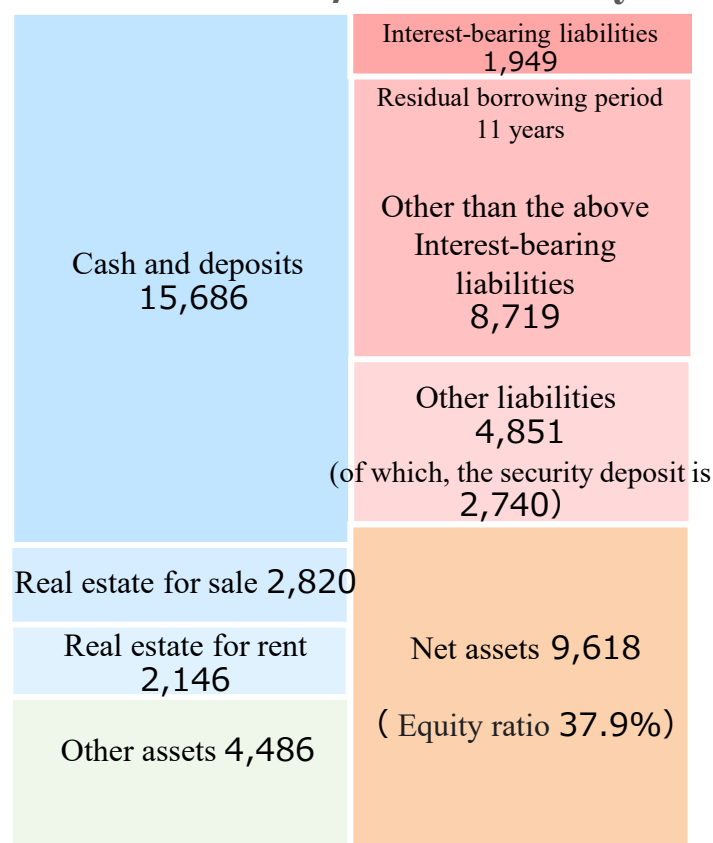
※ Real estate for sale and interest-bearing debt temporarily increased due to the March acquisition of real estate for sale for the composition of ADVANTAGE CLUB Kojimachi, which was sold and repaid on April 26.

Total assets 23,491 million yen



End of FY2023

Total assets 25,139 million yen



End of FY2024 Q1



Section 2

Shareholder Return Policy

Shareholder Return Policy

- 1 Dividend payout ratio of 50% or more
- 2 Continuous dividend increases
- 3 Maintaining DOE level above cost of equity

*We assume a cost of equity of approximately 8%.

	FY2020	FY2021	FY2022	3-year average	Target
Dividend payout ratio	80.3%	45.7%	50.1%	58.7%	50% level
DOE	10.2%	10.1%	11.0%	10.4%	10% level

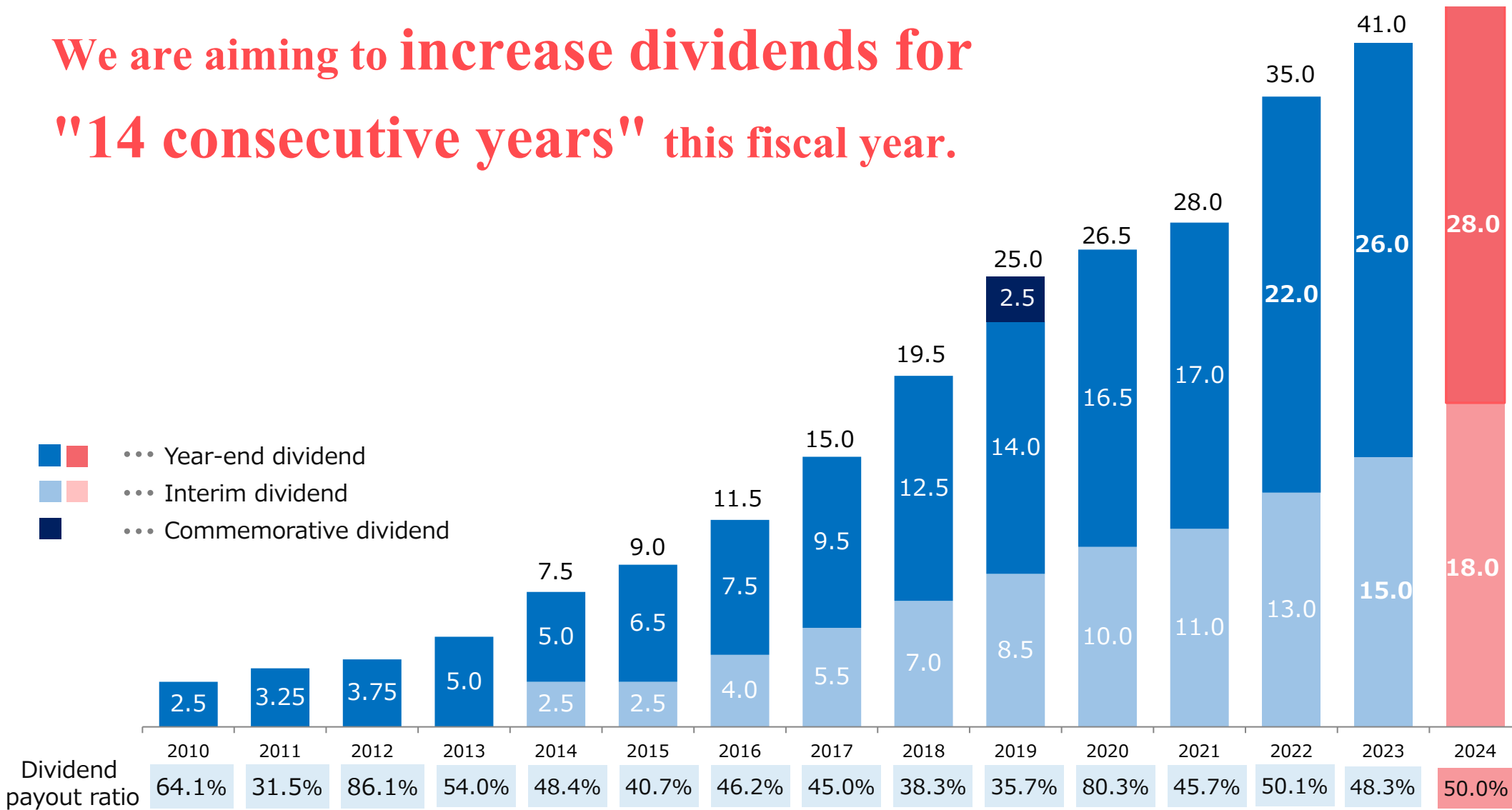
Changes in Dividends

Dividends have already increased for 13 consecutive years.

We are aiming to increase dividends for "14 consecutive years" this fiscal year.

(Unit : yen)

46.0



※ On September 1, 2021, a stock split (two-for-one stock split) was implemented, and the dividend amount was replaced by a dividend amount that takes the split into account.



Section 3

Appendix

Company Overview

Company Profile

Trade name	Aoyama Zaisan Networks Co., Ltd.
Listed market	Tokyo Stock Exchange Market Standard (Securities Code : 8929)
Head Office	3F Aoyama Tower Place, 8-4-14 Akasaka, Minato-ku Tokyo 107-0052 Tel: +81-3-6439-5800 (Main)
Incorporated	September 17, 1991
Capital	1,210,990,000 yen ※as of December 31, 2023
No. of employees	298(Group) ※as of December 31, 2023
Business line	Comprehensive individual asset consulting Business succession consulting Real estate solutions consulting
Major characteristics	<ul style="list-style-type: none">■ Listed company specializing in asset consulting and business succession consulting■ A group of more than 150 professionals from the real estate industry and financial institutions, including tax accountants, certified public accountants, and lawyers■ It has strengths in equity and shareholder solutions and real estate solutions

Corporate History

History of the Company

1990s

1991 Sep. **Funai Zaisan Dock Inc was established as a group company of Funai Research Institute Co., Ltd.**

1999 Apr. It changed its name to Funai Zaisan Consultants Co., Ltd.

2002 May ADVANTAGE CLUB started

2000s

2004 Jul. **Listed on the Mothers market of the Tokyo Stock Exchange**

2008 Oct. Management integration of Progest Holdings Co., Ltd.

2011 Jan. Established Aoyama Wealth Management Pte. Ltd.

2012 Jul. **Funai Zaisan Consultants, Co., Ltd. changed its name to Aoyama Zaisan Networks Co., Ltd.**

2013 Oct. Management integration of Japan Asset Research Institute Co., Ltd.

2015 May **Market was changed to the Second Section of the Tokyo Stock Exchange.**

2016 Jan. Shinsei Aoyama Partners (joint venture with Shinsei Bank, Ltd.) was established.

2010s

Aug. Established Business Succession Navigator Inc. as a joint venture with Japan M&A Center Inc. (currently Next Navi Co., Ltd.)

2017 May PT Aoyama Zaisan Networks INDONESIA was established in the Republic of Indonesia

Oct. Completed construction of "Komatsu A×Z Square," the first project for regional development

2019 Feb. Formed capital and business alliance with Capital Asset Planning Co., Ltd.

Dec. Aoyama Zaisan Networks Kyushu Co., Ltd. established as a joint venture with HAC Group and Shinohara CPA Office Group.

2020 Sep. **Appointed Chairman of the Council of Real Estate Specified Joint Enterprises**



Oct. Established Aoyama Financial Service Co., Ltd.

2021 Jan. Established Aoyama Family Office Service Co., Ltd.

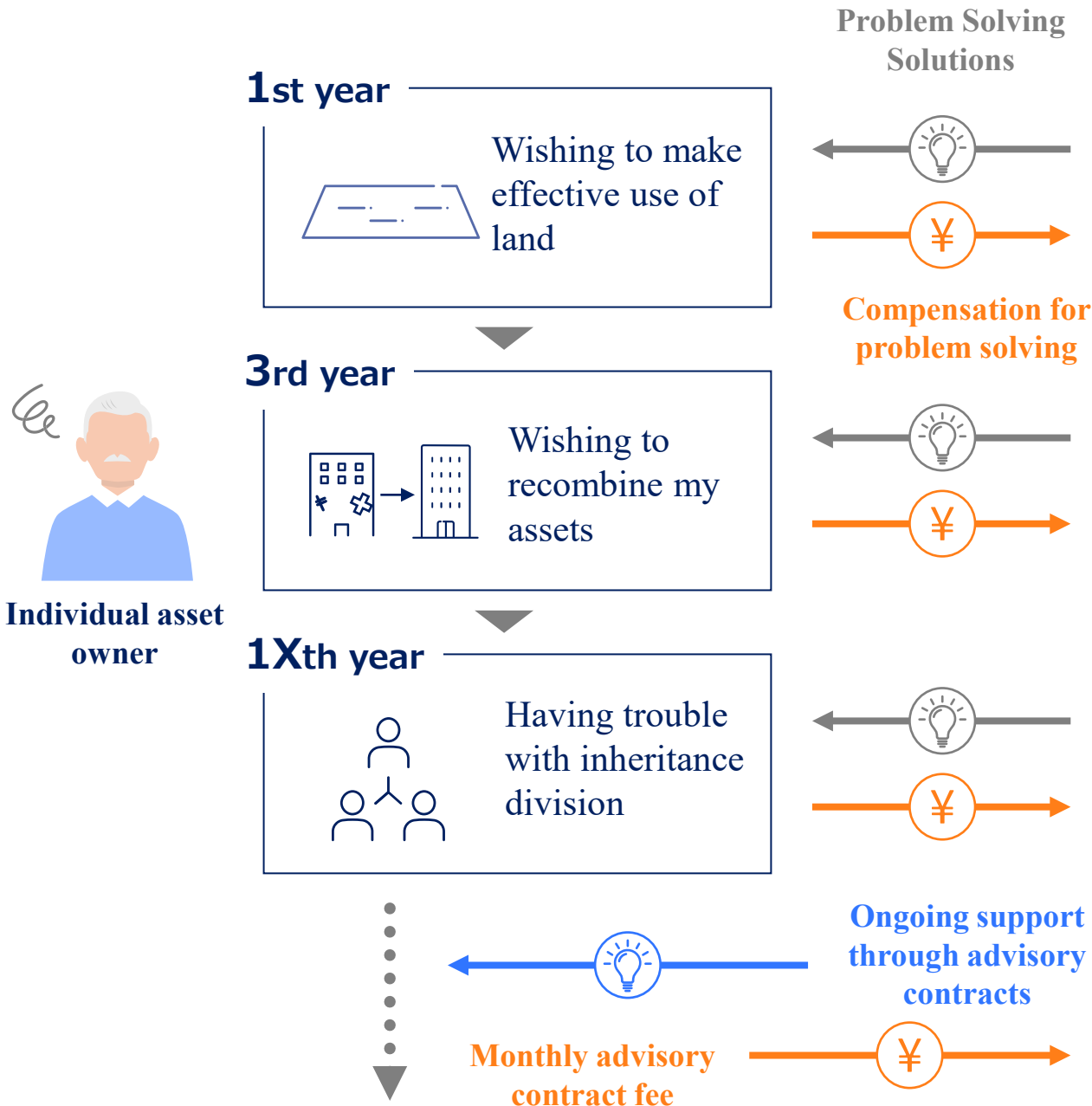
2021 Sep. **The 30th anniversary of establishment**

2022 Aug. Completed construction of TSURUGA POLT SQUARE otta, the second project for regional development

Management Objectives and Business Description

Management objectives	<p style="text-align: center;">Contributing to the happiness of our clients through the succession, operation, and management of their assets</p>	
Business description	<p style="text-align: center;">Consultation on achieving optimal asset composition and maximizing cash flow</p> <p style="text-align: center;">〈 Comprehensive Asset consulting 〉</p>	
Client types	<p style="text-align: center;">Individual asset owners (Landowners and financiers) Average assets: 1 billion yen</p>	<p style="text-align: center;">Business owners (Managers)</p>
Solutions	<div style="text-align: center; margin-bottom: 10px;">  </div> <div style="background-color: #e1f5fe; padding: 10px; border: 1px solid #cfe2f3;"> <ul style="list-style-type: none"> ■ Inheritance measures ■ Effective use of real estate ■ Extensive land utilization ■ Real estate purchase and selling, etc. </div>	<div style="text-align: center; margin-bottom: 10px;">  </div> <div style="background-color: #e1eef6; padding: 10px; border: 1px solid #cfe2f3;"> <ul style="list-style-type: none"> ■ Business succession (Successor support) ■ M&A ■ Support for changing or closing a business ■ Financial improvement and growth strategies, etc. </div>
<p style="text-align: center;">■ ADVANTAGE CLUB, regional development projects and overseas asset management, Financial product consulting by IFA*</p> <p style="text-align: center; font-size: small;">*Provided by Aoyama Financial Service Co., Ltd. (Kinchu) No. 939, a group company</p>		

Business for Individual Asset Owners



Aoyama Zaisan Networks

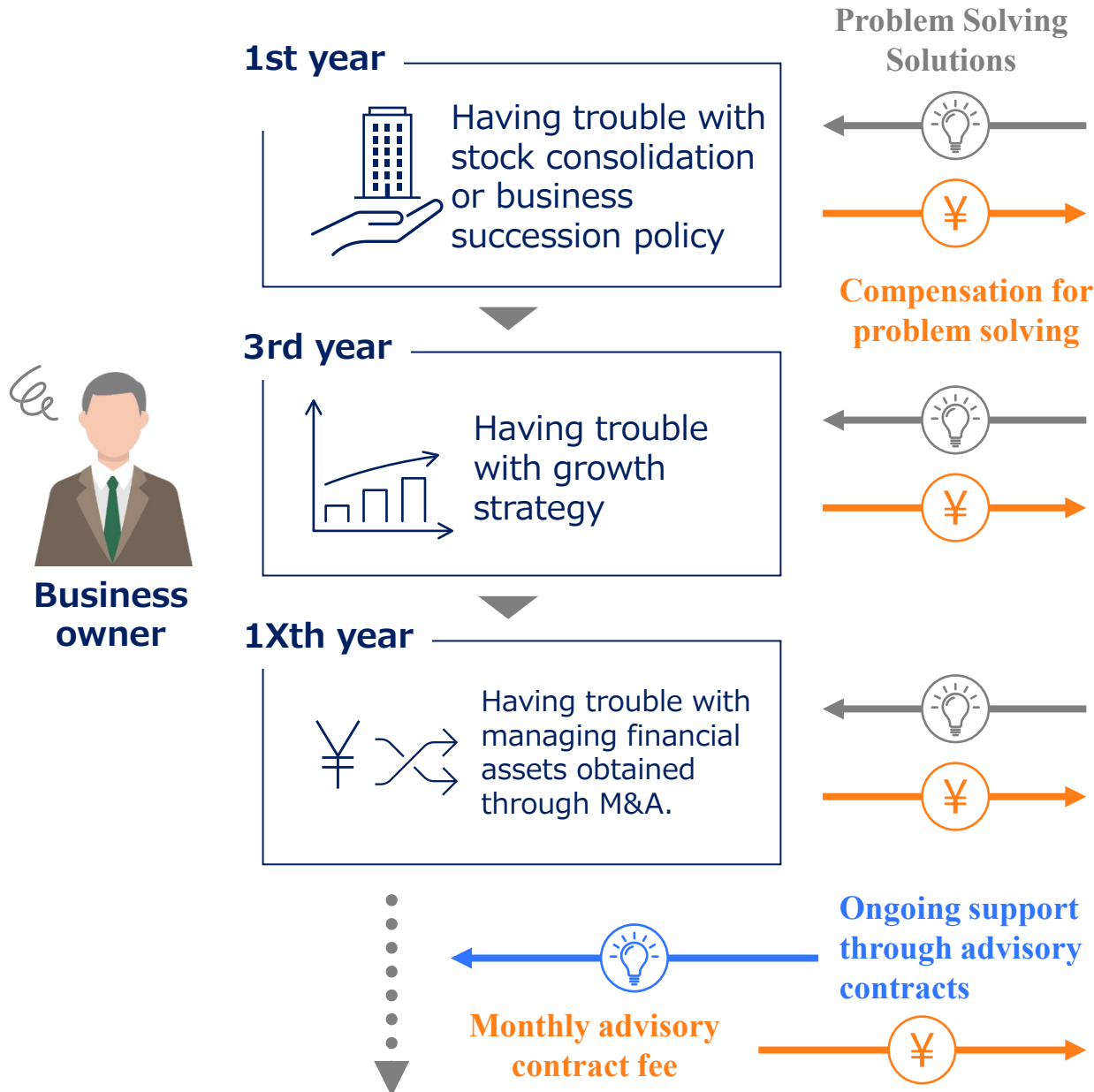
Optimal asset structure for each stage of life

Consulting by building ongoing connections

No. of individual asset clients

Approx. 2,300

Business for Business Owners



Long-term ongoing consulting

by resolving issues such as business succession and asset management at the most appropriate time for our clients

No. of business owner clients

approx. **500 persons**

Features of the Business Model

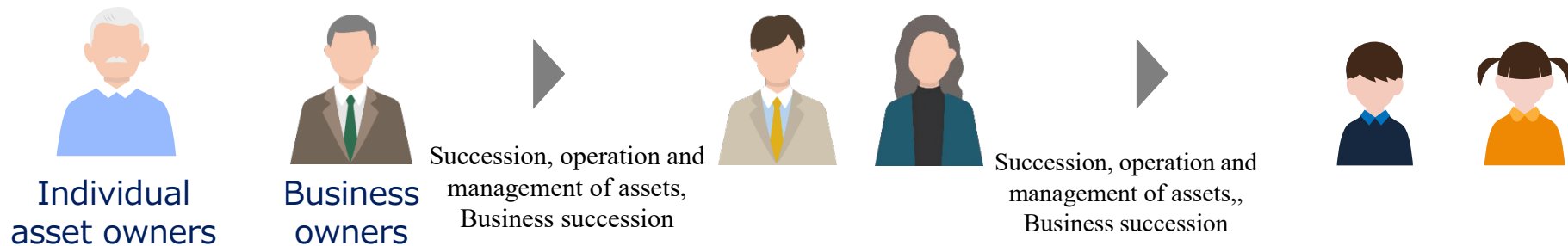


Solving clients' problems and building long-term relationships

Current generation

Nest generation

The generation after next



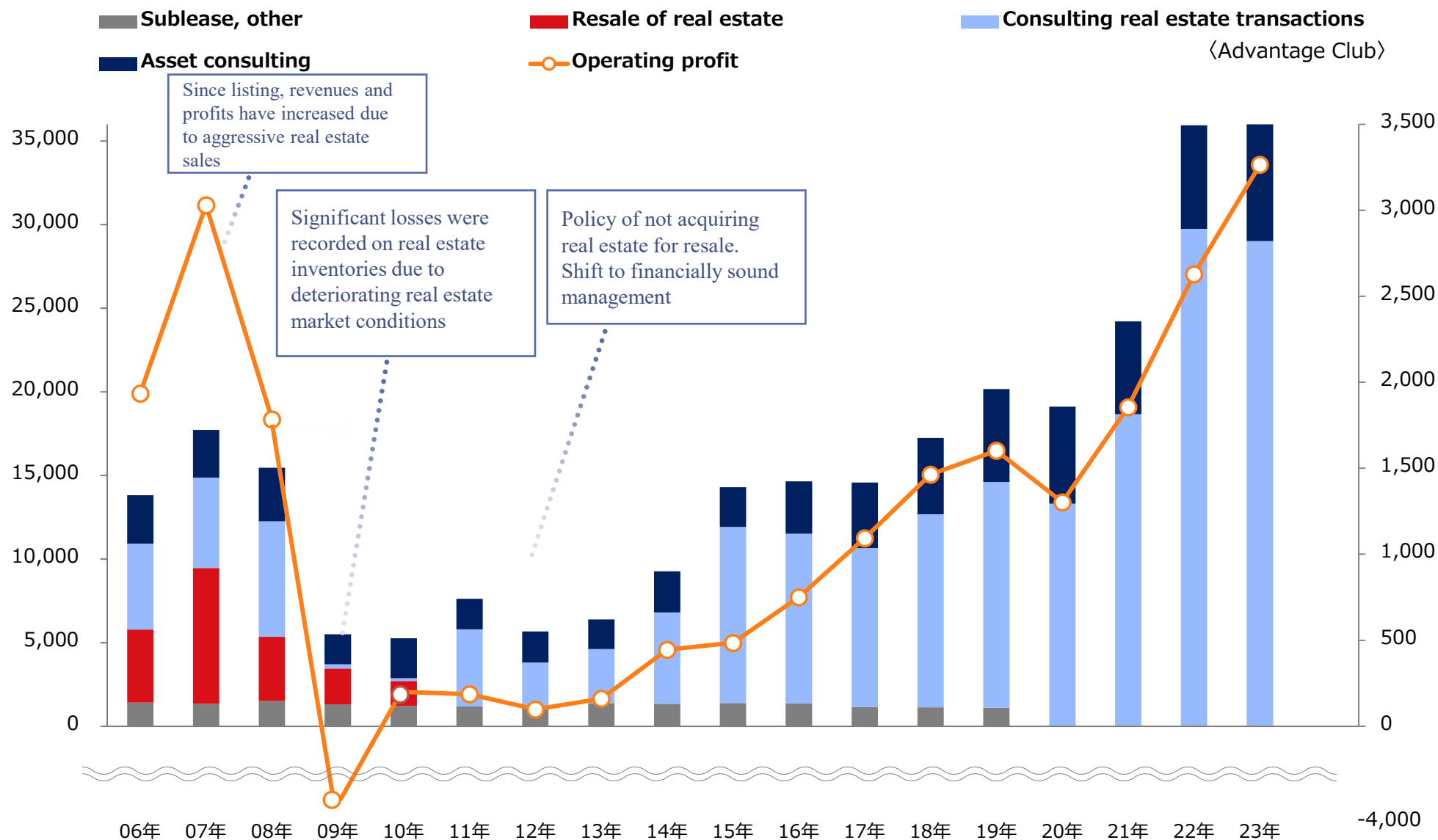
**The business model that generates profit
over the long term**

by consulting from the current generation to the next and beyond

Net Sales and Operating Profit after Listing

(Net sales: Million yen)

(Operating profit: Million yen)



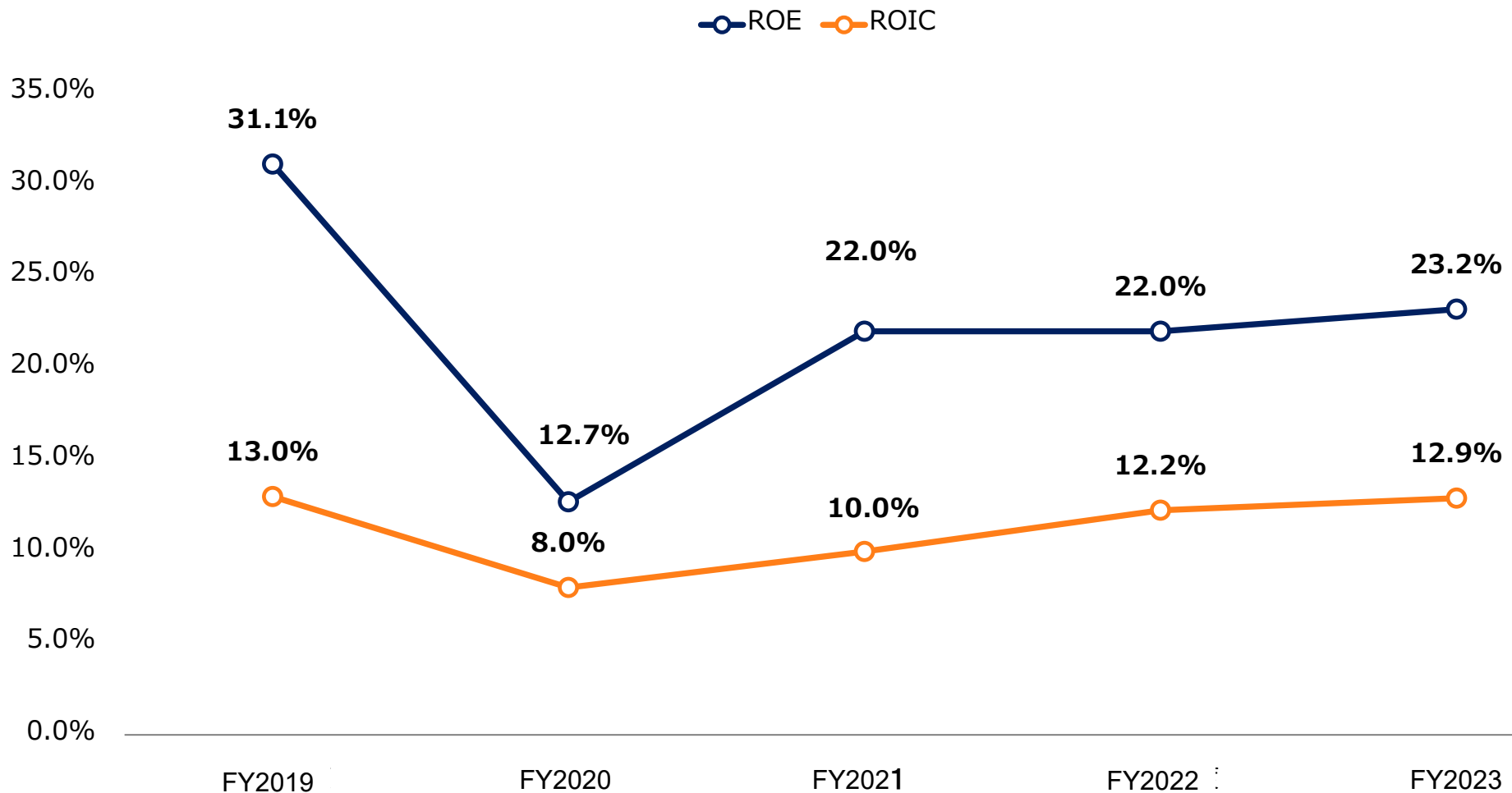
Changes in ROE and ROIC

ROE

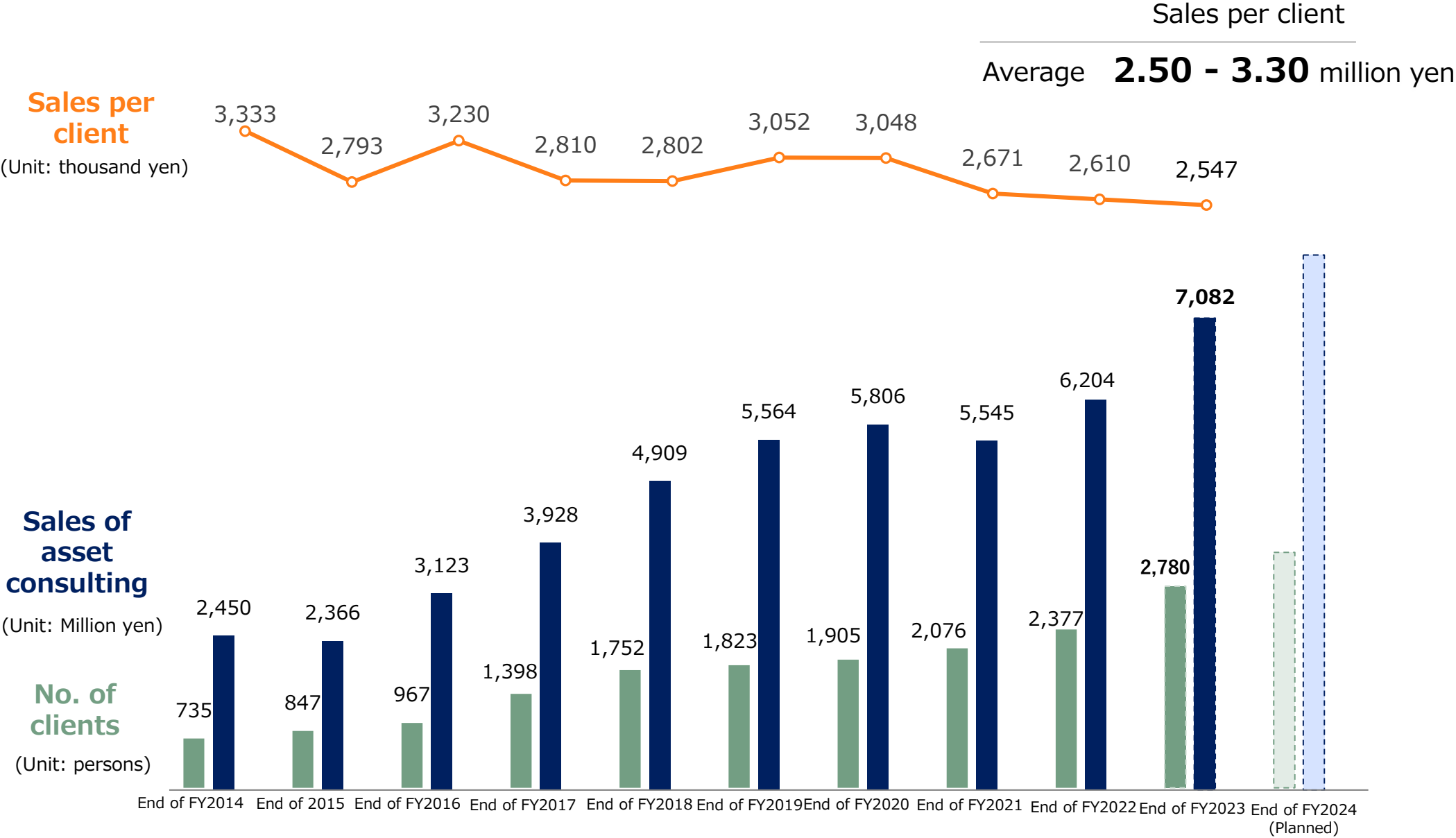
Target: 20% level or higher

ROIC

Target: 10% level or higher



Changes in number of clients, asset consulting sales, and sales per client

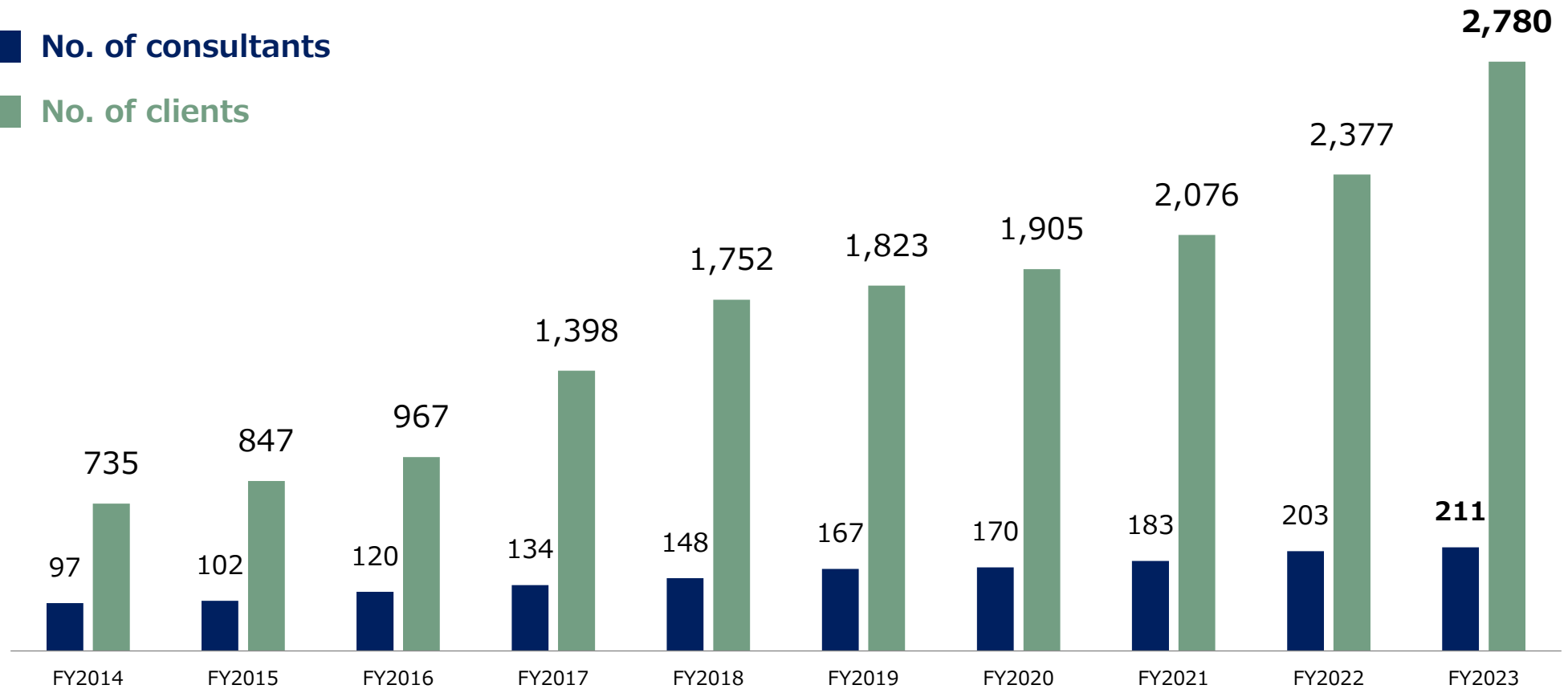


Changes in Number of Consultants and Clients

Unit: No. of persons

No. of consultants

No. of clients



ADVANTAGE CLUB's Reimbursement Results (Dissolution of association through sale of property)

- Since 2010, we have comprehensively assessed real estate market trends, property conditions and occupancy levels, etc. 31 properties are sold by resolution of the association members and the proceeds are distributed to the association members.

Part of the properties sold (Generally, the company considers selling after 6 to 8 years of partnership formation. The prospect of sale is approximately 10 years after the formation of the cooperative.)



Performance of property sales (Average of 31 associations dissolved due to property sales)

Average operation period	Per property (1000 yen) ※Rounded to the nearest thousand yen					Simply averaged annualized yield (rough estimate)
	Amount of composition A	average sales price B	profit and loss on sales C (B-A)	Accumulated average distributions D	Average differential balance (C+D)	
9 years and 3 months	10,000	11,137	1,137	4,529	5,666	6.12 %

Publication of 3 books

- Published 3 books on inheritance and business succession.
- We will further strengthen our efforts to attract new clients through the book and publication seminars,

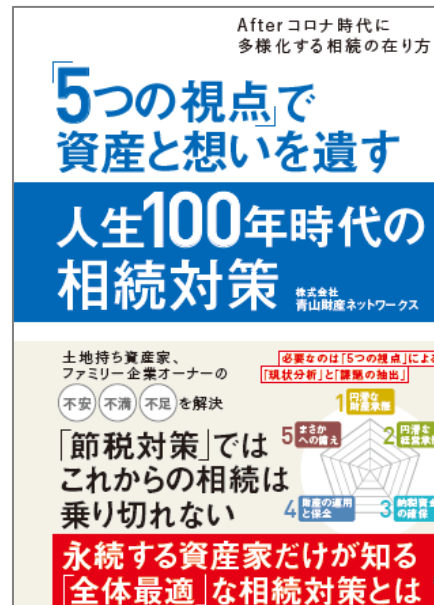
Released on October 30, 2021



Publisher: NIKKAN KOGYO SHIMBUN,LTD.
Price: 1,500 yen (tax excluded)

The concept, measures, and case studies are introduced in an easy-to-understand manner to help managers of small and medium-sized enterprises find the best exit for their business, such as when they have concerns about business succession.

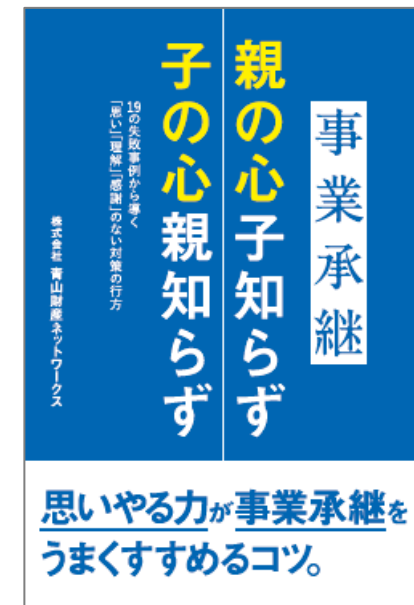
Released on November 11, 2021



Publisher: Nikkei Business Publications, Inc.
Price : 1,600 yen (tax excluded)

When land-owning asset holders and family business owners are concerned about inheritance and succession, we introduce how to find the "best inheritance strategy" to solve their problems from "five perspectives" in line with the concept of "holistic optimization".

Released on February 1, 2022



Publisher: Nikkei Business Publications, Inc.
Price: 1,500 yen (tax excluded)

When family business owners are worried about inheritance and succession.... Through 19 examples of failures caused by measures without "thought," "understanding," and "appreciation," this book introduces tips on how to successfully promote business succession.

Conducting seminars

- Seminars on asset and business succession are regularly held.
- We will continue to further strengthen our contacts with new clients through seminars.

日経 相続・事業承継フェア 2023

**次世代へ上手く
事業・財産承継
するために必要なこと**

会場 / アクセス 飯野ビルディング4階
イノホール
地下鉄「霞ヶ関駅」直結

開催日程 2023年 8月6日
10:00~16:10

代表取締役社長
蓮見 正純

年間600件の相談事例からわかる共通点とは

株式会社 青山財産ネットワークス
Aoyama Zaisan Networks Company, Limited

相続・事業承継セミナー

失敗しない
金融資産運用

アドバイザーをつけるという新しい選択肢

2023.08.24 木
10:00~11:30・18:00~19:30

2023.08.25 金
14:00~15:30

相澤 光 大垣 和美

株式会社 青山財産ネットワークス
Aoyama Zaisan Networks Company, Limited

土地持ち資産家必見!

**高収益不動産
の作り方**

セミナー終了後、
無料個別相談会も実施

講師 相澤 光
講師 浦崎 真平

開催日 11月10日 金 11月17日 金

時間 14:00~15:30 (開場: 13:30)

会場 東京 (青山一丁目駅前)

参加無料

読売新聞社ビジネス局主催

相続・不動産活用
カンファレンス2023

参加費：無料
事前予約制：定員400名

不動産投資をご検討中の方

次世代に上手く財産を承継
するために必要なこと

～不動産投資による相続対策の失敗例～

日時 11月26日
13:00~(開場 12:30~)

場所 ベルサール飯田橋駅前

■「飯田橋駅」A2出口徒歩2分 (東西線、有楽町線、南北線、大江戸線)
■「飯田橋駅」東口徒歩3分 (JR線)

講師 相澤 光

主催：オーナーズ・スタイル
共催：青山財産ネットワークス

財産の将来分析から導く
“戦略的”土地活用術

開催日時 1月17日(水), 24日(水)
14:00~15:30

開催場所 東京(青山一丁目駅)当社本社ビル

※両日程のセミナーは同内容です。ご都合の良い日程でお申し込みください。

資産運用の効率化・高収益化を極める!

事例から導く
「華麗なる資産管理会社」活用術

書籍プレゼント!!
参加無料

開催日時 3/13・21
14:00~15:30

東京(青山一丁目)当社本社ビル

森田貴之 相澤光

収益力UP・相続対策の要
資産管理会社の活用術

資産管理会社の設立から運用まで、失敗・成功事例を交えてわかりやすく解説!

開催日時 4月13日(土)
10:50~11:30

開催場所 新宿 NSビル

オーナーズスタイル主催
貴賓経営+相続対策 大家さんフェスタ

日経トップリーダー
プラチナフォーラム 2024 Spring

ファミリー企業は
どうしたら上手く
次世代に承継できるか?

代表取締役社長
蓮見 正純

開催日時 2024/ 04/26 Fri 13:00~17:00
講演時間 15:05~15:55

会場 ザ・グランドホール (品川)

申込対象 ・日経トップリーダープラチナ会員
・日経トップリーダー経営者クラブ および 関係組織会員



Please refer to the following URL for our IR information.

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

Aoyama Zaisan Networks Co., Ltd.

Corporate Finance Division

TEL 03-6439-5824 FAX 03-6439-5851

The statements in this document regarding earnings forecasts and other forward-looking statements are forecasts based on judgments made in accordance with information available at the time this document was prepared, and involve potential risks and uncertainties. Accordingly, please be aware that actual results may differ from these forecasts due to various factors.